

THE DISPATCH OF MERCHANTS

by William L. Avery, A.M

A short presentation on the subject of sources of the liability for the so called Income Tax as grounded in the Law Merchant through the Federal Reserve and other statutes.

INTRODUCTION

Gallant tax-fighters and other live Patriots have hauled considerable law into the courts on tax and money issues. Yet, whatever evidence of law they bring and however extensively they research their cases, they are ruled against and even imprisoned in criminal courts. We have yet to gain a single decision on substantive law to free us from the corporate feudalism suffocating the world in the name of anti-Communism. So, there has got to be a reason why we meet failure after failure beyond the charge that the judges are all corrupt and godless.

The truth seems to be that we have simply not yet hit upon the vital nerve which will convulse the whole swindling law (formally constitutional law) upon which the judges are compelled to give their decisions. It is the only answer that makes sense. Is this answer discoverable so that we can beat those that function by these laws at their own game? The writer believes that he has discovered the answer through various heated confrontations and pleadings in several courts.

Indeed, in September of 1975, the writer succeeded in cornering the county judge on the money and tender issue, and by badgering and blistering him until he choked with rage, compelled him to blurt out the secret allowing him to sign a writ of assistance (remember those?) against the writer for doggedly refusing to bargain with banker swindlers over the right to his own property. The recent Complaint, in a civil action in Federal Court, resulting from this act is added as part of the appendix to this book.

Well, the answer is in the money, all right, but far beyond what has been pleaded so far. It ties into other substantive issues raised by Bill Hanks on non-liability of natural persons for income taxes on franchises granted by the states. This is the only genuine basis for overturning the illegal personal (individual) income tax, which is a nullity to begin with and absolutely "voluntary" for reasons that will be covered later.

The entire tax scheme is grounded in the so called "commerce clause" of Article I, section 1, clause 3, of the Federal Constitution, allowing Congress to "regulate commerce with foreign nations, and among the several states, and with the Indian tribes." The Supreme Court held in *Gibbons v. Ogden* in 1824 that commerce "comprehends traffic, trade, navigation, communication, the transit of persons and the transmission of messages by telegraph; indeed every species of commercial intercourse."

This clause was written to prevent the States from wrecking the Union upon erroneous theories of "interposition" to "nullification" and to guarantee the "free flow of interstate commerce," certainly a legitimate aim. However, to regulate and guarantee are not the same as sponsor and promote.

Nevertheless, commencing with the Interstate Commerce Act of 1887, monolithic private enterprise succeeded in expropriating the Federal government to its own uses by several clever laws. One such was the Sherman Anti-Trust Act of 1890, whose wording protects far different "persons" than one might suspect. By it, even the innocent unemployed are "in restraint of trade" by the mere fact of being unemployed.

The fundamental premise has been to compel as many private individuals as possible to become "merchants" subject to these laws, where they could be subject to no others, and had actually been promoting the "free flow of interstate commerce," but right straight into one monopolized ocean of private control outside the government.

This result is achieved through the United Nations treaty, upon which, by the commerce clause and the "law of nations," every human being has become, in one way or another, a "merchant" subject to an international super-something called the "Law Merchant." This is strictly a voluntary law nowhere written down and it is strictly a private law of negotiable instruments, sales, insurance, and other matters binding only upon the honor of "merchants," as the personal income tax.

Thus, the simplest way to compel everyone to become a "merchant" under this unwritten law is to compel him to accept bills of exchange as money. These compulsory bills of exchange are none other than the Federal Reserve Notes, series 1963, 1969, and 1974, legalized as "money" on March 18, 1968, being also irredeemable perpetual annuity bonds, or small change for government securities.

The basis for this action was laid in the Federal Reserve Act which makes commercial paper the fundamental "lawful money" which form the reserves of member banks. This means private notes, acceptances, and bills of exchange, become lawful money but not legal specie, for specie defeats the swindle by destroying credit and debt.

It likewise means checks. Thus, by the daily passing of Federal Reserve Notes and endorsing of checks and the use of Credit Cards, every individual, whatever his calling, becomes a credit merchant subject to summary judgment under the private custom of merchants, whose primary rule is the liability to inform on oneself upon one's own acts, goods, and dealings.

Now, this Law Merchant has never been the public positive law of any particular country, but the mere private, consensual, voluntary practice of international merchants and traders. Although partially incorporated into various uniform state codes on negotiable instruments, much of it is not necessarily in print. Indeed, some of it changes with women's fashions.

