

HOW AN ECONOMY GROWS *and* WHY IT DOESN'T

by IRWIN A. SCHIFF



With wit and humour Schiff explains:

- 1. The roots of economic growth.**
- 2. The economic benefits of underconsumption.**
- 3. Where savings come from.**
- 4. Why economic growth is dependant on savings.**
- 5. How consumer spending stifels economic growth.**
- 6. How capital is created.**
- 7. How governments destroy capital.**
- 8. The four uses of capital.**
- 9. How capital benefits even those who don't have any.**
- 10. The destructive nature of consumer credit.**
- 11. How free enterprise forces capitalists, no matter how mean and greedy, to benefit society, if they want to get richer.**
- 12. Why government can not expand credit.**
- 13. How the federal government loots society's limited store of savings.**
- 14. How the Federal Reserve operates as the U.S. Government's partner in crime.**
- 15. Where inflation comes from and why prices go up.**
- 16. How the government creates unemployment.**
- 17. The myth of government "jobs" programs.**
- 18. Why most politicians are deceivers. (this of course will not be news to many, but this book will allow you to cite chapter and verse.)**
- 19. How the U.S. government destroys America's ability to produce.**
- 20. Plus a whole lot more!**

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by **IRWIN A. SCHIFF**
Art by **VIC LOCKMAN**

BOOKS BY IRWIN SCHIFF

The Great Income Tax Hoax

How An Economy Grows and Why It Doesn't

**The Social Security Swindle — How Anyone Can Drop
Out**

How Anyone Can Stop Paying Income Taxes

The Kingdom of Moltz

The Biggest Con: How The Government Is Fleecing You

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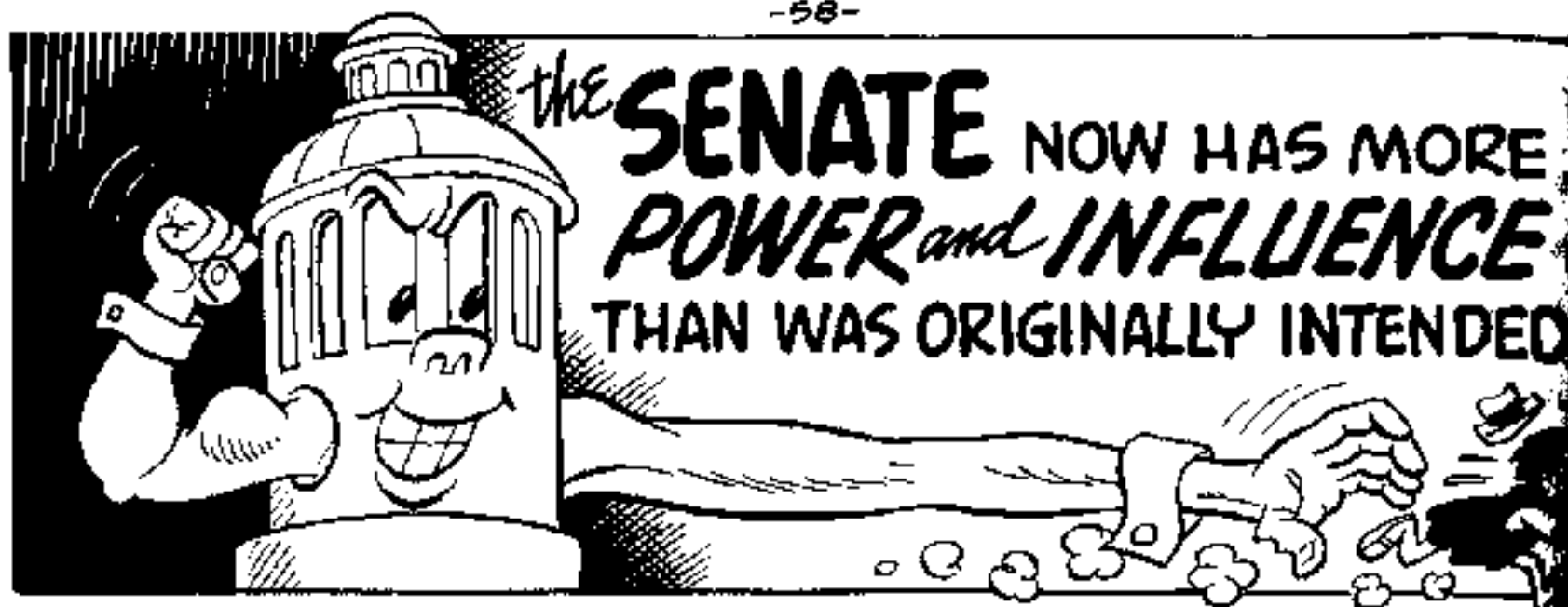
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FRANKLIN DEE V

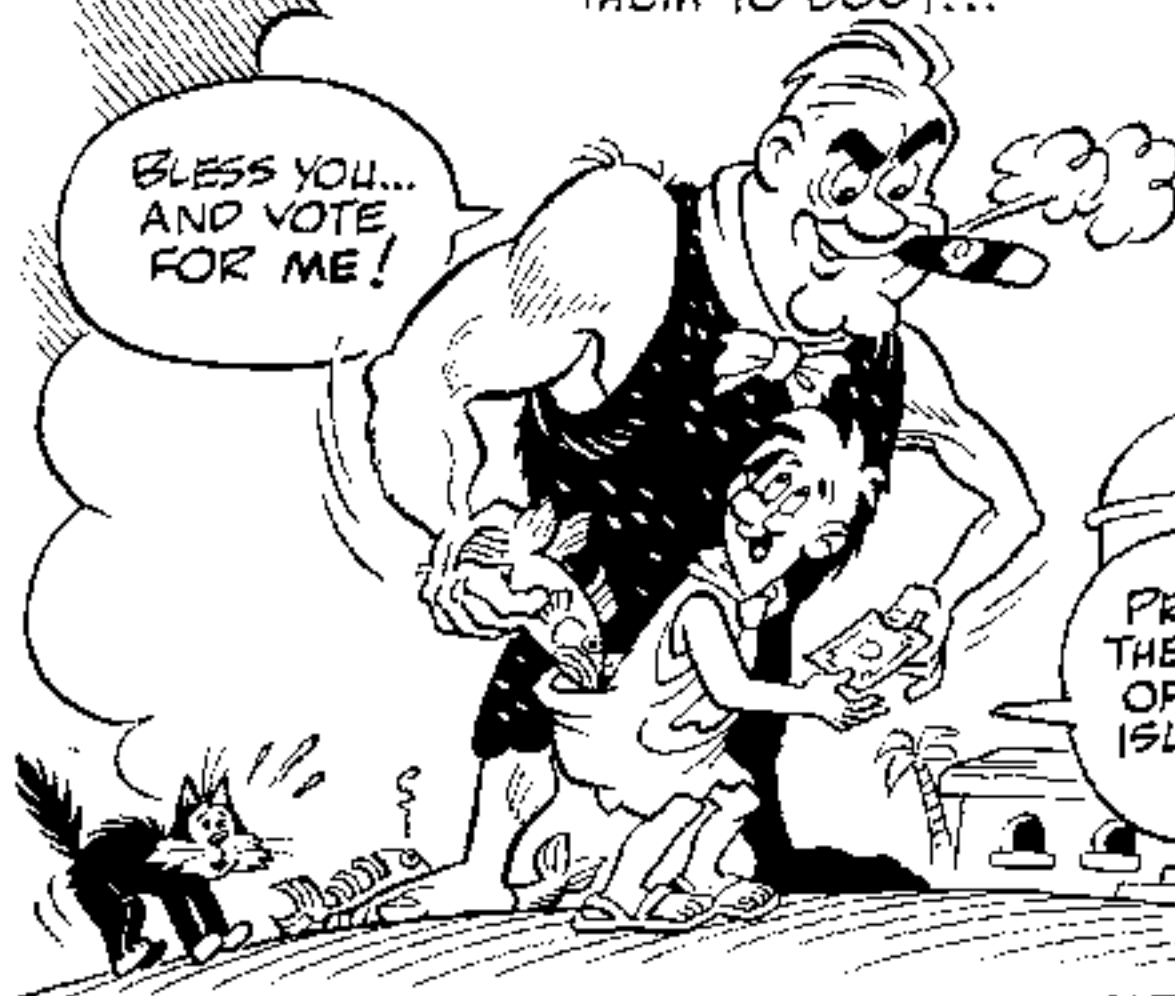
IS CHIEF
SENATOR NOW!
HE'S A
DIRECT
DESCENDANT
OF THE
ISLAND'S
ORIGINAL
BULLY!



HE WON
REELECTION
TO THE
SENATE
TIME AFTER
TIME THROUGH
THE FAVORS
SO MANY OF
THEM
THOUGHT HE
DID FOR
THEM!

BUT ALL THE TIME, AS A SENATOR, HE WAS
DOING FAVORS FOR THEM WITH THEIR
OWN MONEY (DOLLAR SIGN) AND OVERCHARGING
THEM TO BOOT...

BLESS YOU...
AND VOTE
FOR ME!



NOTE:
FRANKLIN'S
TAXING
ARM IS
VERY
BIG
BUT HIS
FAVOR
ARM IS
EMACIATED

NOW FRANKLIN
WAS ALWAYS
LOOKING FOR
NEW WAYS TO
BESTOW
VOTE-GETTING
FAVORS
TO KEEP
HIMSELF IN
OFFICE...

HMMM
HMMM!

THINK TANK

HMMMM... THE NEW DIRECTOR OF THE BANK, **SEYMOUR GOODBANK**, A DIRECT DESCENDANT OF **MAX GOODBANK**, THE BANK'S FOUNDER, IS REJECTING A NUMBER OF REQUESTS FOR COMMERCIAL AND CONSUMPTION LOANS! THERE MUST BE A WAY TO USE THESE REJECTED LOAN APPLICANTS! HMMM...

SORRY! I'M A
CONSCIENTIOUS
GUARDIAN OF
THE ISLAND'S
SAVINGS!

STINGY!

BAH!

TIGHTWAD!

FRANKLIN HAD A
BUREAUCRATIC
BRAINSTORM...

ZAP!

AND THE SENATE PASSED A **NEW LAW...**



NOW JUST ABOUT EVERY
TOM, DRIE, AND HARRY
COULD GET A GOVERNMENT
LOAN...AND THE SENATORS
HAD BOUGHT ANOTHER
BIG BLOCK OF VOTERS!

BUT JUST
WHOSE
FISH-MONEY
IS BEING
LOANED
OUT
?

THE
GOVERNMENT
DOESN'T
POSSESS EVEN
A PIGGY
BANK OF
SAVINGS!



NOW THAT EVERY
ONE VOTES...EVERY
ONE ALSO HAS TO
PAY TAXES!

YOU GUESSED IT...GOVERNMENT LOANS REALLY
COME FROM TAXING SOCIETY'S PRODUCERS,
HENCE REDUCING
WHAT THEY CAN
SAVE, AND
DIMINISHING THE
ISLAND'S LIMITED
SUPPLY OF SAVINGS
FOR SOUND
INVESTMENTS!



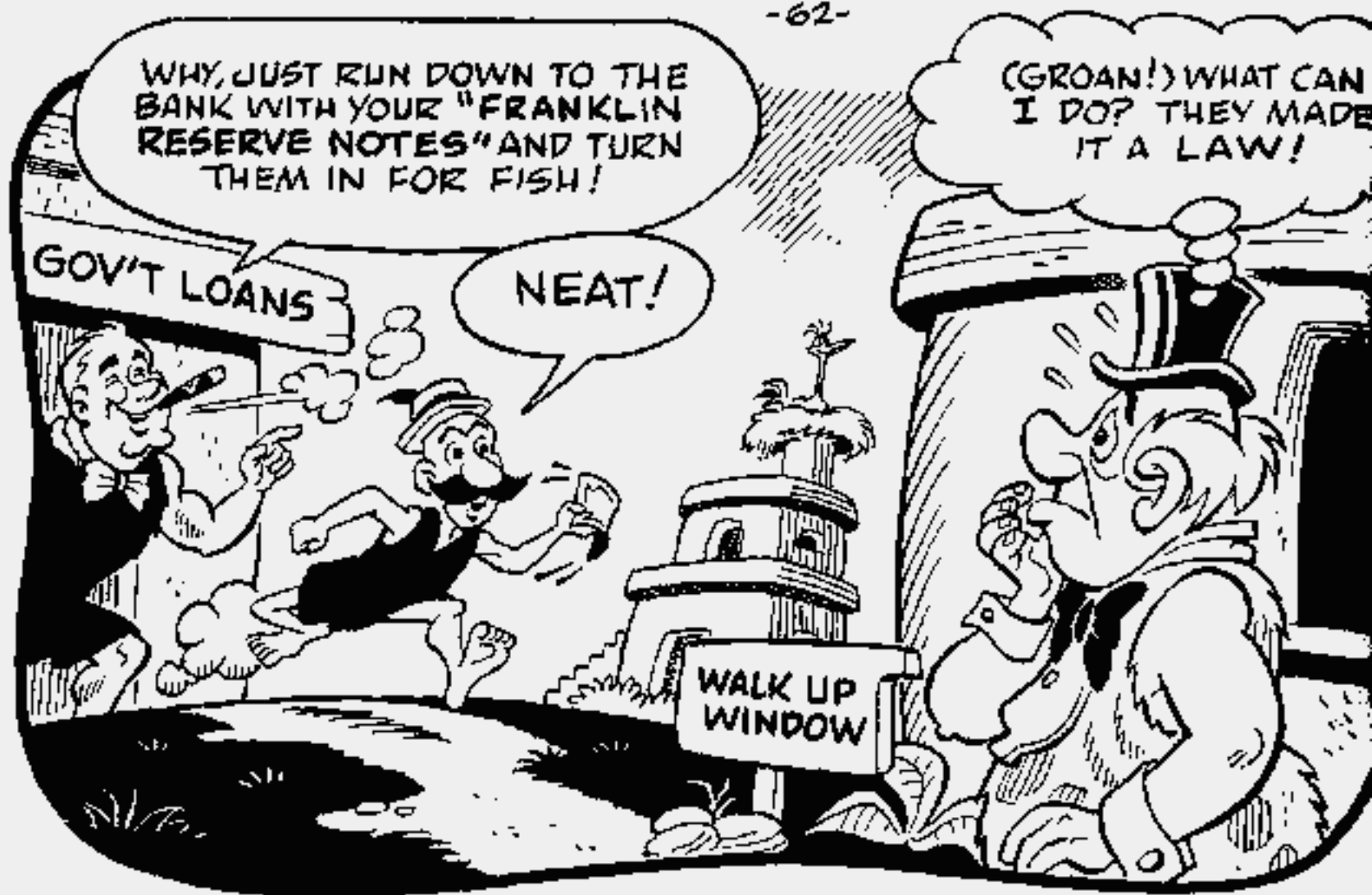
BANK

BUT MOST OF GOVERNMENT LOANS WERE MADE IN A MORE
SNEAKY AND INDIRECT WAY! THE GOVERNMENT ISSUED BIG
BATCHES OF **FRANKLIN RESERVE NOTES!**

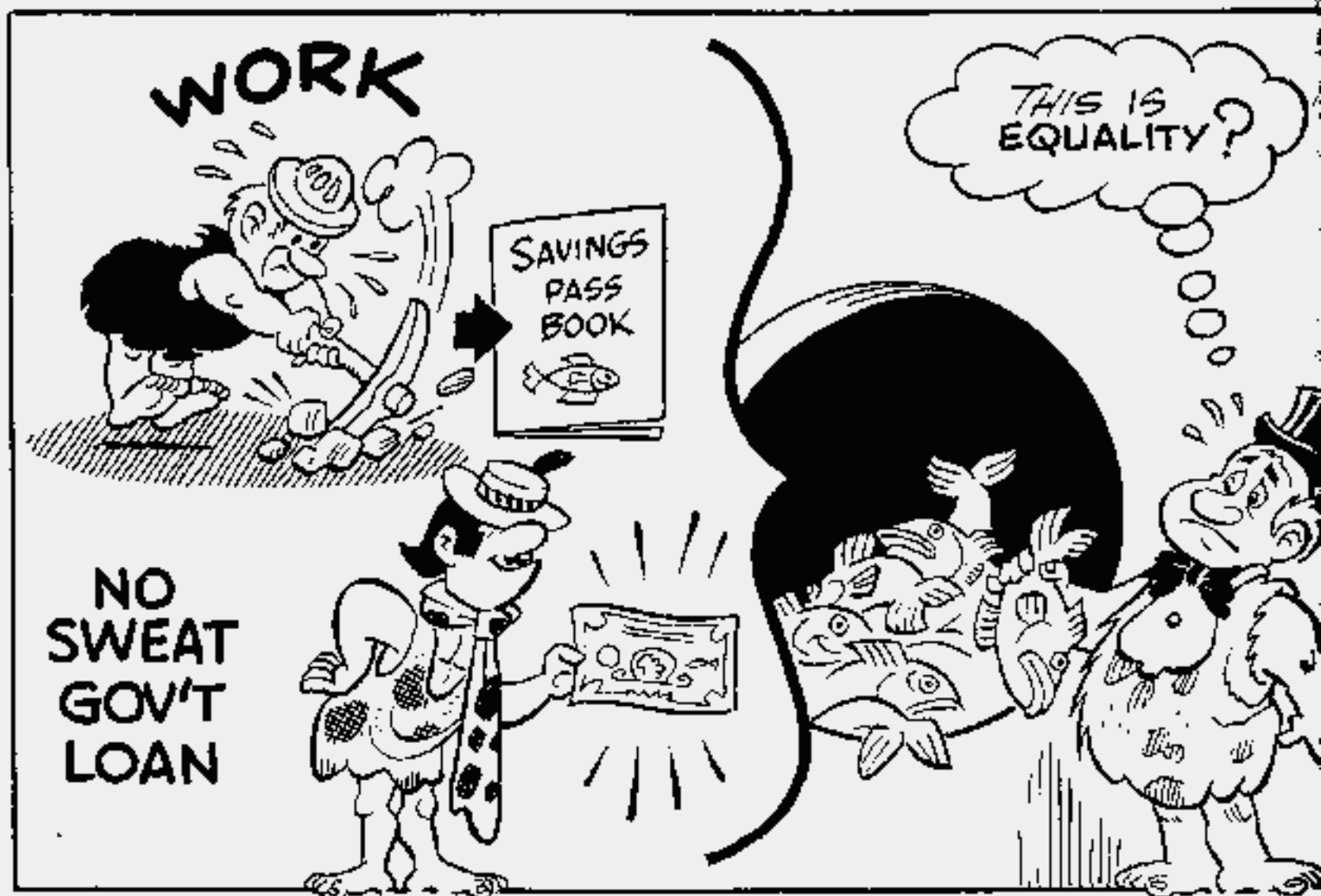
ALL I NEED IS
PAPER AND INK
TO MAKE
LOANS!

