

WASHINGTON WATCH

COUP AGAINST GUN CONTROL

Proponents of some form of gun control have been dealt a couple of setbacks in Congress, one by over-eager gun control advocates and another by foes of any controls.

Probably a majority of Congressmen favor some "moderate" form of gun control such as registering handguns and banning the so-called "Saturday Night Specials." But control advocates had rigged the legislative schedule so that no vote on new controls would come until after the November elections. They did not want to endanger anyone's reelection by voting for something they claim people are clamoring for.

This timetable has been upset by passage of a tough gun-control measure by the District of Columbia city council. Since the District has only limited home rule, Congress has the power to disapprove laws passed by the local city council. Control advocates, fearful that they would be forced onto the record about the city council measure, were dismayed.

With good reason. From their standpoint, the worst has happened. Libertarian-conservative Ron Paul, a newly elected Republican Congressman from Texas, has introduced a resolution to disapprove the city council's new gun control ordinance. The resolution has a "highly privileged" status—that is, it supersedes ordinary business, will be voted on by the full House, and is not subject to amendment.

A vote on House Resolution 1447 is expected in mid-September; if it passes, the Senate will be asked to consider House Concurrent Resolution 694. The timing is lovely. Congressmen will be forced to take a public position in plenty of time for pro- and anti-gun control lobbies to get word out to the grassroots before the election. This wouldn't have happened if Paul, the most junior member of the House, had followed the conservative consensus, which mistakenly held that a resolution of disapproval would open the whole issue and result in passage of a new law. Paul did his homework—and acted on his own.

STRANGLING THE FIRST AMENDMENT

Two similar bills, now poised for

consideration in both Houses, would choke the freedom of investment advisors to offer counsel. The bills would subject the advisors, including publishers of financial newsletters, to regulation and licensing by the Securities and Exchange Commission.

Libertarian Advocate is opposing the bill, having submitted a statement to the relevant House subcommittee, and some newsletter publishers have formed a Committee to Protect the Small Investor (8401 Connecticut Ave., Suite 606, Washington, D.C. 20015). The controls could be beaten if effective opposition is mobilized, but will probably slip through as "non-controversial" otherwise.

Status: S. 2849 has passed full Senate Banking Committee, and is cleared for action by full Senate. In the House, the Consumer Protection and Finance Subcommittee of the Interstate and Foreign Commerce Committee has cleared the sister bill, HR 13737.

People to Write: Your Senators (Senate Office Building, Washington, D.C. 20515) Your Congressman and: John Murphy (D-NY), Chairman, Consumer Protection and Finance Subcommittee; John Y. McCollister (R-NE) ranking minority member, Consumer Protection Subcommittee; Harley Stagers (D-WV) and Samuel Devine (R-OH), Chairman and ranking minority member, Interstate and Foreign Commerce Committee.

MOVE TO CURB FDA POWER

Steve Symms (R-ID) has introduced a bill to eliminate the Food and Drug Administration's power to rule on the *efficacy* as well as the safety of new drugs. This would help curb FDA's power and ease the "drug lag" which sees drugs used in Europe while banned in the United States. The bill, HR 12573, is co-sponsored by Richard Ottinger (D-NY), so there's hope of a conservative-liberal-health food enthusiasts coalition.

Status: Has just been introduced. Will fall under jurisdiction of Health and Environment Subcommittee of Interstate and Foreign Commerce Committee.

People to Write: Paul Rogers (D-FL) and Tim Lee (R-KY), Chairman and ranking minority member, Health and Environment Sub-

committee. Harley Stagers, Chairman and Samuel Devine, ranking minority member, of the full Interstate and Foreign Commerce Committee. Your Congressman, asking for his position and requesting that he co-sponsor. House of Representatives, Washington, D.C. 20515.

HUMPHREY-HAWKINS

The Humphrey-Hawkins Full Employment through economic illiteracy and legerdemain bill has passed the House Education and Labor Committee and is awaiting action by the Rules Committee to clear it for floor action. They don't seriously want to pass this now, unless the Democrats figure a Ford veto will help them in the election campaign. But they're quite serious about next year. It's not too soon for the opposition to get mobilized.

People to Write: Your Congressman, House of Representatives, Washington, D.C. 20515.

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SPOTLIGHT

At 10 a.m. on May 26, an agent of the Internal Revenue Service knocked on the door of one of the most articulate tax rebels in the country. The agent had little idea of what to expect. He knew only that he was about to audit a man whose angry, 100-page long income tax return said nothing about earnings.