Thus, it is this unwritten private law of which the judges are bound to take "judicial notice" in their rulings. The principle being that, whatever else can be pleaded, any supposedly national law of civil constitutional right claimed violated can be ruled immaterial on the basis of this unseen, unspoken, imprinted, "natural" law. It never needs to be given in evidence, and always favors the practicing "merchant" communizer as against the quasi "merchant" citizen who hasn't the faintest idea that the judge sees him as a merchant, unable to understand.

This is the "law" under which anti-Communist communizers promote "with God's help, a better world" of Mercantile Super Republic, in which the "personal responsibility" of self-incrimination will be the fundamental rule, protected under the 14th Amendment.

Incorporation of this Law Merchant into the English common law by Lord Mansfield subsequent to 1756 set off the American Revolution. This proves that it has never been a part of our own law, even by deceit.

These are the issues of law upon which we can recover our privacy, our freedom, our nation, and our money at par.

The following pages present detailed discussions of these issues, and likewise present many obvious bases on which defenses and attacks in the courts can very effectively be made. The content of these pages, at the least, will for the first time provide us with a footing equal to that of our tormentors and perhaps even more advantageous.

The author was for several years an editor and translator of the commercial codes of many West European nations, and most South and Central American nations, and of the corporate income taxes of the same, including court case decisions.

The substance of the outline of historical background on the pages immediately following should first be well digested before proceeding.

The most disastrous course we can pursue is to blame our plight on "the Government" when, as will be seen, it is private interests alone which are enslaving us in the name of freedom.

Bill Avery
Franklin, New York
July 4, 1976

OUTLINE AND HISTORICAL BACKGROUND OF THE ARGUMENT

- 1215 Magna Charta guarantees foreign merchants the right to trade freely in England.
- 1247 Hamburg, Lubeck, and Brunswick begin the Hansabund or Hanseatic League of mercantile cities in Germany.
- 1283.. 11 Edw. I. Statute of Acton Bumel. First law to enable (foreign) merchants to collect debts by summary process and arbitrary seizure of property and imprisonment. Jews are specifically excluded from the benefits of this law.
- 1338 Edward III grants extensive privileges to the Hansa in return for funds to redeem his Queen's jewels pawned to money merchants in Cologne.
- 1535 John Calvin's Institutes of the Christian Religion gives the blessings of the reformed religion to the taking of interest and usury.
- 1535 Henry VIII seizes the monasteries.
- 1535 Machiavelli's The Prince.

- 1588 Spanish Armada launched by Dutch and Spanish mercantile interests against England is wrecked by storms.
- 1598 Elizabeth I expels the Hanseatic merchants from England for refusing to grant reciprocal privileges to English traders. Closes the Steelyard. They retire to Hamburg.
- 1604.. James I of England. The Law Merchant effectively incorporated into the common law of England. This is essentially the law on negotiable instruments and insurance erected out of the Civil Law.
- 1618-48Religious wars destroy millions in Germany. Northern mercantile cities escape hardly touched.
- 1649.. Charles I murdered for opposing the mercantile interests of the City of London. Cromwell and clique.
- 1688 Dutch and German mercantile interests place William II of orange on the British throne.
- 1714 House of Hanover and Brunswick acquires the British throne in the person of George I, father of George II, and great grandfather of George III.
- 1756.. Lord Mansfield becomes Chief Justice of the King's Bench, make vast additions to Civil Law into the Common Law. Especially turned the action of assumpsit (for debt) into an equitable action, thus denying trial by jury on writs of assistance.
- 1775 Revolt of American colonies against British mercantile law derived from Lord Mansfield's decisions.
- 1810 League of Hamburg, Lubeck, and Bremen temporarily broken by Napoleon.
- 1842 Case of Swift v. Tyson declares the mercantile law (merchant) to be common law of the United States, thus guaranteeing trial by jury under the Seventh Amendment in the U.S. Courts in commercial disputes. In effect granted a preferential forum in Federal Court where relief might not be had in a State Court.
- 1861-65American Civil War.
- 1869 Jay Gould attempts to corner gold. Morgan to the rescue.
- 1870 Principle of limited liability for corporate commercial interests enters practice. Principles of Calvin applied to trade.
- 1870 Hamburg, Lubeck, and Bremen again become independent.
- 1870 Prussia defeats France, exacts an indemnity of one billion dollars gold.
- 1890 Sherman Anti-Trust Act makes illegal all combinations in restraint of trade in interstate or foreign commerce. Does not apply to manufacturing monopolies. Effectively makes every citizen a "merchant" even upon his own person under the commerce clause.
- 1890 United States adopts the gold standard.
- 1900 United States ceases coinage of the gold dollar.
- 1907Rockefeller-Harriman launch war on Morgan interests. Panic.
- 1908 Rockefeller and Aldrich seek out Warburgs of Hamburg to set up the Federal Reserve.
- 1913 Creation of Federal Reserve and of so-called Income Tax, together the bases I for the universal debt-and-credit franchise upon which private individuals can be compelled to inform on themselves as "merchants."
- 1914 Clayton Act reinforces the Sherman Act. Exempts "non-profit" organizations from all anti-trust laws, i.e. foundations.
- 1914-18World War I. Rockefeller-German clique defeats Morgan-Rothschild clique, launch campaign to chemicalize and plasticize the world into synthetic life.