HUH? WHAT DO
WE DO WITH
THESE PIECES
OF PAPER?





NOW A SAVER'S CLAIM TO FISH HE HAD *WORKED FOR* AND DEPOSITED AS EVIDENCED BY HIS *DEPOSIT BOOK*, WAS NO BETTER CLAIM TO HIS PRODUCTIVITY THAN WHAT COULD BE WITHDRAWN WITH *FRANKLIN RESERVE NOTES*...



THUS, THE GOVERNMENT PROVIDED PRODUCERS AND NON-PRODUCERS ALIKE WITH THE SAME "DEMOCRATIC" ACCESS TO THE COMMUNITY'S STORE OF SAVINGS!

BUT NO MATTER HOW YOU SLICE IT
...WHETHER A MAN'S PROPERTY
IS TAKEN BY A **THUG** OR BY A
FUNNY MONEY
SCHEME
IT'S STILL CALLED

THEFT!



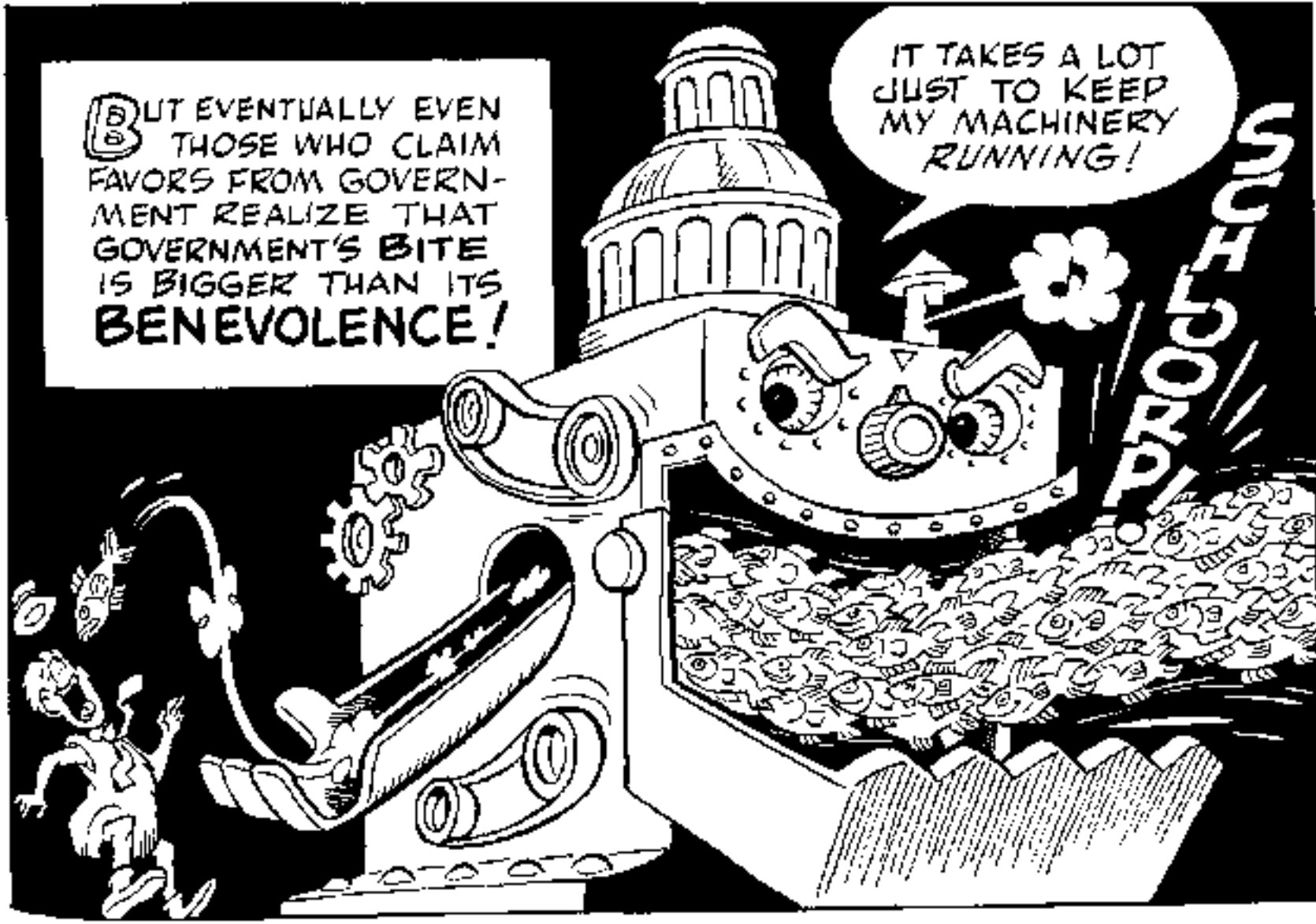
LET BIG
BROTHER
DO IT!



...THE ONLY DIFFERENCE BEING THAT
SOME THIEVES LET THE GOVERNMENT
DO THEIR DIRTY WORK FOR THEM!

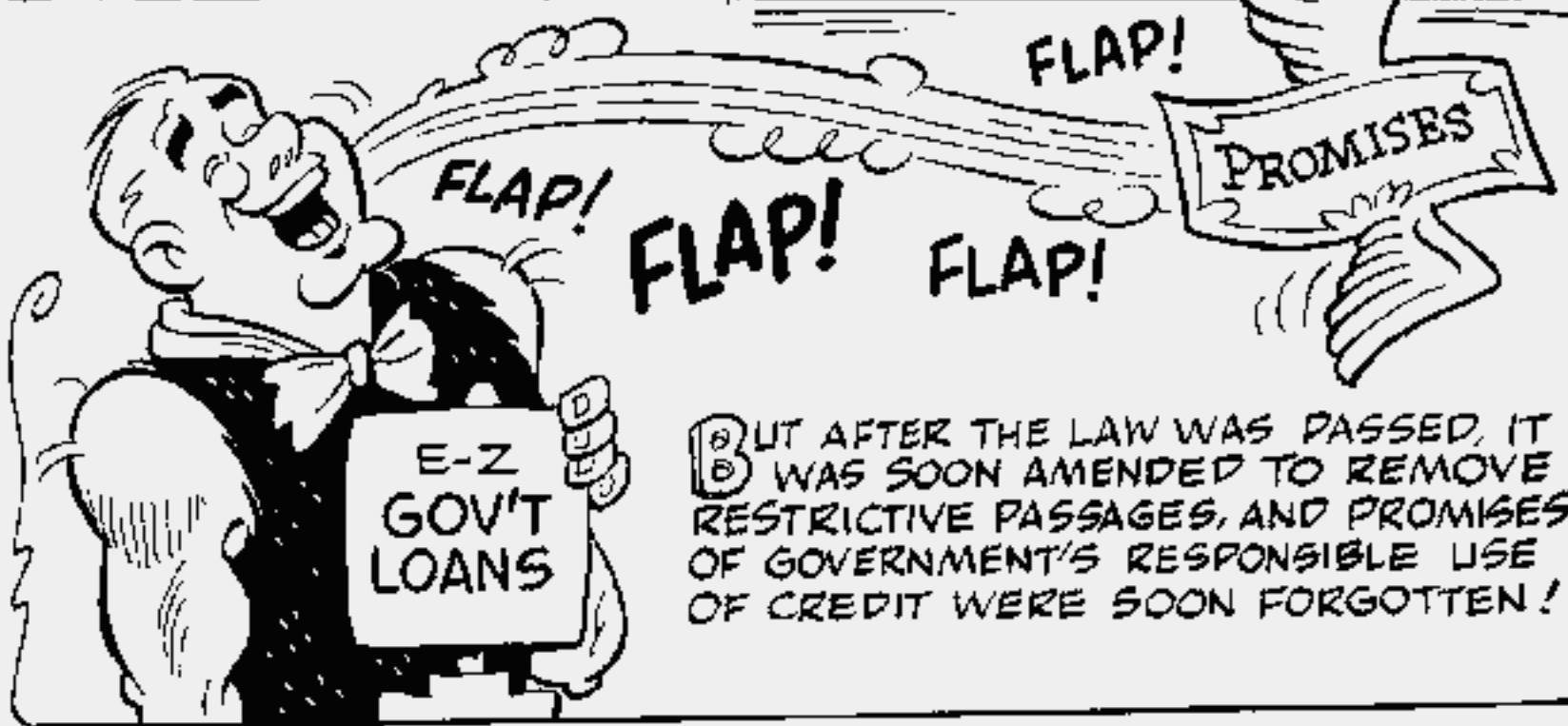
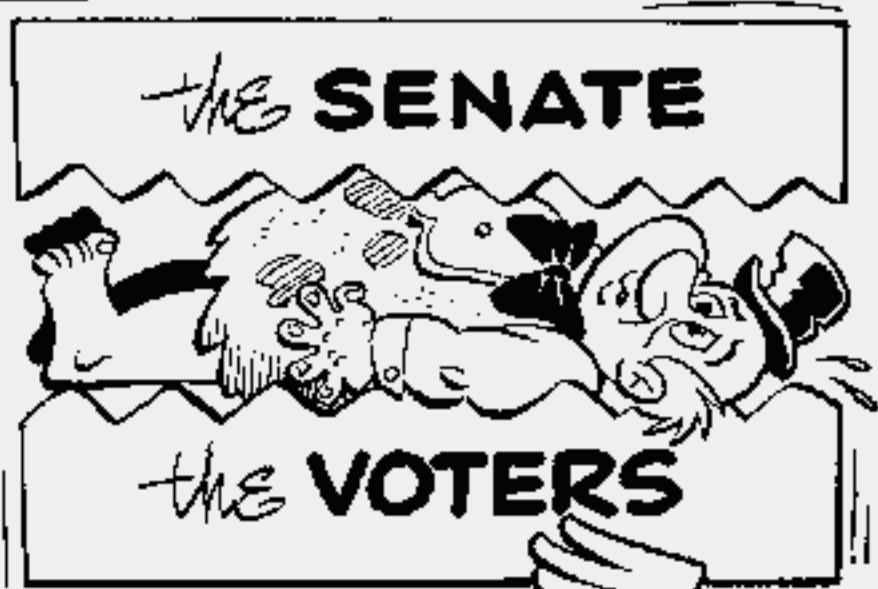
BUT EVENTUALLY EVEN
THOSE WHO CLAIM
FAVORS FROM GOVERN-
MENT REALIZE THAT
GOVERNMENT'S BITE
IS BIGGER THAN ITS
BENEVOLENCE!

IT TAKES A LOT
JUST TO KEEP
MY MACHINERY
RUNNING!



PRESSURE FROM ABOVE and PRESSURE FROM BELOW

WHEN THE IDEA FOR A FRANKLIN RESERVE SYSTEM WAS FIRST PROPOSED TO MR. GOODBANK, HE VIGOROUSLY OPPOSED IT, AND SO THE SENATORS AGREED TO WIELD THEIR CREDIT POWER JUDICIOUSLY! BESIDES, THE GREEDY VOTERS AND POWERFUL SENATE WERE AN IRRESISTIBLE FORCE, AND THE LAW WAS PASSED!



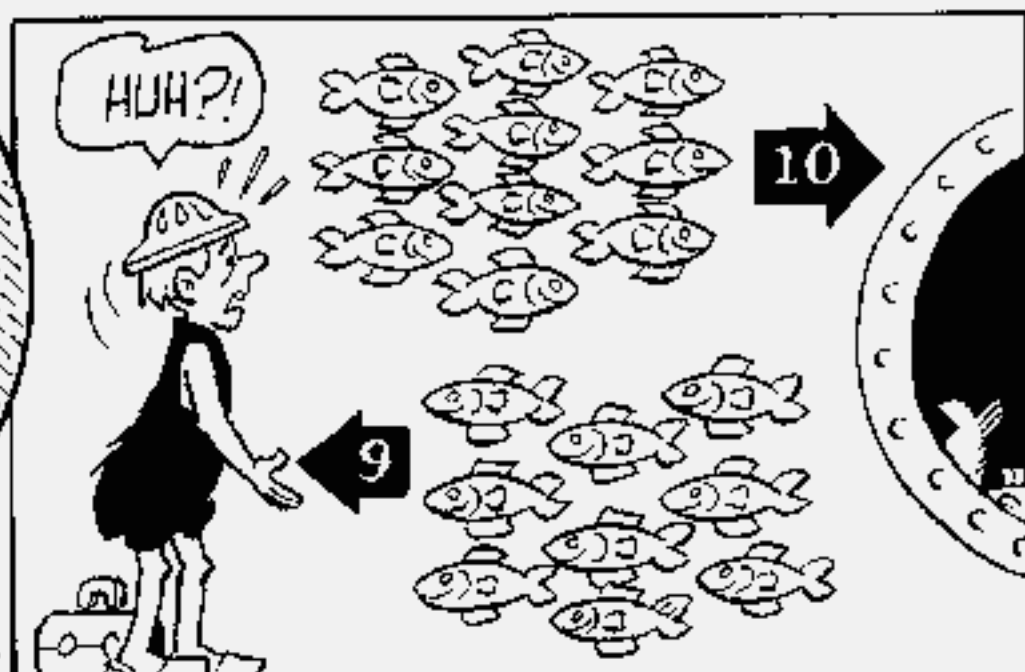
BUT AFTER THE LAW WAS PASSED, IT WAS SOON AMENDED TO REMOVE RESTRICTIVE PASSAGES, AND PROMISES OF GOVERNMENT'S RESPONSIBLE USE OF CREDIT WERE SOON FORGOTTEN!

AND SO, AT THE END OF THE FIRST YEAR, A LARGE VOLUME OF FISH HAD BEEN WITHDRAWN FROM THE BANK BY MEANS OF FRANKLIN RESERVE NOTES...



INSTEAD OF THE SAVERS
HAVING A PROFIT THIS
YEAR, THEY'VE SUFFERED
A LOSS!

NOW I CAN
RETURN ONLY
9 FISH FOR EVERY
10 PUT IN!



IF THE SAVERS FIND
OUT THEY MAY WITH-
DRAW THEIR FISH AND
QUIT USING MY BANK!