When the agent left about an hour later, he had seen none of the tax records he had come for. Instead, he had been grilled before an audience of bagel-munching reporters by the taxpayer he had hoped to audit. During the questioning, the agent had bumbled out an apparent admission that the IRS had no right to force taxpayers to incriminate themselves. The agent afterwards found himself subject to formal complaint charges at the U.S. Attorney's office as a result of the audit attempt, on grounds of conspiracy to violate the civil rights of a taxpayer.

The taxpayer was Irwin A. Schiff, a fiesty, balding insurance expert living in Hamden, Connecticut who has won increasing attention for his book, *The Biggest Con*. Schiff views the scrape with the IRS auditor as just one milestone in his fight against a bloated, criminal government. His complaint to the U.S. Attorney—that the IRS agent and his boss conspired to relieve him of his Fifth Amendment rights—is concerned with a relatively minor outrage, at least compared to those that Schiff sees pushing the United States closer towards economic ruin every year.

Schiff was not always so pessimistic about the economy. During the Depression years, he grew up in New Haven and then took courses at the University of Connecticut, where he graduated with a degree in economics in 1950. The times seemed appropriate for business ventures in 1960, so Schiff launched his own insurance agency. His research into the subject soon proved disquieting.

In testimony before the Senate Banking Committee in 1968, Schiff told the senators about his conclusions regarding government intervention in the lives of citizens. "When a widow asks me if she should take the proceeds of a life insurance policy in cash or as an annuity for life, I am not being asked any mere theoretical question, but upon my advice and

judgment rests the possible welfare or deprivation of a small family unit," he said. "Obviously, if I am to sleep comfortably at night, I had better know something about U.S. money and the subject of inflation when I am called upon for this sort of advice . . . Any impartial study of this subject can only lead to the inescapable conclusion that there are many government officials who, by all laws of justice, should now be behind bars."

The Banking Committee did not appear to be swayed by Schiff's arguments for keeping gold reserve requirements for American currency,



IRWIN A. SCHIFF

despite his prediction that after removing the requirement inflation would soar, price controls would be imposed, the price of gold would rise to more than \$100 an ounce, and the dollar would be devalued. The predictions proved correct. As syndicated columnist John Chamberlain observed, "Prophets who are right can be annoying, and some of the things that Irwin Schiff said at a congressional hearing in January of 1968 must be causing such luminaries as Senator William Proxmire and former chairman of the Federal Reserve Board William McChesney Martin, Jr. a great deal of pain these days."

In *The Biggest Con* (Arlington House, 1976, \$9.95) Schiff makes predictions far more disconcerting than those in his 1968 testimony.

Unless Americans start standing up to bureaucrats, he says, the country will slide into economic collapse and national socialism within five years. Underneath the deliberately inflammatory phrasing, which Schiff uses to shock readers out of complacency, lies a well-documented and tightly-argued case.

Schiff argues that the government has been guilty of outright criminal misconduct by destroying the value of money and understating the debt burden on the taxpayer. The economy will collapse, he says, as the result of reckless increases in the money supply. "I don't think the politicians are doing this deliberately," he says. "They're just stupid. Politicians the world over like to play Santa Claus." Pursuing the phantom of the free lunch has also led politicians to set up a huge Ponzi scheme, the Social Security system. Schiff puts the unfunded liabilities of Social Security and other programs at \$5 trillion almost 10 times more than what the government admits to be the national debt.

Curiously enough, in the face of such political behavior, Schiff remains an optimist. "Conservatives and libertarians, inspired by the meaning of the 200th anniversary of the American Revolution, must throw themselves whole-heartedly into the growing tax rebellion," he says. "The effort that this involves is nothing compared to the effort and risks undertaken by those who won for us our freedom."

For Schiff, the effort consists of not paying taxes, thwarting IRS attempts to make him bear witness against himself, documenting the fraudulent activities of the government, promoting his book, and appearing on television and radio talk shows and in numerous newspaper articles to rouse the taxpayer. Throughout, he keeps a sense of humor as well as of mission. At Schiff's "catered" tax audit last May, even the IRS agent rose to the spirit of the occasion. "You really put me through the wringer," he confessed with a smile.

Readers are invited to nominate persons to be featured in this column. Send details to Spotlight, c/o REASON, Box 40105, Santa Barbara, CA 93103