- 1915 Case of *Brushaber v. Union Pacific*, reiterates the non-liability of private individuals for the so-called Income Tax. Declares genuine "Income Tax" to be a direct tax not authorized by the 16th Amendment, and that 16th Amendment is superfluous because Congress already had power to authorize the tax in question, namely an excise tax on corporate or juristic privileges measured by the amount of income produced by the exercise of the privilege.
- 1917 Bolshevik Revolution. Launched to fasten the German yoke on Russia and create a permanent element "hostile" to the U.S. and the free world. Pan-Germanism at work under cover of pan-Savism to conquer both USSR and USA under the British flag.
- 1929 Crash induced. Germany and Rockefellers tighten grip on U.S. Coal and petroleum cartels make first-hand agreements on world markets. Rockefellers-I.G. Farben alliance.
- 1938 Case of *Erie R.R. v. Tompkins* reverses *Swift v. Tyson*, declaring there is no general federal common law, thus destroying rights to normal jury trial as guaranteed by *Swift*. Also allows judge to give judicial notice to the indiscriminate and unwritten "custom of Merchants" as domestic rule of law, e.g. puberty rites in Samoa. *Hinderlider* case decided the same day.
- 1939 W.W.II. Renewal of Rockefeller alliance with Nazi LG. Farben.
- 1941 "The President and the Prime Minister" by the Atlantic Charter, made on the high seas, arrogate to themselves the capacity to grant "human rights" in the "Four Freedoms" to the peoples of the U.S., Britain and the world. Makes all "Civil Rights" effective only in enforcement of "natural law" of summary judgment under the Law of Merchants, and that protected by the UN treaties to be made in 1945.
- 1942.. Case of *D'Oench, Duhme & Co. v. FDIC* enlarges scope of *Erie R.R.* and *Hinderlider*.
- 1943.. Case of *Keasley & Matteson v. Rothensies* further ratifies *Brushaber*.
- 1943 Income Tax withholding begins on July 1.
- 1945 UN Treaty turns all U.S. courts into trading pits and courts of the staple upon the unwritten practice of merchants.
- 1945 Rockefeller-Nazi axis launches phony "Cold War" at Fulton, Missouri, in speech by Winston Churchill on the "Iron Curtain."
- 1947 Israel created as diversionary "Zionist" pawn of Germany to conceal true Calvinist Zionism of Pan-Germanism under the Fourth Reich building on American soil. Red, lily-White, and Blue-sans-Black-and-Jew.
- 1957 U.S. sources launch Soviet "sputnik" to compel USA into phony compulsive "space race." Soviets lose by design.
- 1967 25th Amendment changes Vice-presidency into a Board of Directors of corporate America which may dismiss the President at will. Presidency now effectively a Chancellorship in executive equity.
- 1968 Withdrawal of 1st gold redeemability for U.S. currency by Public Law 90-269 locks all U.S. citizens into status of permanent feudalistic debtor/creditor on the "natural law" of summary judgment through use of negotiable instruments in the form of irredeemable perpetual annuity bonds (FRN's), checks, and credit cards. This is the universal credit-and-insurance franchise upon which the enforcement of the code of the IRS is based, including the Social Security grounds.
- 1973 Yom Kippur War. Rockefeller petroleum and energy gang launches World War III against peoples of U.S. and Britain, instituting mass triage amongst all peoples

(separation of the "reprobate" unable to defend themselves from "God's People" of the Exxon), promoting fraudulent energy crisis. Rockefeller-German element begins final imperialistic assault on all remaining free and independent enterprise in the world, to subject it to a pyramid of minimum investment private interlocking corporate feudalistic credit-franchises or privileges.

1973 U.S. Supreme Court on abortion, under color of Law Merchant, allowing women the "human right" of treating their bodies as wares and commodities. So the unborn, who are not considered to be "human" or have "human rights" before four months. Effectively legislates the materialistic rationale establishment. Legalizes basis for mass-murders under color of "natural law," further separating the millions of the "Reprobate" from the handful of self-appointed "Saints" who become the "fittest" by nicely surviving their own wars and political assaults.