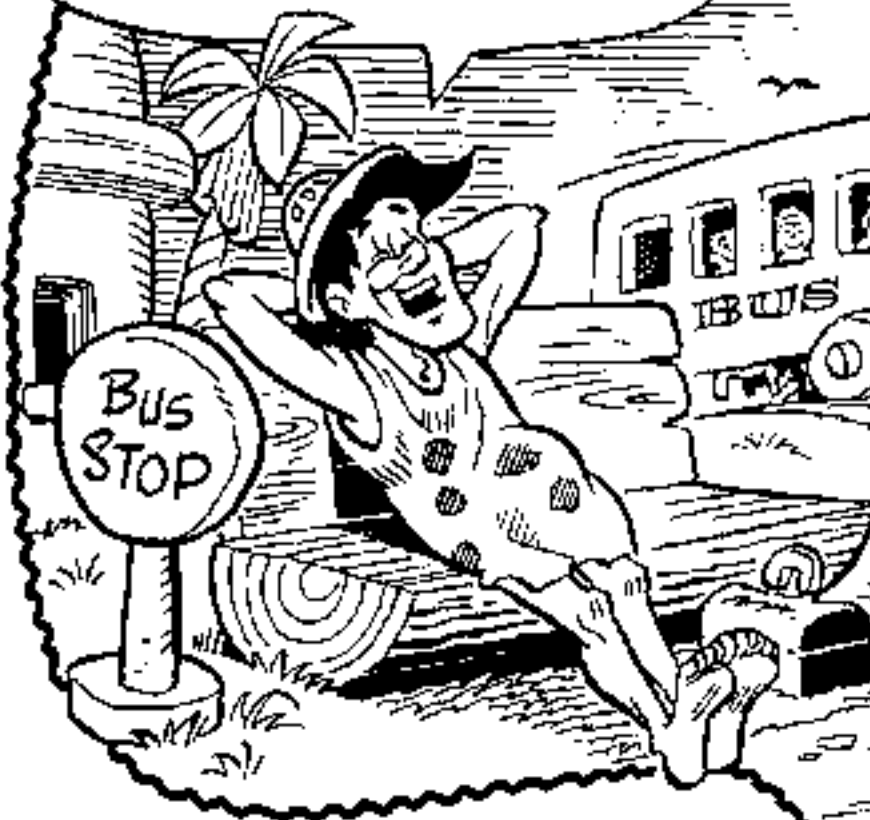


SO
MONEY-
BAGS IS
OUT OF
BUSINESS!
SO WHAT?
WHO
CARES?



EVERYBODY
SHOULD CARE,
SIR! THE WHOLE
ISLAND IS
DEPENDANT
UPON
SAVINGS!

SO? PEOPLE WILL
JUST SAVE THEIR FISH
AT HOME, MONEYBAGS!

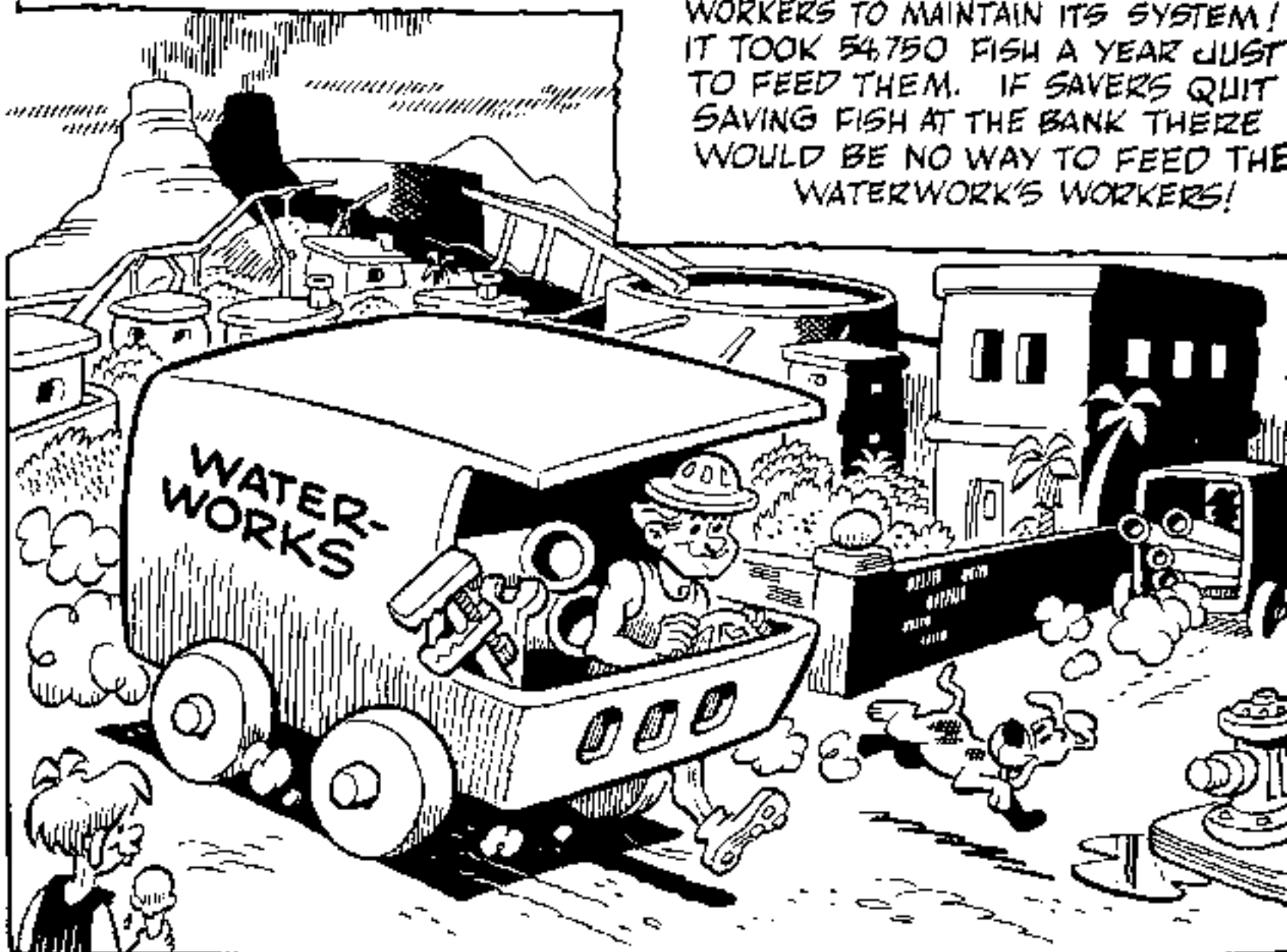


SEE HERE, MR. FORGETFUL...
THAT WILL PUT US BACK MANY
YEARS! THERE WILL BE NO
POOL OF CAPITAL AVAILABLE
TO MAINTAIN THE CAPITAL
EQUIPMENT WE NOW RELY
ON, MUCH LESS CAPITAL
FOR NEW PROJECTS!

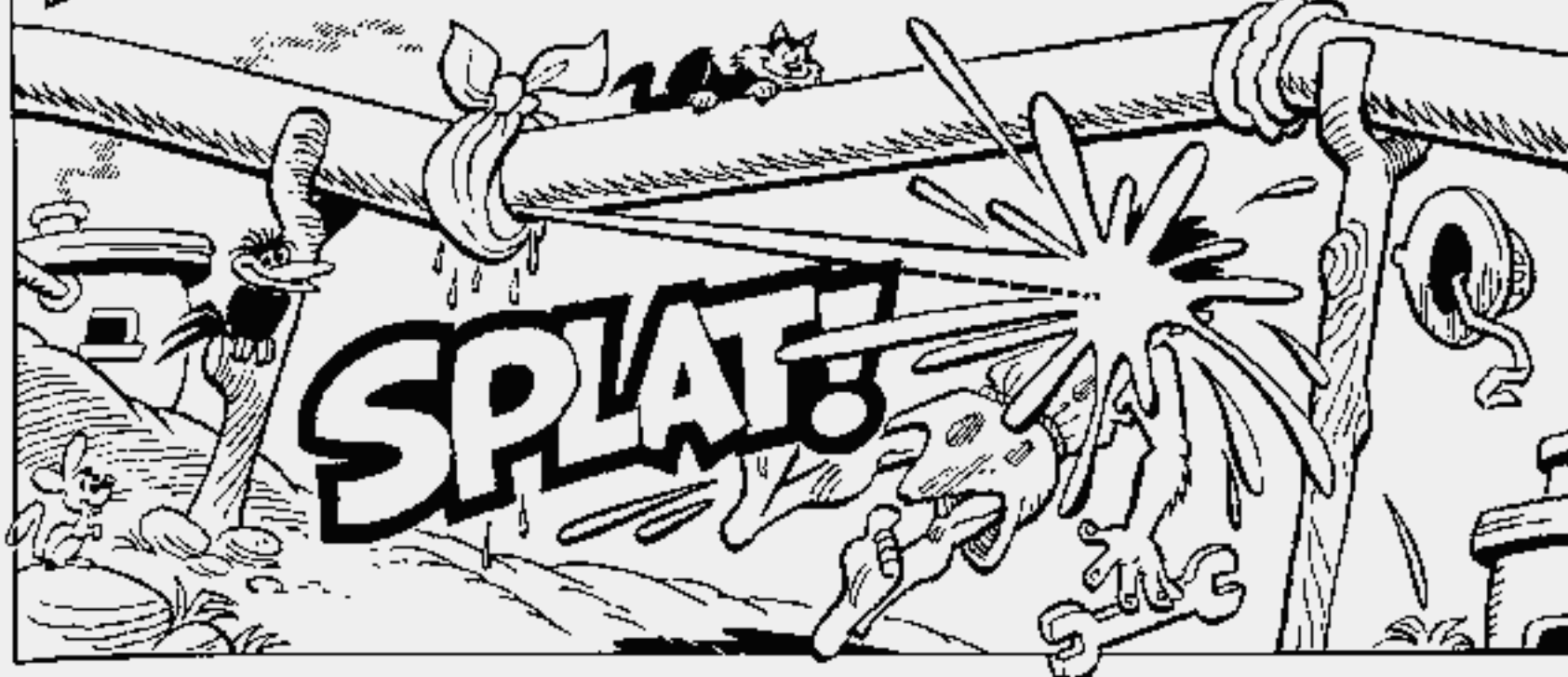


GOODBANK WAS THINKING OF
THE WATERWORKS, NOW
GREATLY EXPANDED TO
FURNISH WATER TO THE
REMOTEST CORNER OF THE
ISLAND...

THE WATERWORKS NOW EMPLOYED 150
WORKERS TO MAINTAIN ITS SYSTEM!
IT TOOK 54,750 FISH A YEAR JUST
TO FEED THEM. IF SAVERS QUIT
SAVING FISH AT THE BANK THERE
WOULD BE NO WAY TO FEED THE
WATERWORK'S WORKERS!



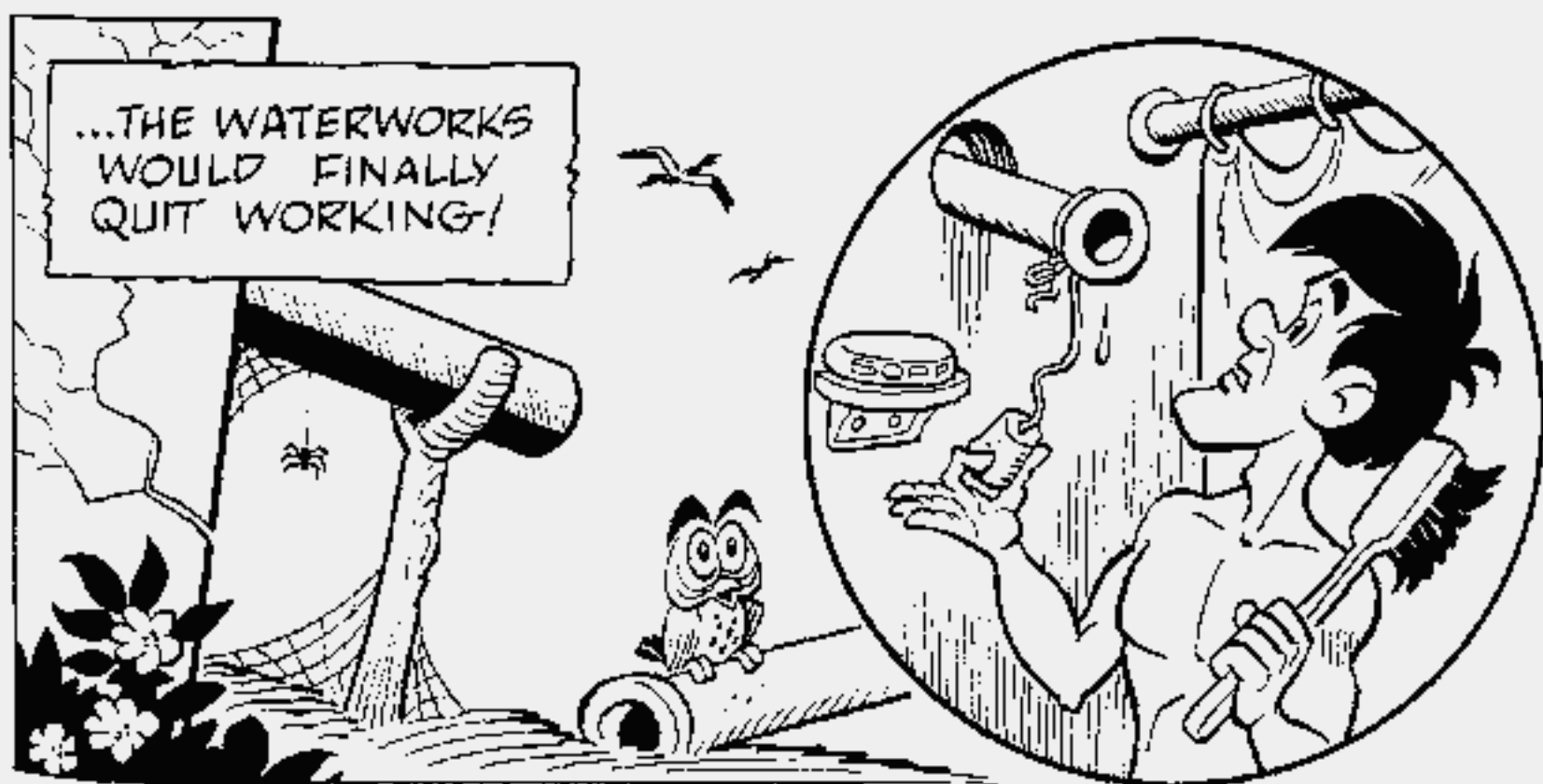
THEN THERE ARE MAINTENANCE AND REPAIR COSTS...



IF ALL THE WORKERS WALKED OFF THE JOB TO **FISH** FOR A LIVING AGAIN...



...THE WATERWORKS WOULD FINALLY QUIT WORKING!

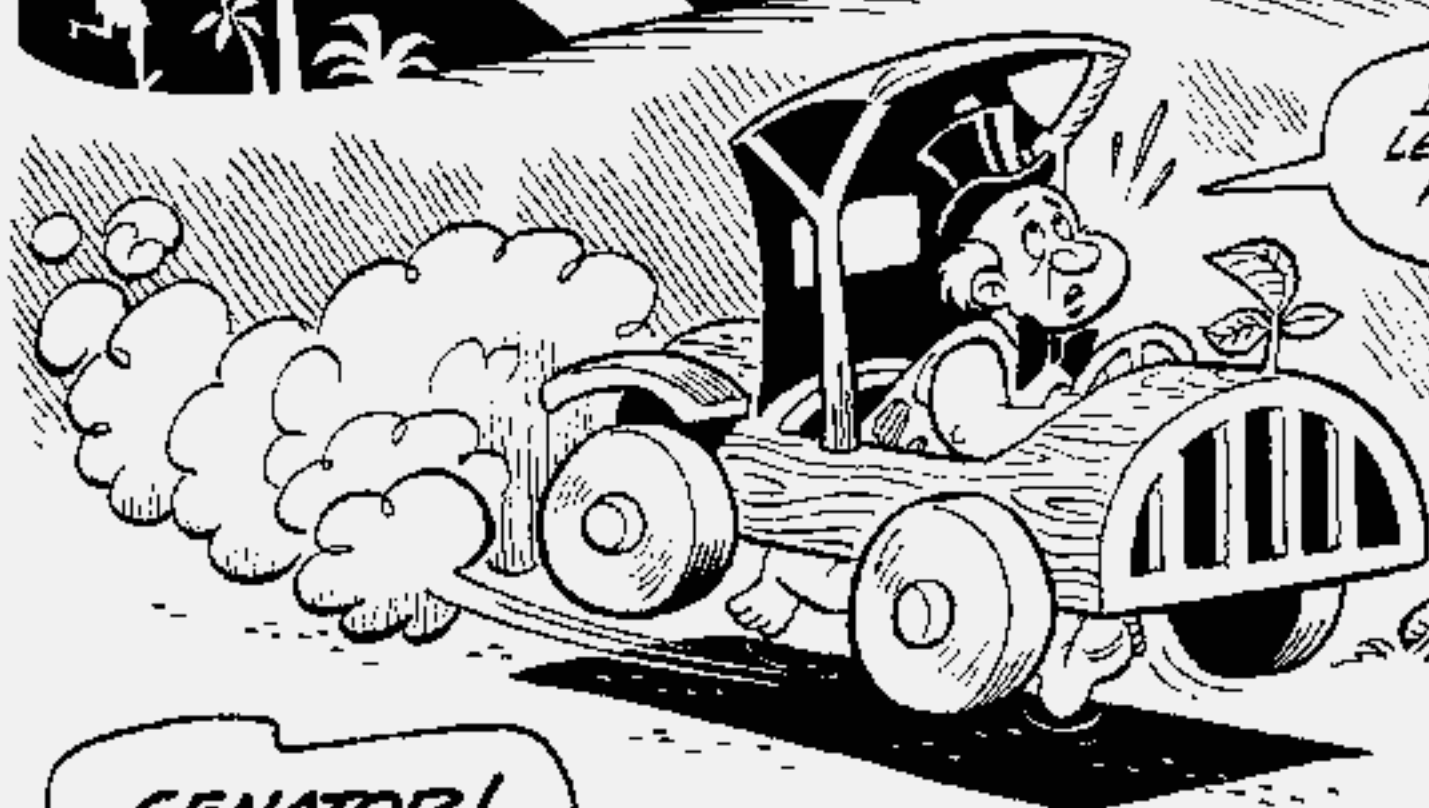


AND THE ISLAND'S
ENTIRE
ECONOMY WOULD
BE IN BIG TROUBLE
AS PEOPLE WOULD
HAVE TO
RELOCATE NEAR
ACCESSIBLE
WATER AGAIN...

BACK TO THE
OLD BUCKET
TOTING AGAIN!

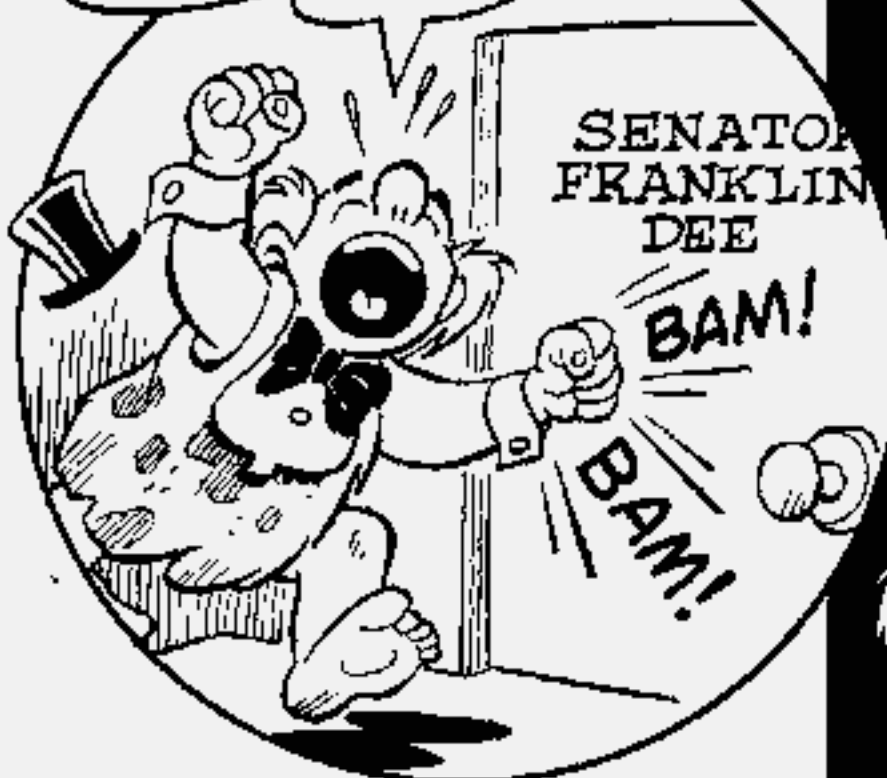
UGH!

I
HAVEN'T
FOUND
A NEW
JOB
YET!



I CAN'T
LET THAT
HAPPEN!

**SENATOR!
SENATOR!**

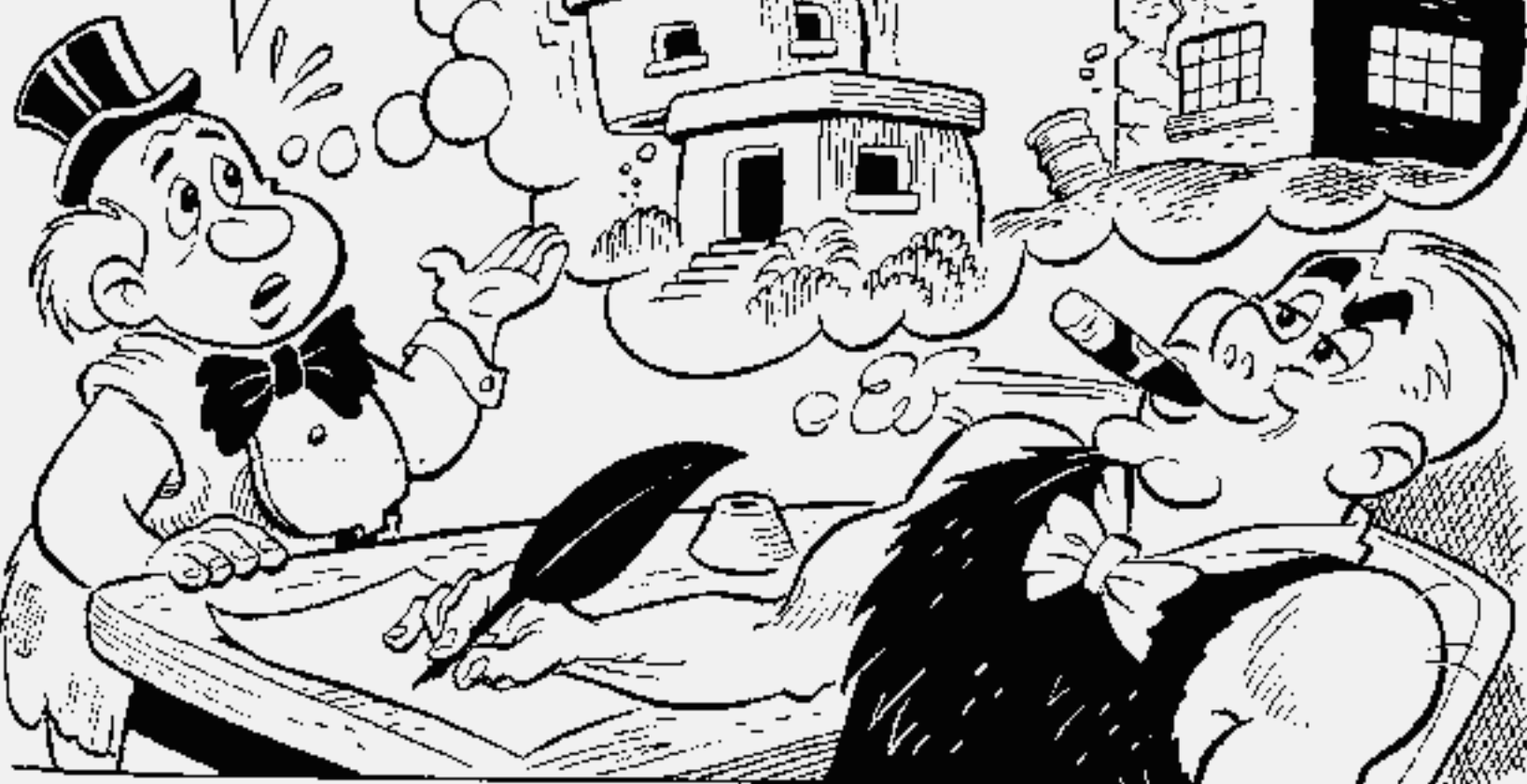


SENATOR
FRANKLIN
DEE
BAM!
BAM!

GOODBANK SPILLS HIS
TROUBLES TO FRANKLIN...



ONCE THE SAVERS ON THE ISLAND REALIZE THAT THEY ARE **LOSING** THEIR SAVINGS STORED AT MY BANK THEY WILL STOP SAVING! YOU WILL THEN SEE OUR WHOLE ECONOMY **COLLAPSE...** LIKE WATCHING AN EARTHQUAKE IN SLOW MOTION!



DON'T GET SO EXCITED, GOODBANK! WHY SHOULD THE SAVERS HAVE TO KNOW THAT THEIR SAVINGS ARE SHRINKING AND NOT GROWING?



WHY, IT'S NOW DECEMBER! IN A FEW WEEKS I'LL BE GIVING ALL DEPOSITORS THEIR ANNUAL STATEMENTS. INSTEAD OF HAVING THE USUAL 12 TO 13 FISH PER 10 SAVED, EACH DEPOSITOR WILL ONLY HAVE 8 OR 9!



TUT-TUT, GOODBANK! WE OF THE SENATE ARE FORESIGHTED...WE'LL FIX IT SO THE SAVERS CAN'T TELL THEY'RE COMING OUT *SHORT*!

BRING ON THE *FISH* TECHNICIANS!

FISH LAB

LOOK! WE'VE BEEN COLLECTING DISCARDED *FISH* SKINS AND SKELETAL REMAINS WITH HEAD AND TAIL!

FISH LAB

NOW LET'S OPEN UP A *GENUINE* DRIED FISH!

PLOP!

SCAPEL...FISH GLUE...ACTION!

WH-WHAT'S GOING ON?

THEY'RE TAKING SOME OF THE MEAT FROM THE *GENUINE* DRIED FISH AND PUTTING IT AROUND A SKELETON AND COVERING IT WITH AN OLD FISH SKIN!

...AND **PRESTO!** WHAT WAS ONCE **GARBAGE** NOW LOOKS LIKE A **GENUINE FISH!** NOW WE HAVE **TWO FISH!**

AMAZING!



WE'LL USE THESE **"OFFICIAL FISH"** FOR MONEY, AND THE DEPOSITORS...

THE DEPOSITORS WILL GET WISE!

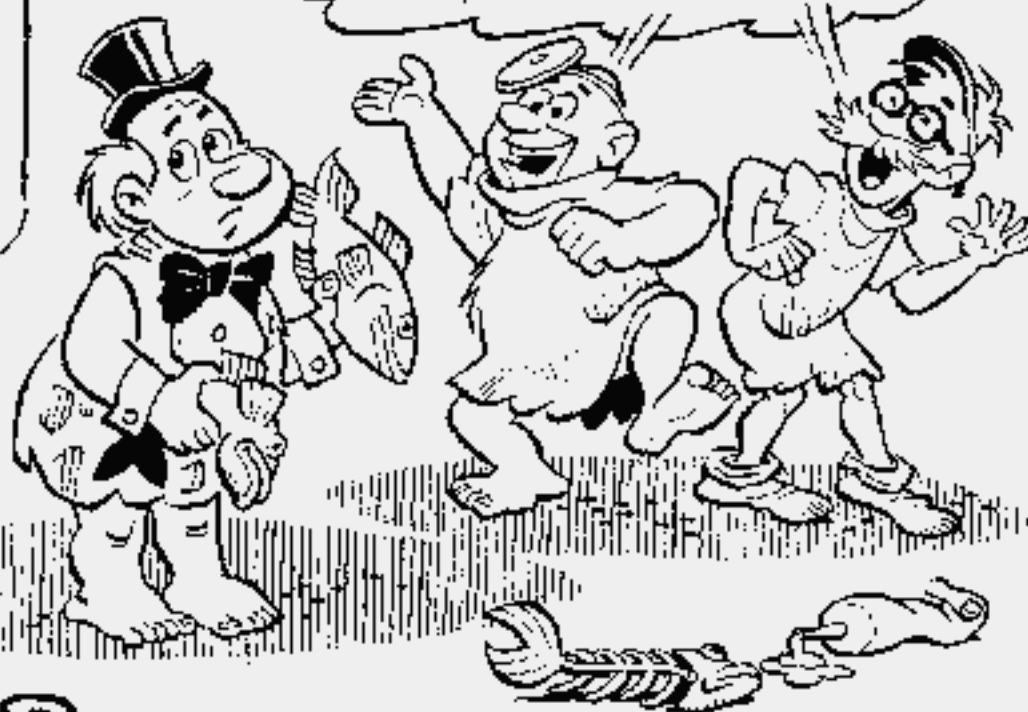


SEE? YOUR **"OFFICIAL FISH"** LOOK SKIMPY NEXT TO A GENUINE DRIED FISH!



OFFICIAL FISH NEED NOT BE THAT SMALL. WE'LL MAKE 5 OFFICIAL ONES OUT OF EVERY 4 REAL ONES, SO THEY'LL ONLY BE 20% SMALLER. IN ADDITION, WE'LL PASS A LAW TO PREVENT ISLANDERS FROM COMPARING THEM TO REAL FISH!

YES, PASS A LAW!



WE'LL SAY OUR SCIENTISTS HAVE DISCOVERED THE DREAD "POLUTYOO DISEASE" IN FISH, AND WE'LL REQUIRE EVERYONE TO TURN IN THEIR GENUINE FISH FOR OFFICIALLY DECONTAMINATED FISH!

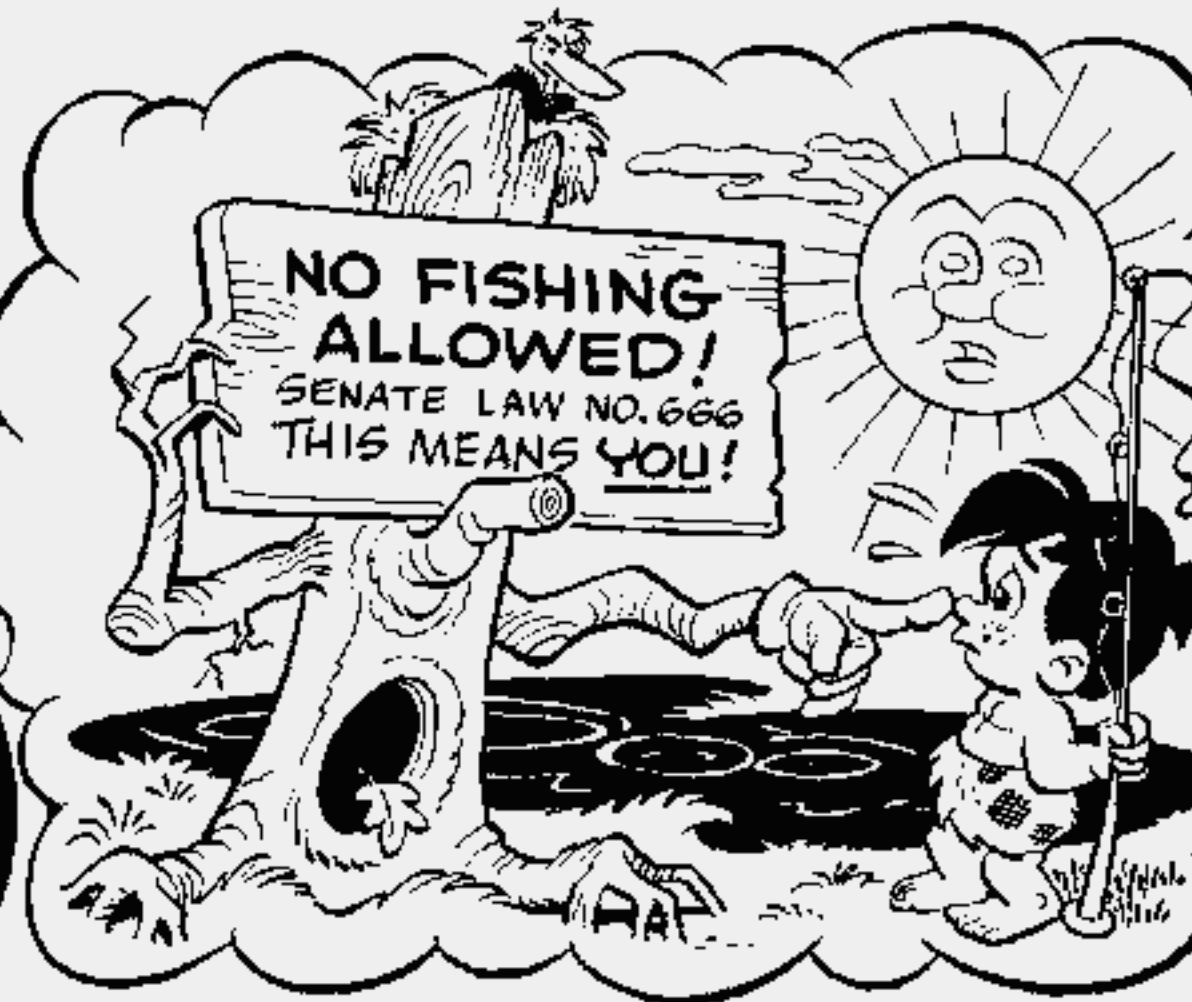


THE DECONTAMINATION PROCESS WILL HELP EXPLAIN WHY "OFFICIAL FISH" LOOK A LITTLE FUNNY!

FOR SOCIETY'S PROTECTION, ANY ISLANDER CAUGHT STORING, SELLING, OR EATING "CONTAMINATED" UNOFFICIAL FISH WILL BE PUNISHED, FINED, AND IMPRISONED!



ALSO... IT'LL BE AGAINST THE LAW FOR ANYONE BUT AN "OFFICIAL FISHER" TO CATCH FISH FROM THE SEA!