1976.. Ralph Nader proposes that the federal government take over the franchises of the petroleum companies out of the hands of the states.

PREFATORY MEMO ON THE LAW MERCHANT

The 16th Amendment and Federal Reserve both passed in 1913, the same year of revision of the Federal Equity Rules.

Purpose of the Federal Reserve (Notes): To subject all interstate commerce to the rule of Equity (overruling Swift v. Tyson of 1842) upon claim that there is no federal common law (except Law Merchant under FRN's and National Banks), "common law" = law of private property grounded in land as expounded in the case decisions. Statute law is "civil law."

Thus, the Robber Barons acquired the means of evading the Constitutional injunction of Article I, section 10, clause 1, on the subject of tender by the States. In 1938 they extended it by means of the Erie R.R. decision. By it, the unwritten Law Merchant was taken out of the common law (thus defeating the Seventh Amendment) and put into Equity, where it could be "judicially noticed" in any jurisdiction. Law Merchant = Summary Judgment = "Law of Nature" (tooth and claw).

FRN's declared lawful by Milam, which reiterated the legal tender cases of 1884 (Juilliard, for example). The meaning is that the Federal Government can outlaw common law on the Federal level and replace it with an Equity enforceable upon statutes and a new manner of pleading ("confession and avoidance" instead of the demurrer), thus turning the courts into trading and bargaining pits, formerly called merchant courts of the staple. (private).

But the Federal Government cannot (by Article I, section 10, clause 1) outlaw the substance of the common law of the several states and thus regulate commerce within the States by compelling equitable money (commercial paper, negotiable instruments) in exchanges between States and citizens of States. Nor can the States. The best the Federal Government can do is to compel the acceptance of paper between individuals.

Look carefully at your State Civil Practice Law and Rules. The "Law" is the Law of the State; the Rules are the Equity of the Law Merchant. That's where we've got them.

Thus, the simplest plea in State tax cases, as in Federal, is Inability to Perform. But you had better know why. This book tells why.

No Federal law can outlaw the cash basis of the law imposed on the States by Article I, Section 10. In the same connection, the federal Government cannot touch allodial land titles in the States, nor turn equitable mortgages into legal one by magic.

Under the "Commerce clause," Congress can regulate (in Equity by FRN's) interstate commerce (i.e. international too) in the name of convenience, but it cannot touch the 1331 and others.

THE SMASHING OF THE STATE

Patriots and Tax-Protesters constantly lament the acts of "Oath-Breakers" and "Law-Breakers" in every kind of position who, to their mind, subvert the Constitution. They claim that a vicious Government is lawlessly destroying all our freedoms in order to promote even more tyrannical "Government," smothering private enterprise.

Yet, the exact opposite is true, for the Law promoted and protected by all these "Oath-Breakers" and "Law-Breakers" is the purest law of private enterprise there is.

This "Law" is the private law of mercantile practice put into operation through the Federal Reserve and the Income Tax. These laws were ratified in the decision of the Supreme Court in 1938 in the case of *Erie R.R. v. Tompkins*, which effectively declared that there is no general federal law of private property except the private equity of mercantile arrangements grounded in bills and notes, insurance, and transport and called the Law Merchant.

These acts effectively repealed the American Revolution under color of clauses 30 and 48 of the Magna Charta. It is the Magna Charta which has been itself employed to "smash the State" retroactively under pretense that it was originally smashed under King John in the first instance.

Now, the fact of the operation of this private law is kept a secret by people who equate "corporations" with "businesses" for the simple reason that the proprietors of the Federal Reserve (including the IMF and the BIS) are not quite yet ready to provoke the people into the streets to have them "smash the state" officially in a staged "Second American Revolution," thus confining "de jure" what has been the situation "de facto" for a considerable time.

The modern corollary to the clauses of the Magna Charta, which prepared the way for the United Nations (purely commercial) Treaties and their Articles 55 and 56, was the "Atlantic Charter" of the so-called Four Freedoms promulgated on August 15, 1941, by "the President and the Prime Minister" (F.D. Roosevelt and Winston Churchill) upon the high seas.

The judges have thus become administrators of private commercial law in the role or capacity as judges of the old courts of the staple; this one being credit and debt. This is the Equity upon which all our federal statutes are built, namely the "privileges and immunities" of franchises in credit called "Liberties." These are the grounds upon which "individuals" are "immune" from

prosecution along with swarms of bureaucrats, for they are not really public servants (persons) but private individuals protected under the 14th Amendment.