YOU'LL NEED LOTS OF
UNDAMAGED FISH
REMAINS TO MAKE
THIS OPERATION WORK,
SENATOR DEE!

WE'LL MERELY PASS ANOTHER TAX! IN
ADDITION TO HIS REGULAR FISH TAX,
EACH CITIZEN WILL BE REQUIRED TO
PAY A TAX OF 365 FISH CARCASSES
AND SKINS PER YEAR!



WHY WOULD
CITIZENS TURN IN
THEIR FISH
CARCASSES AND
SKINS IN GOOD
CONDITION?

WE'LL TELL THEM
THAT TO PREVENT
POLLUTION ALL FISH
REMAINS WILL BE
PROCESSED THROUGH
OUR SPECIAL
DISPOSAL
SYSTEM...

...AND THAT ONLY
REMAINS IN GOOD CON-
DITION CAN PASS THROUGH
OUR EQUIPMENT. NO ONE
WILL GET TAX CREDIT
FOR REMAINS TURNED IN
IN POOR CARCASS
CONDITION!



BUT WAIT...IN THE LONG RUN THIS
WON'T WORK! EVENTUALLY THE REAL
FISH SUPPLY NEEDED TO SUPPORT
CONSUMPTION REQUIRE-
MENTS FOR CAPITAL REPLACE-
MENT AND GROWTH WILL
DISAPPEAR!

SENATE
CHAMBER

"THE WHOLE
ECONOMIC
STRUCTURE
OF THE
ISLAND
WILL
COLLAPSE,"
POINTED OUT
GOODBANK!





"GREAT SOCIETY," INDEED! IT WOULD BE A GREAT SWINDLE! IF THERE'S ONE TRAIT YOU SENATORS HAVE IN COMMON IT'S DISHONESTY! I'LL CLOSE THE BANK AND TELL THE PEOPLE TO SAVE THEIR FISH AT HOME BEFORE I GO ALONG WITH...

WE'VE HEARD ENOUGH!

GUARDS!

GOODBANK'S PARTING WORDS FALL ON DEAF EARS...

GET CHESLEY BARTIN IN HERE!

THIEVES! MURDERERS!

CHESLEY, YOU'RE THE NEW DIRECTOR OF FISHBANK...ER, UNDER OUR SUPERVISION!

WHERE'S MY RUBBER STAMP, SENATORS?

THE NEXT MORNING...

WHY, IT... IT'S SEYMOUR GOODBANK'S BODY!

YES, AND IT'S PLAIN TO SEE THAT HE DIED OF NATURAL CAUSES!



EULOGIES WASHED WITH CROCODILE TEARS ARE OFFERED...

WE'LL HAVE A SPECTACULAR FUNERAL!



BUT HOW COULD THE ISLANDERS HAVE KNOWN THAT NOT ONLY HAD THEY BURIED GOODBANK, BUT THE ISLAND'S TRADITION FOR HONEST BANKING AS WELL!

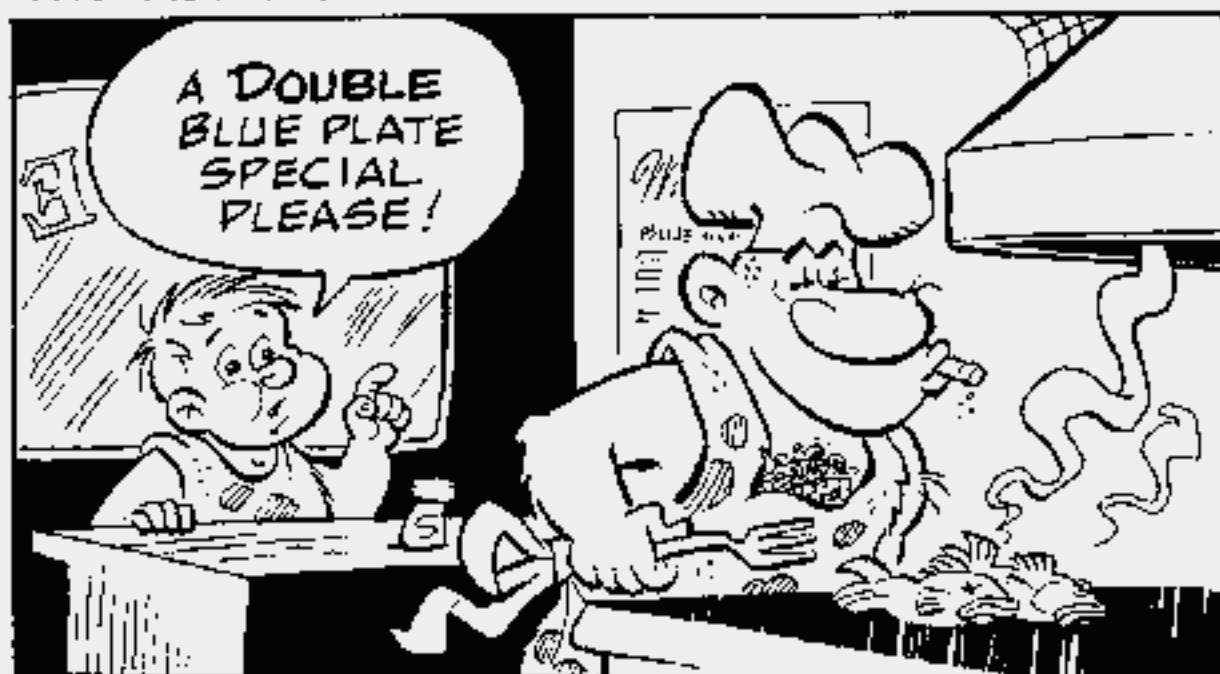
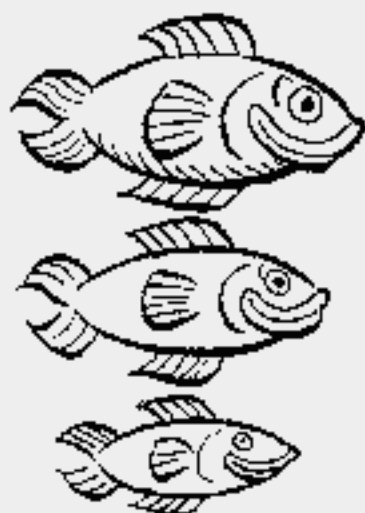
CHESLEY BARTIN NOW EXECUTED FRANKLIN DEE'S SCHEME, AND IT WORKED... THE TRANSITION FROM GENUINE FISH TO "OFFICIAL FISH" WAS MADE...

THE ISLANDERS NEVER SUSPECTED THE DISHONEST RELATIONSHIP BETWEEN THEIR SENATORS AND THE BANKER...



BUT AS TIME PASSED MANY MORE FRANKLIN RESERVE NOTES WERE ISSUED SO MANY MORE "OFFICIAL FISH" HAD TO BE MADE FROM REAL ONES. OFFICIAL FISH BECAME SMALLER AND SMALLER...

EVENTUALLY "OFFICIAL FISH" WERE HALF THE SIZE OF REAL FISH. AS A RESULT, THE ISLANDERS NOW CONSUMED TWO FISH A DAY INSTEAD OF ONE...



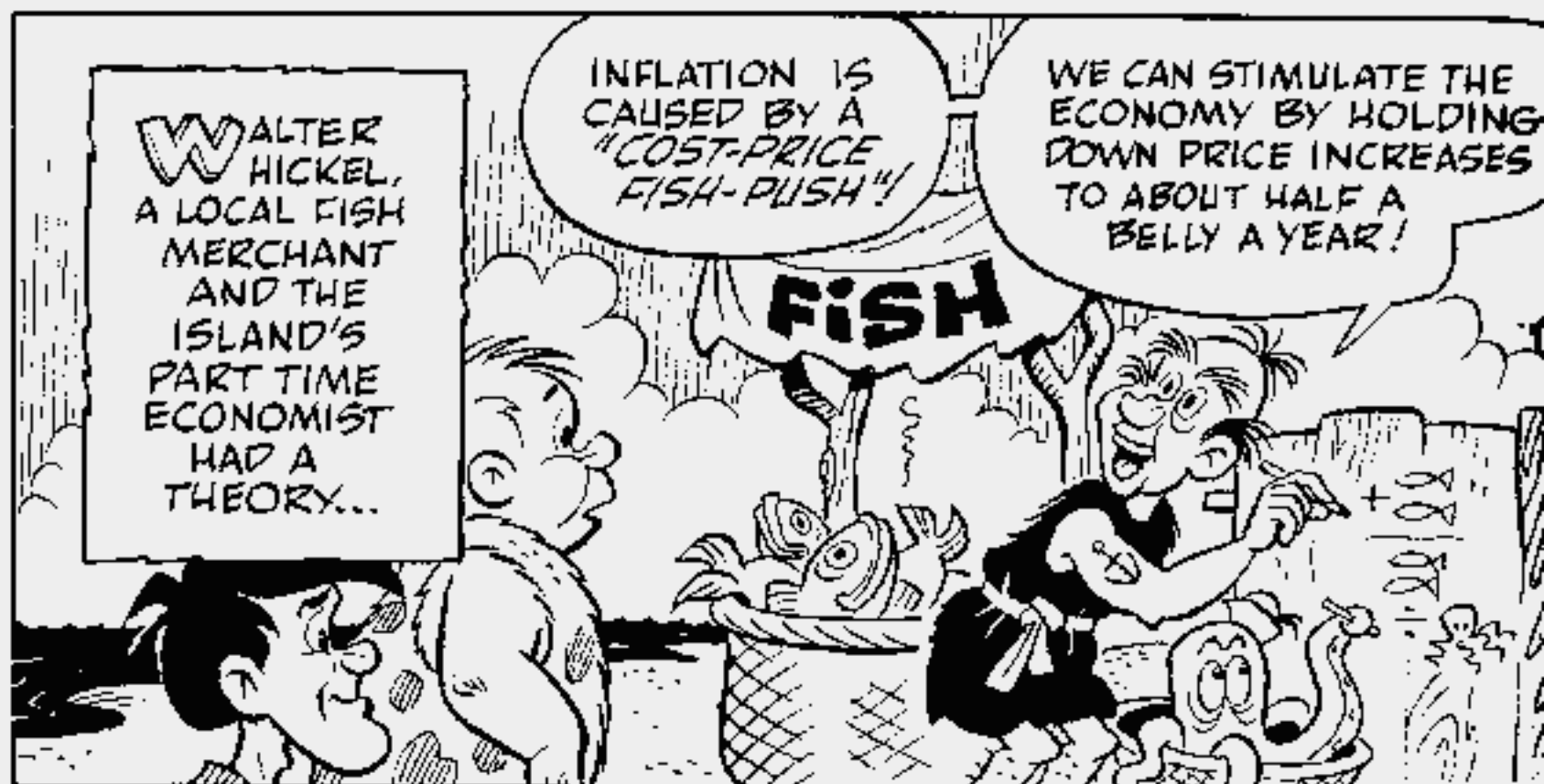
PRICES, WHICH HAD BEEN GEARED TO THE ISLANDERS' DAILY FISH CONSUMPTION, WERE NOW DOUBLE WHAT THEY HAD BEEN BEFORE "FRANKLIN RESERVE NOTES" HAD BEEN INTRODUCED...

WHY ARE PRICES GOING UP?

INFLATION!



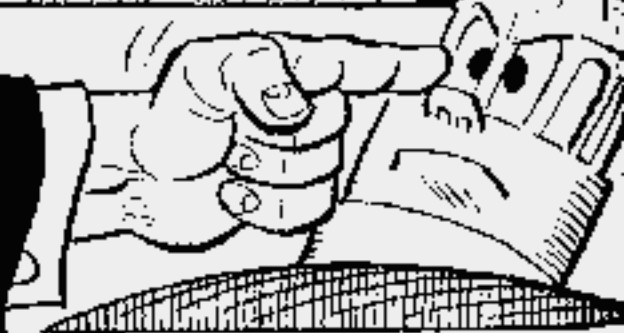
INFLATION'S CAUSE



THE GOVERNMENT
BUBBLED OVER
WITH EXPLANATIONS...



BUT NOBODY THOUGHT OF POINTING A
FINGER AT GOVERNMENT, THE
REAL CAUSE OF INFLATION!



SINCE OFFICIAL FISH WERE NOW SO MUCH SMALLER THAN NORMAL FISH, THE GOVERNMENT WAS FORCED TO PASS YET ANOTHER LAW.

WE HAD BETTER DO SOMETHING TO PREVENT FISHERMEN FROM NOTICING HOW LARGE REAL FISH ARE!

I'M ONE STEP AHEAD OF YOU ON THAT ONE! WE'LL SAY THAT OUR SCIENTISTS DISCOVERED THAT FISH TAKEN DIRECTLY FROM THE SEA EMIT HARMFUL RADIATION! TO PROTECT THEIR EYES,

"OFFICIAL FISHERMEN" WILL BE REQUIRED TO WEAR THESE SPECIAL "FISH GLASSES!"

THIS WAY WE CAN KEEP OUR SCAM GOING INDEFINITELY!

IN ADDITION, TO ASSURE THE ISLANDERS THAT THEIR FISH WERE SAFE IN THE BANK, THE GOVERNMENT CREATED THE **FDIC...** FISH DEPOSIT INSURANCE CORPORATION

THIS LAW WILL SHOW THE PUBLIC HOW CONCERNED WE ARE ABOUT THEIR SAVINGS!

YEAH, AND IF THEY THINK THEIR SAVINGS ARE INSURED, THEY WON'T NOTICE HOW THEY ARE **SHRINKING!**

Member
FDIC

SO THE GOVERNMENT
AND THE BANK
CONTINUED TO
MANUFACTURE
SMALLER & SMALLER
"OFFICIAL FISH"... AND
MORE AND MORE
"FRANKLIN RESERVE
NOTES" WERE ISSUED!
WAGES AND PRICES,
THEREFORE, CONTINUED
UP, UP, UP!

AND BY THE TIME
"OFFICIAL FISH" WERE
ONLY A THIRD THE
SIZE OF NORMAL FISH,
PRICES
WERE UP **200 %**
FROM WHAT THEY
HAD BEEN PRIOR TO
THE CIRCULATION OF
"FRANKLIN
RESERVE NOTES"!

WAGES

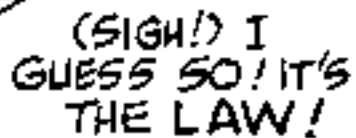
PRICES

200% STRATOSPHERE

NOW YET ANOTHER
LAW CONTROLLING
"OFFICIAL
FISHERMEN"
WAS PASSED...

THEY MUSTN'T
EVEN TOUCH
REAL FISH!

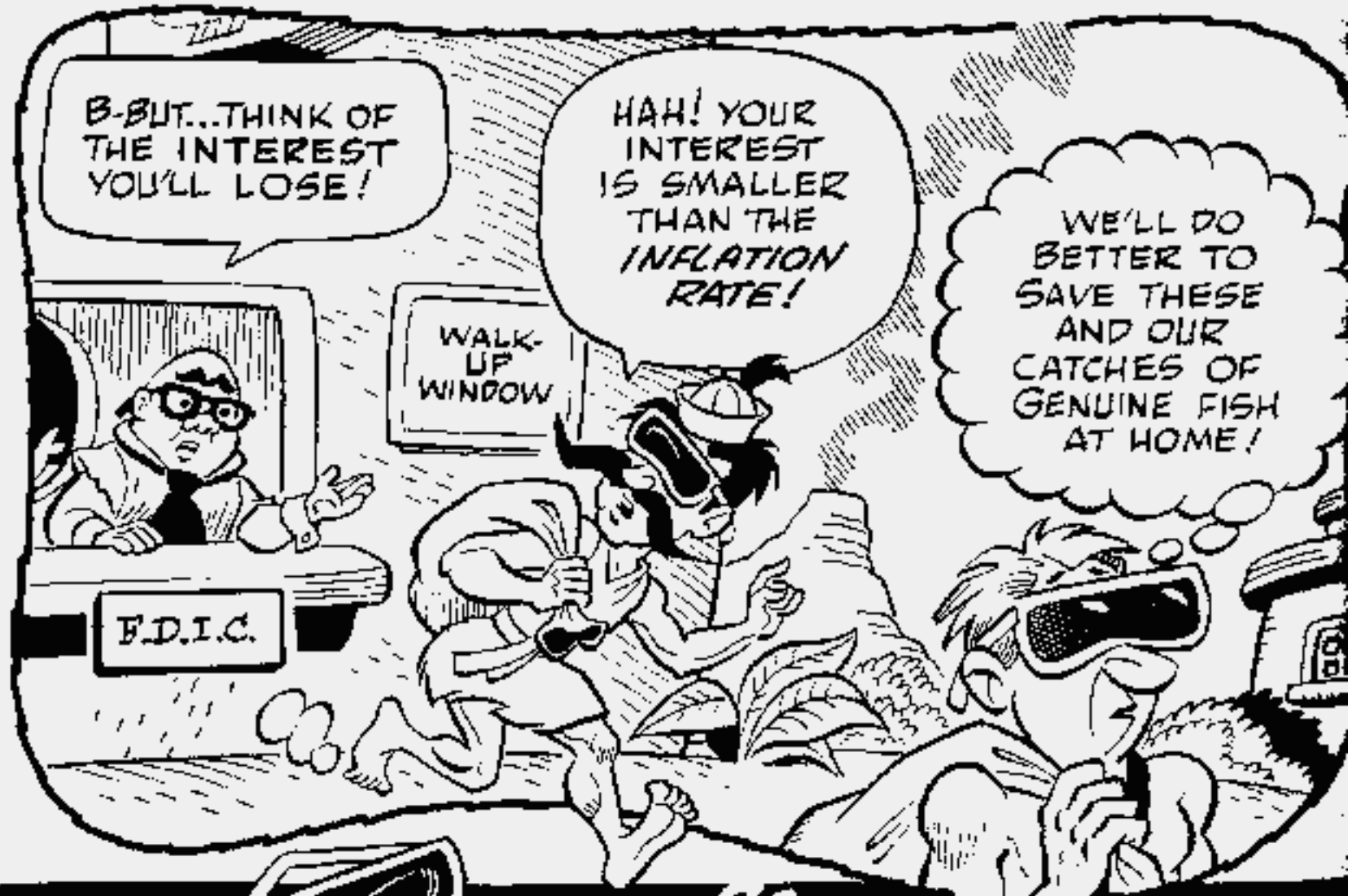
STAMP!



BUT YOU CAN'T FOOL ALL OF THE FISHERMEN ALL OF THE TIME! SOME DARING FISHERMEN DETECTED THE FRAUD...



THESE "LAWBREAKERS" WITHDREW THEIR "OFFICIAL FISH" SAVINGS FROM THE BANK...



MORE AND MORE FISHERMEN PEEKED AND DECIDED TO KEEP THE REAL FISH THEY CAUGHT, ETC....IT WAS A "CRIME-WAVE"...



FEWER REAL FISH FOUND THEIR WAY INTO OFFICIAL CHANNELS AND A LIVELY **BLACK MARKET** IN REAL FISH DEVELOPED...

THE FISHERMEN AREN'T BRINGING FISH INTO PORT ANY MORE!

BUT THERE'S A LOT OF FISHY BUSINESS GOING ON SENATOR!

THIS HAS GOT TO STOP! WE'LL SEND OUT SWARMS OF SEARCH PARTIES!



THOSE "LAWBREAKERS" FOUND IN POSSESSION OF REAL FISH WERE PROSECUTED...

CAUGHT YOU RED SNAPPER-HANDED, BONY AND CLOD!

CRASH!

EEK!



CRIME DOESN'T PAY!

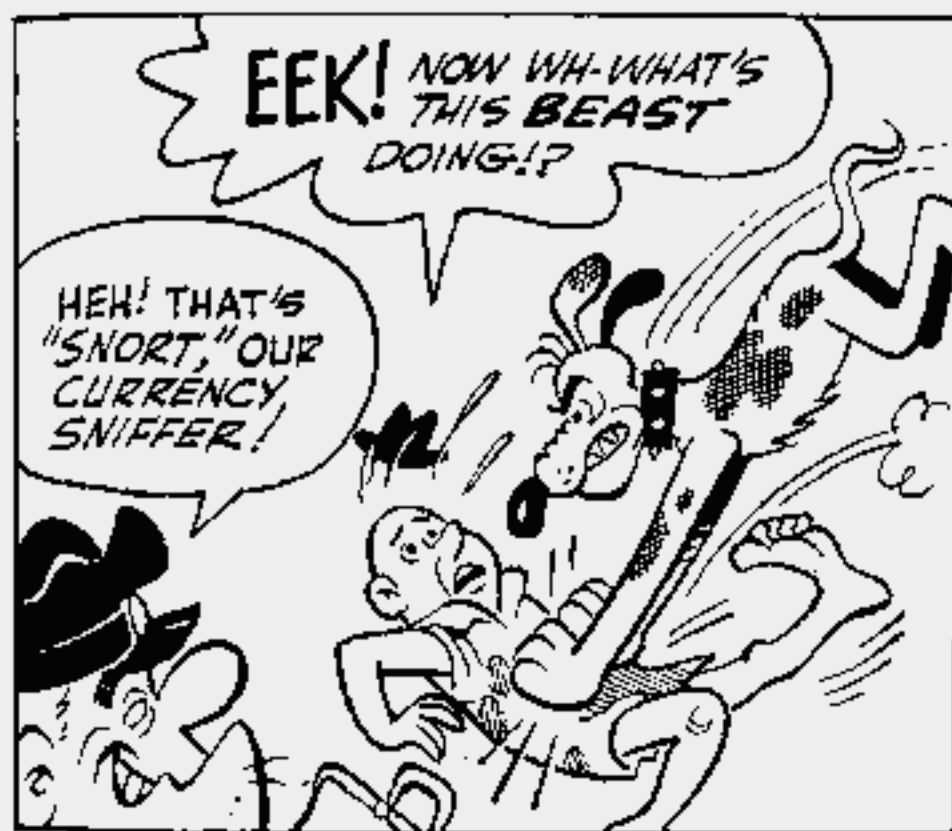
BUT THERE WERE OTHER "LEGAL" WAYS AROUND THE ANTI-FISH LAWS...



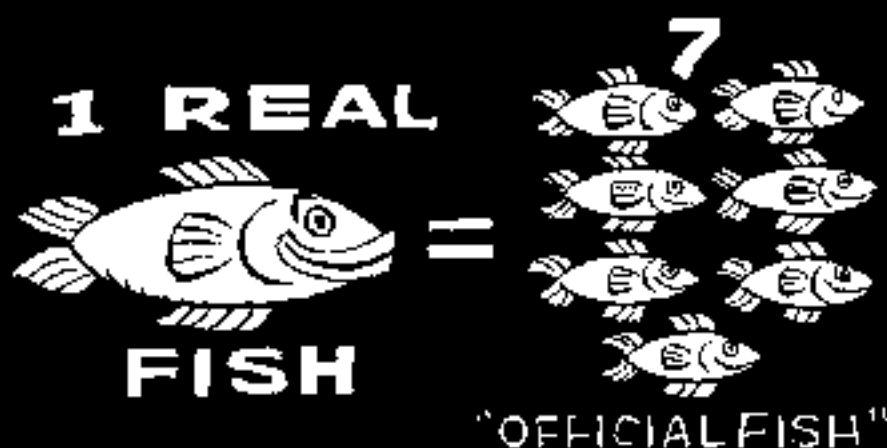
-84-
"OFFSHORE BANKING" OF REAL FISH BECAME
POPULAR AMONG FISH-WISE CITIZENS.



THE SENATE PASSED STILL MORE LEGISLATION, SUPPOSEDLY TO APPREHEND CRIMINALS, AND NOW ISLANDERS LEAVING THE LAND TO TRAVEL ABROAD ARE TARGETED...



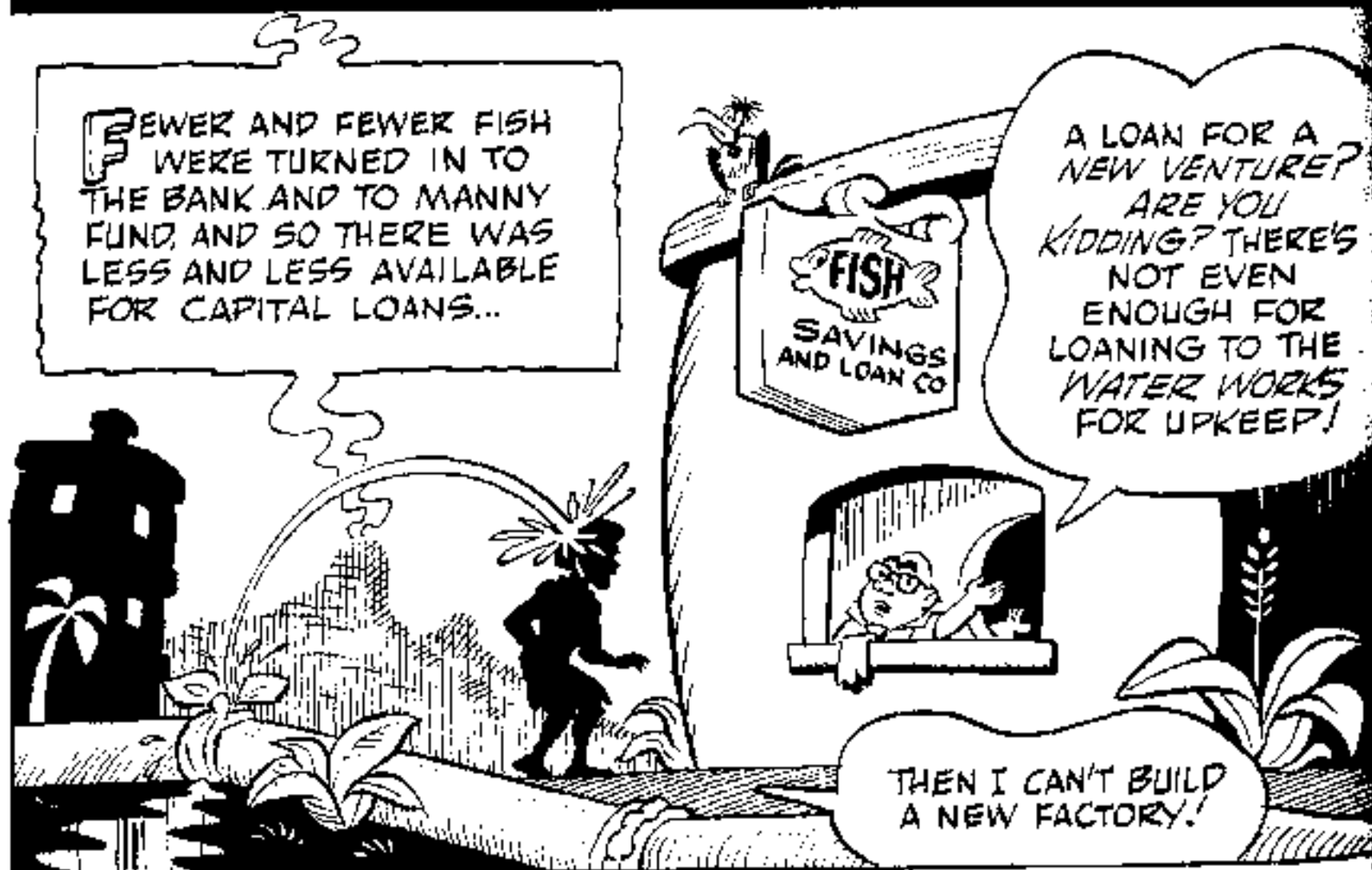
AS OFFICIAL FISH GOT SMALLER AND SMALLER, IT MADE MORE ECONOMIC SENSE FOR REAL PRODUCERS TO SPEND MORE TIME HIDING 1 FISH THAN CATCHING 7 REAL FISH WHICH THEY WERE COMPELLED TO TURN INTO THE GOVERNMENT FOR "FRANKLIN RESERVE NOTES..."



FEWER AND FEWER FISH WERE TURNED IN TO THE BANK AND TO MANNY FUND, AND SO THERE WAS LESS AND LESS AVAILABLE FOR CAPITAL LOANS...

A LOAN FOR A NEW VENTURE? ARE YOU KIDDING? THERE'S NOT EVEN ENOUGH FOR LOANING TO THE WATER WORKS FOR UPKEEP!

THEN I CAN'T BUILD A NEW FACTORY!



WAGES AND
PRICES ARE
NOW
600%
HIGHER
THAN THEY
WERE
BEFORE
"FRANKLIN
RESERVE
NOTES"
CAME
INTO USE!

**UP
600%
WAGES
and
PRICES**



SINCE
"OFFICIAL FISH"
WERE SO
SMALL IT TOOK
7 OF THEM TO
PROVIDE EACH
ISLANDER
WITH THE
SAME
NUTRITION AS
ONE
NATURAL OR
REAL FISH!



SINCE FISH
DEPOSITED IN
THE BANK WERE
LOSING VALUE SO
QUICKLY, ISLANDERS
WERE ENCOURAGED
TO SAVE LESS,
WHILE MANY SIMPLY
DISCONTINUED
SAVING COMPLETELY.
FISH HAD TO BE
SPENT QUICKLY
TO AVOID LOSSES
DUE TO
INCREASING
PRICES...



UNEMPLOYMENT GREW IN ALL SECTORS OF THE ECONOMY, SINCE THERE WAS NOW LESS SAVINGS AVAILABLE TO INDUSTRY TO FINANCE ITS CAPITAL NEEDS.



BINGO!

I'VE GOT ANOTHER
BRAINSTORM!



"UNEMPLOYMENT
INSURANCE" WILL
SAVE THE DAY!



CHESLEY! PRINT UP
A PILE OF "FRANKLIN
DEE NOTES"!



1 FOR YOU AND
2 FOR ME!

YES, THAT'S IT!
WE'LL PAY THE
UNEMPLOYED VOTERS
WITH NEW NOTES! ALL
WE NEED IS PAPER
AND INK!



AND THE UNEMPLOYED ("BOUGHT VOTERS")
RUSH DOWN TO THE BANK TO REDEEM
THEIR "FRANKLIN DEE NOTES" FOR WHAT
LITTLE IS LEFT OF THE DWINDLING
DEPOSITS OF OFFICIAL FISH...

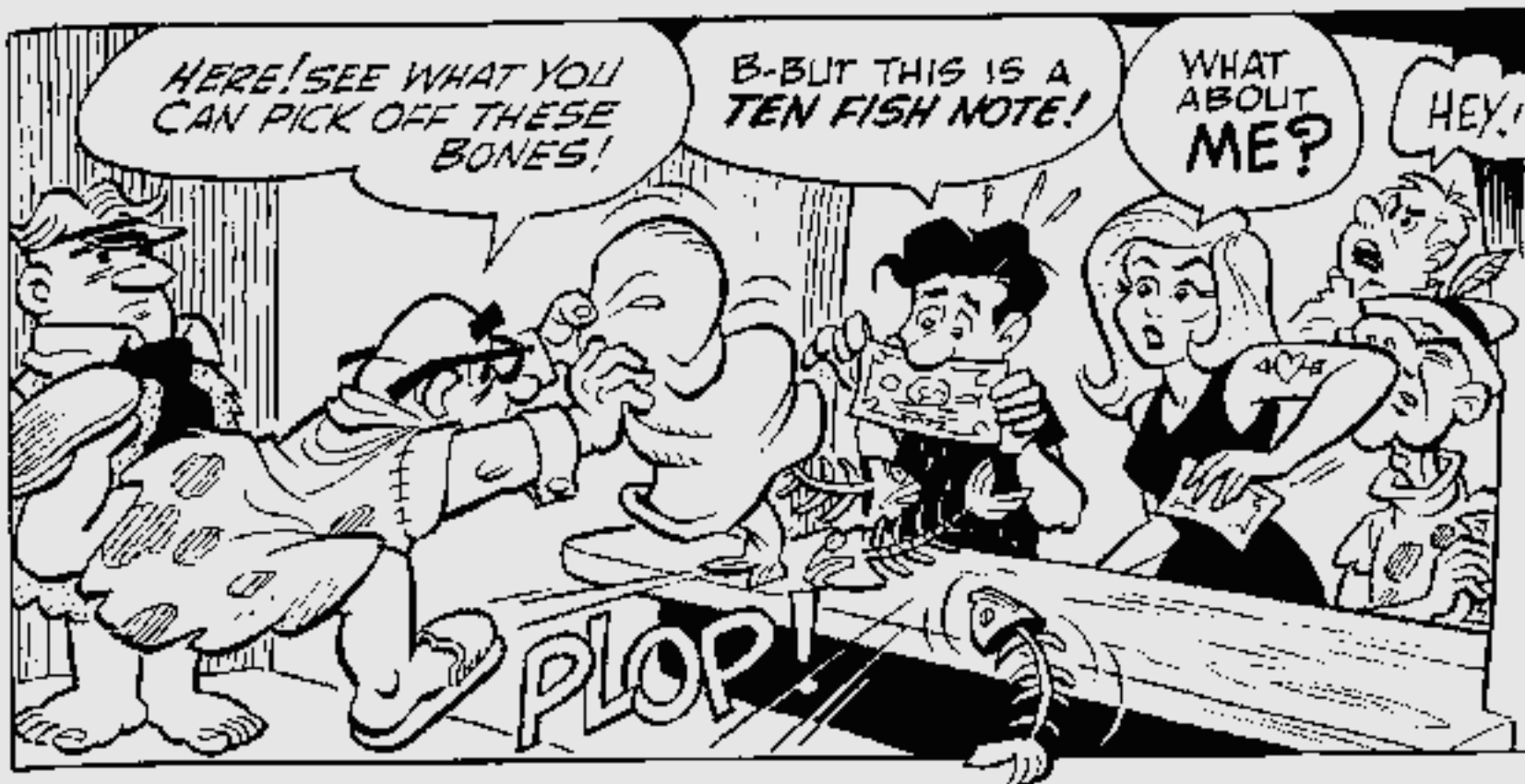


THE VAULT WAS SOON
PICKED BARE...

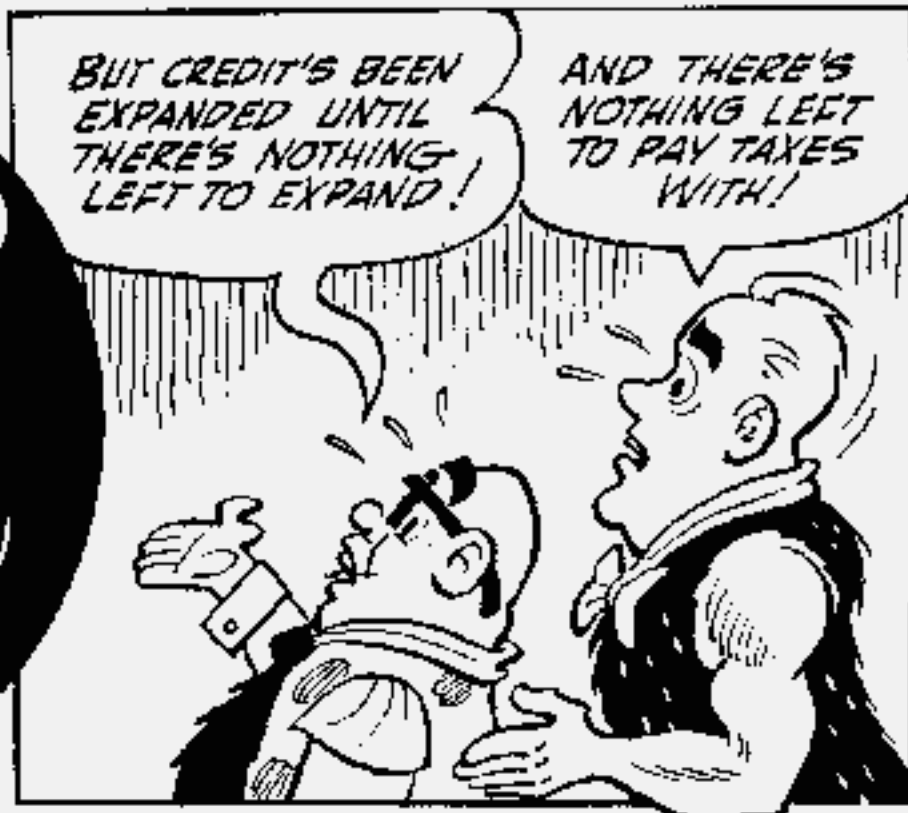


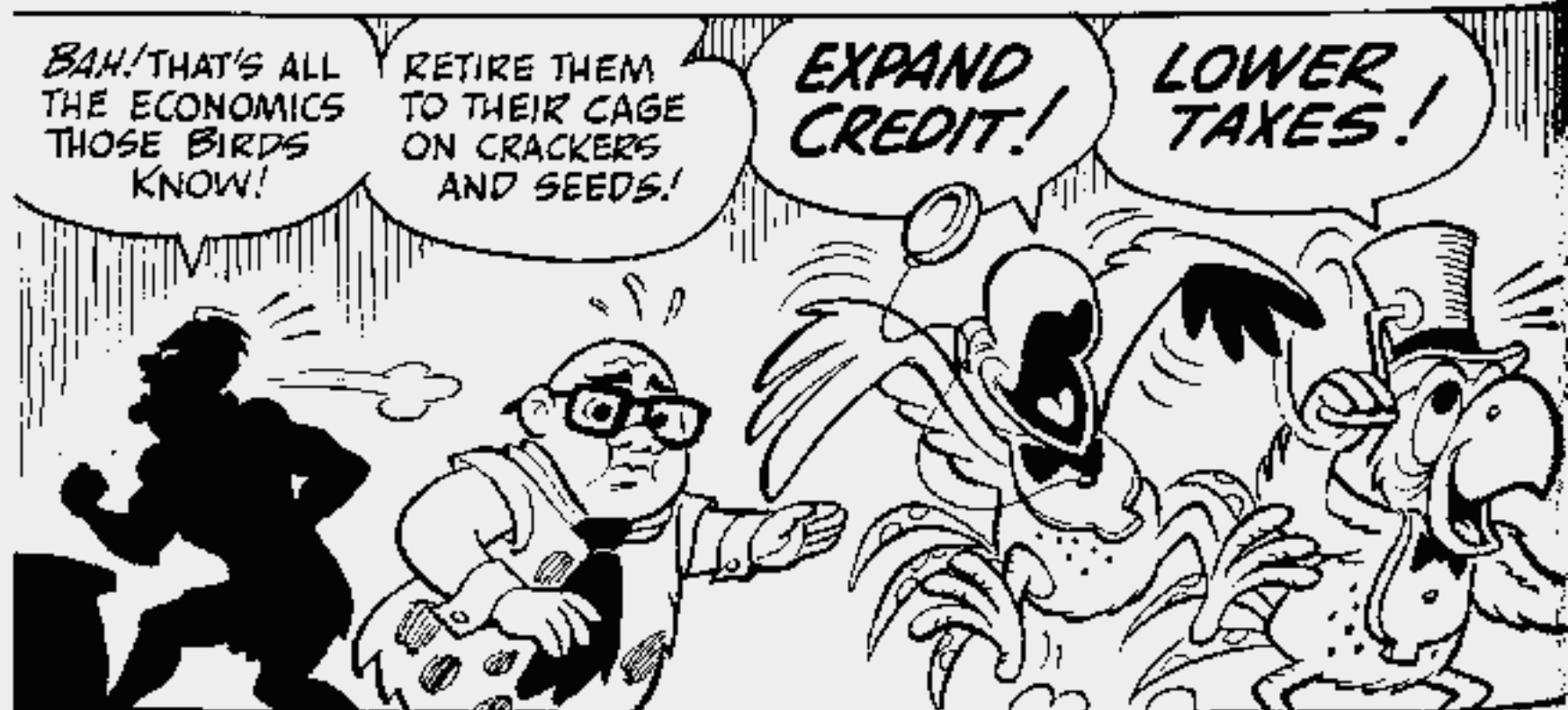
WE'VE GOT PLENTY
OF SKELETONS... AND EMPTY
FISH SKINS, SIR!











THE MORALLY AND MONETARILY BANKRUPT SENATORS ENTERED INTO A FUTILE DEBATE...



LET'S SIMPLY
**CREATE
JOBS**
AGAIN!

HOW DENSE
CAN YOU GET,
KASSIDY...
**GOVERNMENT
CREATES
NOTHING!**

ALL WE EVER DID WAS STEAL THE
COMMUNITY STORE OF SAVINGS
WITH TAXES AND "FRANKLIN
RESERVE NOTES," AND DIVIDE
UP THE LOOT AMONG
THE VOTERS!

AFTER
TAKING OUR
OWN BIG
CHUNK!

THEN HOW ARE WE GOING TO PAY
OFF ALL THOSE BONDS THAT WE
SOLD TO THE PEOPLE, TELLING THEM
TO "INVEST IN
THE ISLAND"?

WE CAN'T!

AND
THE BONDS WE
GAVE TO THE BANK IN
EXCHANGE FOR THE
"FRANKLIN RESERVE
NOTES" WE
DISTRIBUTED?

**WE CAN'T PAY
FOR ANYTHING!**

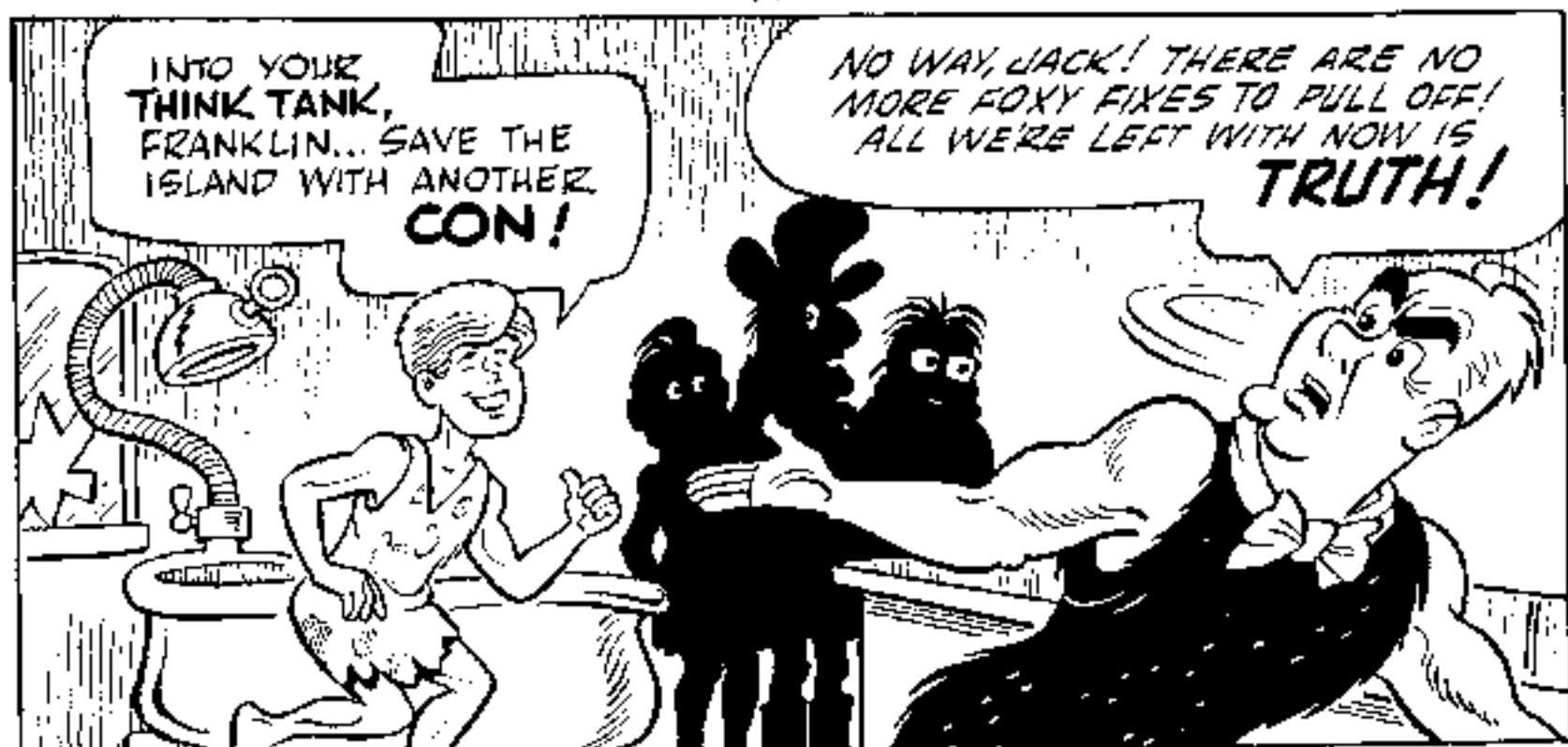
**GIVE US
JOBS!**

**GIVE US
MONEY!**

CRASH!

(GROAN!) BUT
THOSE STUPID
VOTERS STILL
BELIEVE
IN US!

**THIS
IS
AWFUL!**



INTO YOUR
THINK TANK,
FRANKLIN... SAVE THE
ISLAND WITH ANOTHER
CON!

NO WAY, JACK! THERE ARE NO
MORE FOXY FIXES TO PULL OFF!
ALL WE'RE LEFT WITH NOW IS
TRUTH!



AND THEN FRANKLIN DEE
UTTERED THE ONLY
HONEST WORDS OF HIS
ENTIRE POLITICAL CAREER...

FRIENDS, ISLANDERS,
COUNTRYMEN... I THINK
THE TIME HAS NOW
COME FOR ALL OF US TO
START FISHING
... AND **QUICKLY!**

YOU CAN BE A PROPHET



INTERFERENCE
BY VOTE SEEKING
POLITICIANS BRINGS
ECONOMIC
MAYHEM

BUSINESS CYCLES, RECESSIONS,
DEPRESSIONS AND INFLATION ARE
MAN-MADE...ALWAYS PREDICTABLE,
ALWAYS AVOIDABLE!

EXAMPLE...

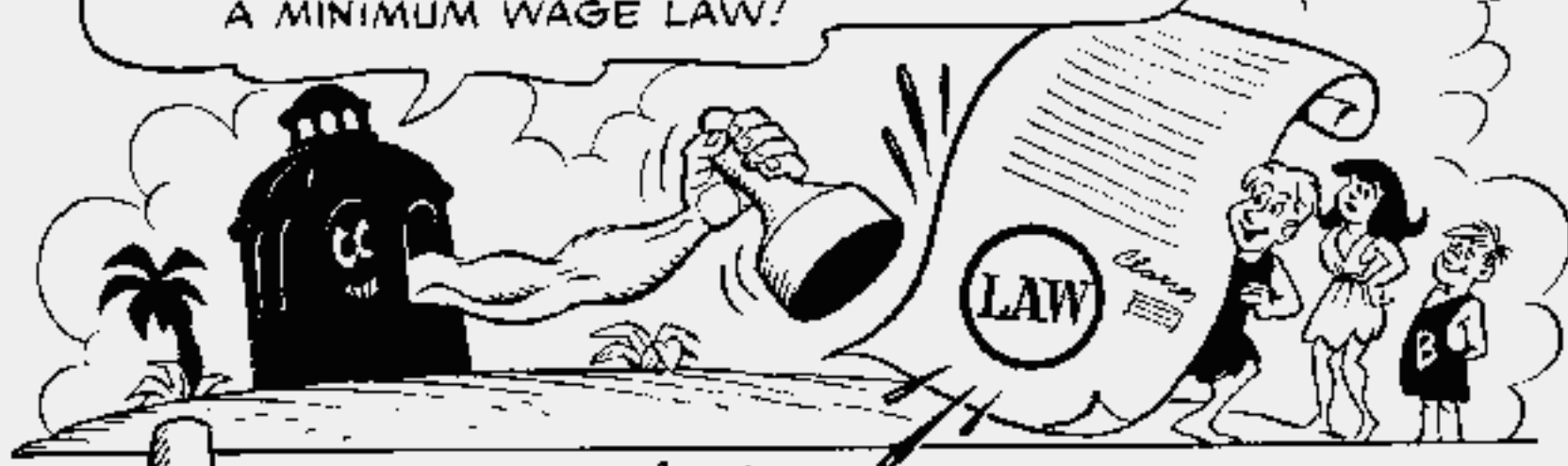
**BORROWS *and* TAXES TO FUND
WELFARE
PROGRAMS**



PRODUCTIVE WORKERS ARE PENALIZED BY HIGHER TAXES, WHILE UNPRODUCTIVE INDIVIDUALS ARE REWARDED WITH GOVERNMENT AID. NOT ONLY DO SUCH PROGRAMS REDUCE INCENTIVES FOR ALL, BUT THEY DRAW UPON SOCIETY'S LIMITED STORE OF SAVINGS NEEDED TO CREATE CAPITAL AND PROVIDE JOBS!

EXAMPLE... MINIMUM WAGE LAW

LET'S HELP THE NATION'S YOUTH BY PASSING A MINIMUM WAGE LAW!

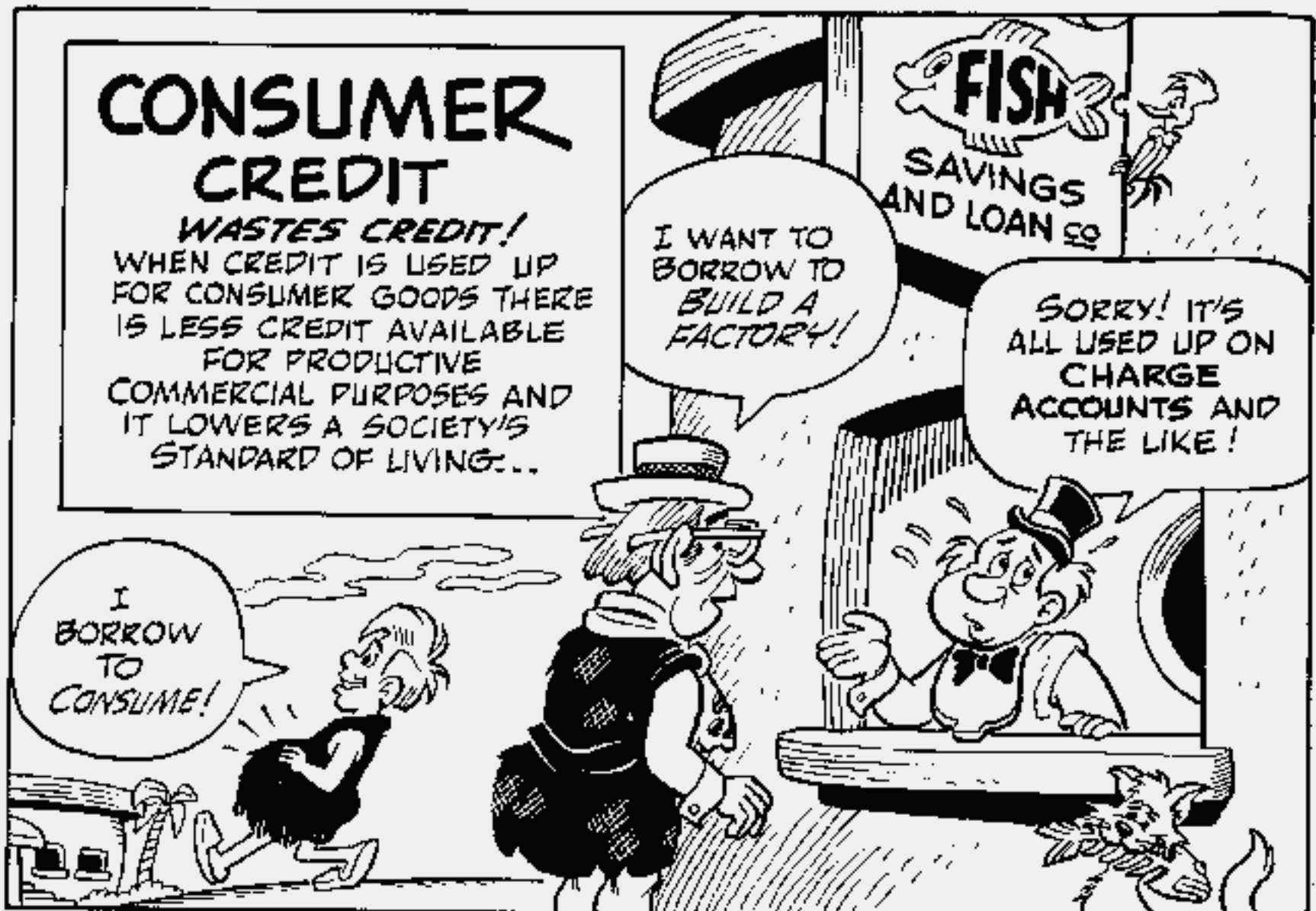


YIKES! THAT'S PRETTY STEEP PAY!
MY PROFIT MARGIN WON'T ALLOW ME TO HIRE AS MANY AS I'D LIKE TO HIRE
...NOT AT **THIS HIGH PAY!**

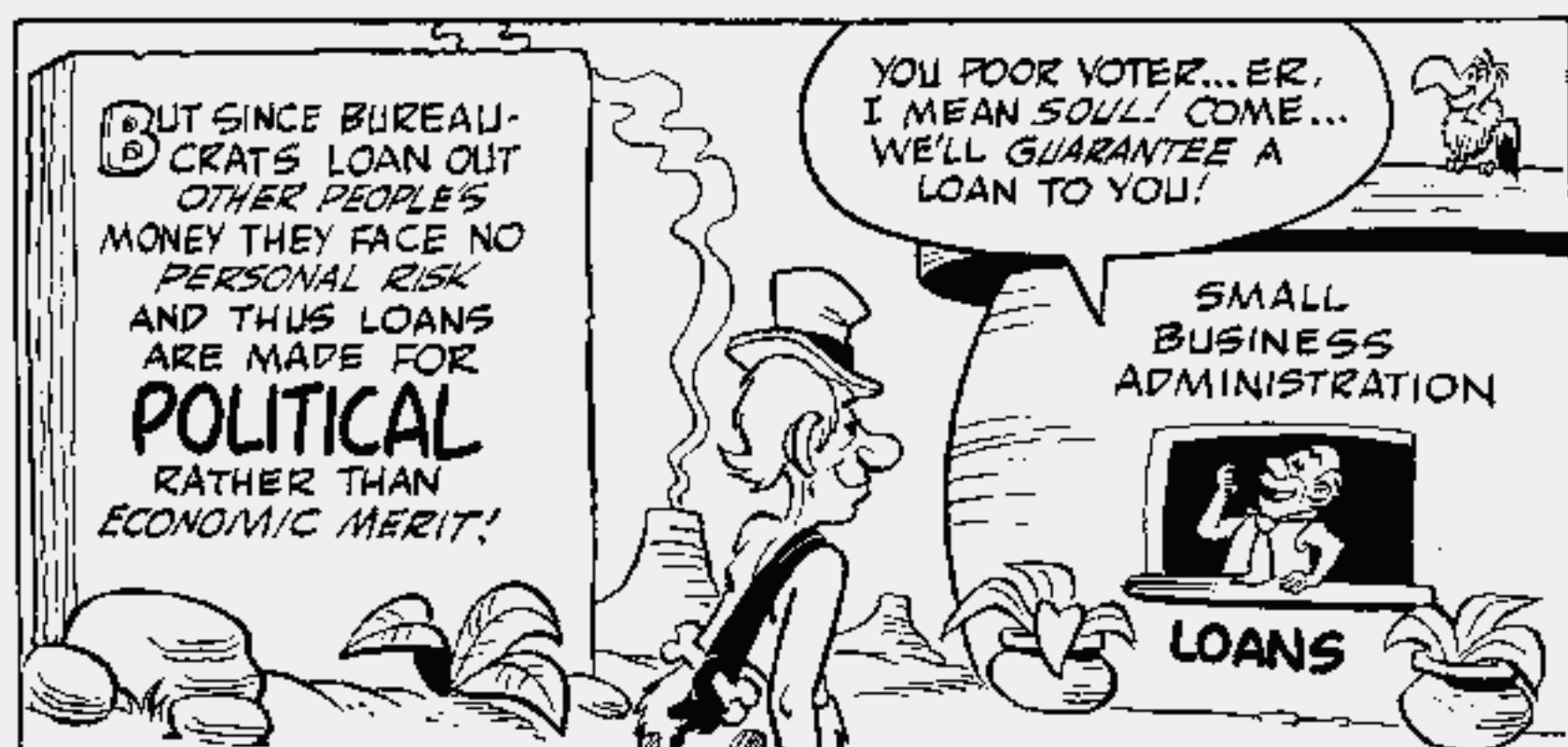


THUS THE NATION'S YOUTH IS **NOT** HELPED! THERE IS MORE UNEMPLOYMENT AND PRODUCTION COSTS ARE LIKELY **HIGHER!**

CONSUMER CREDIT VS. COMMERCIAL CREDIT



TO LOAN OR NOT TO LOAN



EXAMPLE...

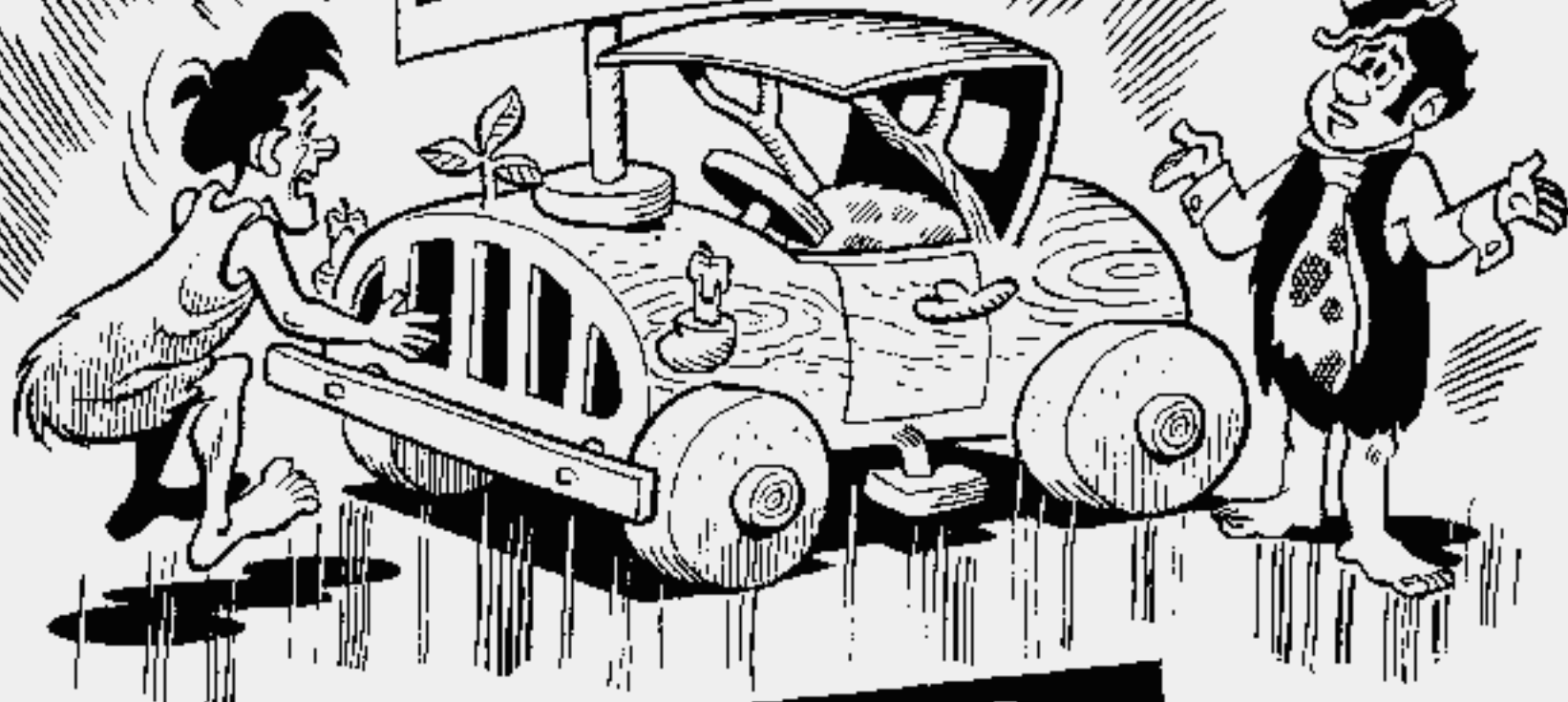
SUPPOSE THE GOVERNMENT OUTLAWED BANK CREDIT TO FINANCE AUTOMOBILE PURCHASES (CONSUMER CREDIT)...

YIKES!

I DON'T HAVE ENOUGH CASH TO BUY IT!

NO CREDIT!
1000 FISH

VERY FEW PEOPLE DO!



EVERYBODY AT THE AUTO AGENCY IS STARVING FOR LACK OF SALES...

NOTHING'S MOVING!

WHAT'RE YOU GOING TO DO, BOSS?

THERE'S ONLY **ONE** THING TO DO...

SLASH PRICES
DRASTICALLY...OR
WE'LL GO UNDER!





READJUSTMENTS WOULD TAKE PLACE ALL ALONG THE LINE...



THE WHOLE ECONOMY WOULD BE EFFECTED...
EVERYTHING WOULD ADJUST DOWNWARD...

ROLL BACK
PRICES...

LOWER
WAGES!

ROLL BACK
PRICES...

LOWER
WAGES!



WORKERS WOULD FIND
THEMSELVES IN
LOWER TAX BRACKETS!



TAX
MAN



AND THEY WOULD HAVE MORE OF
THEIR PAYCHECK LEFT TO BUY
LOWER PRICED CONSUMER
GOODS...

OUTBOARD
DUCKS
1/2 OFF!



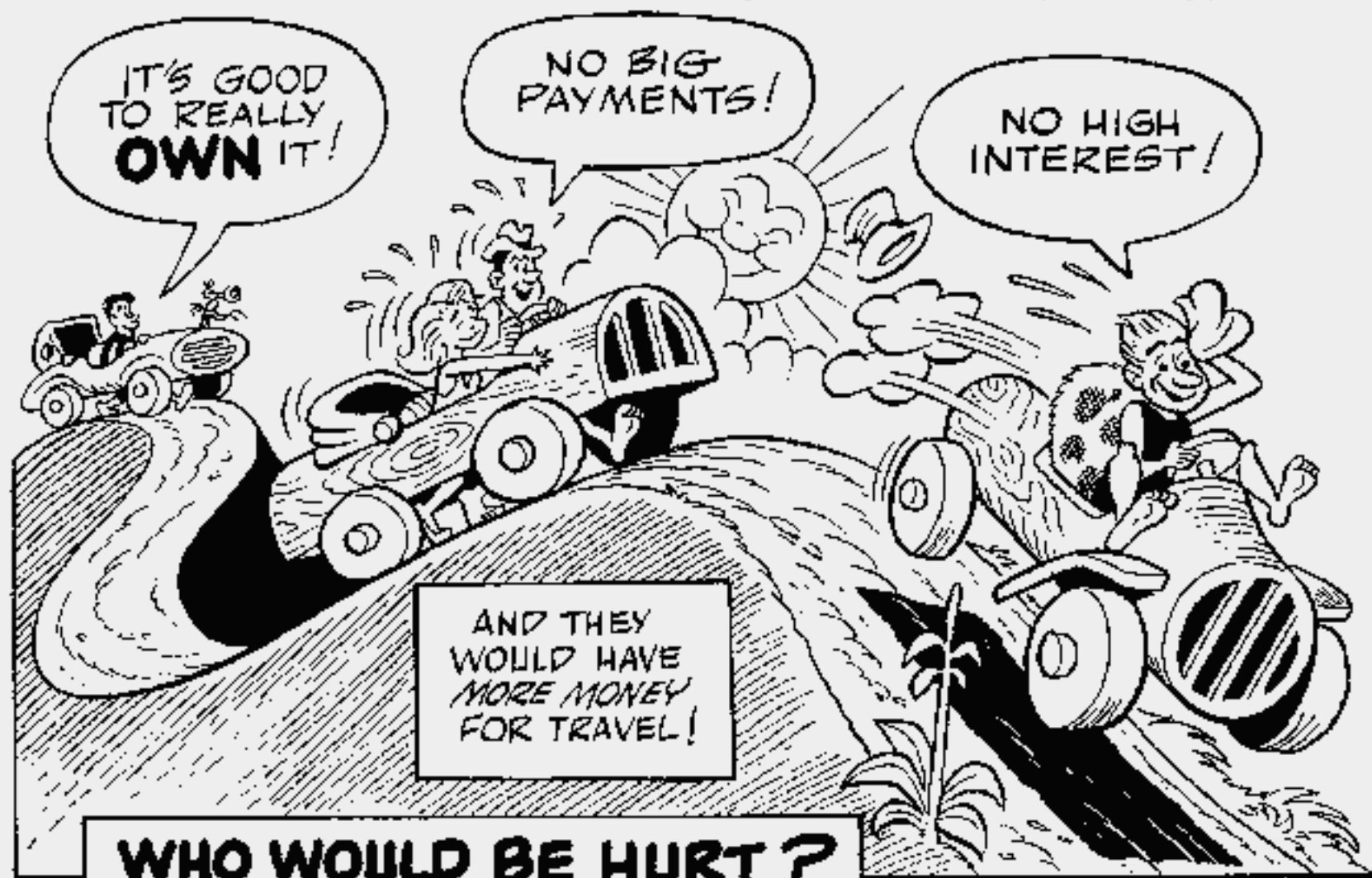
OLDER AND RETIRED CITIZENS ON FIXED INCOMES
AND SAVINGS WOULD BE HELPED BY THE DOWN-
WARD SHIFT IN THE PRICE STRUCTURE...

WE CAN
AFFORD
TO LIVE
LIKE
HUMANS
AGAIN!

LOOK! WE CAN EVEN
AFFORD A NEW
CAR NOW!



EVENTUALLY, JUST AS MANY, IF NOT *MORE* CARS WOULD BE SOLD FOR CASH...



NOT LENDERS...



NOW YOU SEE WHY GOVERNMENT ENCOURAGES CONSUMER CREDIT...NOT TO BENEFIT THE CONSUMER, BUT TO **BENEFIT ITSELF!**

IN "HOW AN ECONOMY GROWS (AND WHY IT DOESN'T)" IRWIN SCHIFF, AMERICA'S LEADING EXPERT ON THE FEDERAL INCOME TAX, PRESENTS ECONOMICS IN HIS THOROUGHLY INFORMATIVE, YET ALWAYS ENTERTAINING MANNER; PROVING THAT THE ONLY THING DISMAL ABOUT THE "DISMAL SCIENCE" MUST BE THOSE WHO NORMALLY TEACH AND WRITE ABOUT IT. WITHOUT A DOUBT, ANYONE READING SCHIFF'S HILARIOUS ALLEGORY WILL HAVE A FAR BETTER UNDERSTANDING OF ECONOMICS THAN MANY WHO HAVE PURSUED THE SUBJECT FULL TIME AT OUR NATION'S UNIVERSITIES.

(CONTINUED INSIDE FRONT COVER.)