Can anyone be so naive as not to believe that the pompous ceremony over the Magna Charta (in gold yet) and the new "Liberty Bell" on July 4, 1776, was not still another hoax on the American people under the concealed boast that government control over commercial interests is really nonexistent, and that in fact it is vast private interest which own the Government.

This is the plain fact of the matter. We have had no "Government" since the institution of the private Federal Reserve and its private collection agency, the IRS.

Such is the hoax carefully concealed and promoted by certain so-called "patriotic" organizations which constantly rant against "the Government" or "Big Government," when we haven't had a real government for years; nothing but private plunder under the auspices of the international (multinational) commercial interests which have devoured the wealth of the world and its helpless people through the octopus of the United Nations. Nor will the Government, as it is called, "Get U.S. out of the UN until it suits the commercial interests of those who promote the slogan and who wish to make every last tribe on earth tributaries to them and compulsory consumers of their synthetic products."

One wonders, does Government exist to protect us from commercial interests, or do commercial interests exist to protect us from Government? Is private enterprise the same as free enterprise?

One of the ancillary hoaxes promoted by these monopolistic commercial and percentile interests is the repeal of the so-called Income Tax, which is technically a uniform tax levied on the "privilege" of doing business in a corporate capacity (with perpetual existence - and limited liability) called a "franchise." Private individuals have for some time been subjected to the penalties of this tax ostensibly on the grounds of being beneficiaries of the limited liability of these franchise taxes called income taxes. Private individuals in all other callings (with no "privileges") subjected to this tax are being persecuted in increasing numbers with the hidden purpose of getting them to work for repeal of a tax which was never lawfully laid on the individuals in the first place, but on the benefits of corporate interests.

Thus, the mercantile interests which have subjected us to the arbitrary rule of the Law Merchant, now wish to use people never liable for the tax to be a part of the granting of total tax immunity for commercial corporations created by the several States, and immunity from the necessity of reporting on their activities and operations. Further protections are afforded them by the International Organization Immunities Act. Upon repeal of the 16th Amendment, mercantile corporations will become absolutely untouchable by any victim.

Thus, the "Law" of the Lawless, the Law Merchant, is neither more or less than the raw convenience of the mercantile interests in compelling the maximum world-wide consumption of their products. This scheme is further promoted under such domestic law as the "commerce clause" of the Constitution (Article I, Section 8), as the Sherman Act of 1890 (26 Stat. 209). See also U.S. v. Addyston Pipe Co ., 475 FU.2.1271.

"Thus it is laid down by books of authority that as a man draws a bill of exchange, he is, for the purposes of that bill, a merchant." Comyns, Digest; Merchant, A.1.

I THE MAGIC OF THE FRN

As stupendous as Jerome Daly's victory was in his foreclosure fight with the Montgomery Bank, and as stupendous as the courage of the jury in rendering the verdict they did, and of the judge in his judgment, still even more stupendous is the fact that the Bank declined to go to appeal after Judge Mahoney had rejected the tender of the two Federal Reserve Notes. Surely they could not have been afraid of losing. And it would have been an easy matter for the Bank to pay the fee in silver certificates or in United States Notes or even in coin. The question is, why should they decline to do so? After all, their stand and their case were clear, and if Judge Mahoney had erred or the jury had erred, well, the courts at the higher levels would surely get the Bank off the hook and prove it right, whatever tender they made to the Judge.

So, then, there must be something intrinsic about the Federal Reserve Notes tendered; something about the notes themselves, particularly since March 18, 1968, which give them a power not possessed by silver certificates, say, or United States Notes. By the Congressional Joint Resolution of June 5, 1933, the silver certificates became legal tender, which they had not been before, though already lawful money to begin with, being interchangeable with silver, and being "paper silver" and immediately interchangeable on demand. The United States Notes were also lawful money and redeemable in specie on presentation. Neither the silver certificates nor United States Notes bore interest, obviously, being "lawful money" intrinsically of themselves.

And so, it is assumed, that the Federal Reserve Notes, series 1963 (as well as the later series 1969 and 1970, on until March 18, 1968, were thus payable, or at least so marked.

Yet if, by the Federal Reserve Act, every Federal Reserve Note, whatever the series, is a "legal tender," is it also "lawful money?" Treasury officials now tell us that both expressions mean the same thing. Take it or leave it, whatever bears the "legal tender" quality is "lawful money."

Yet as easily as they could have done with no apparent jeopardy to the substance of their defense to Daly's assertions and the jury's findings, the Bank declined to tender anything but the Federal Reserve Notes. We rightly ask ourselves "Why?" Well, why indeed? What makes them so special?

Let's see if we can find out why. And when we do, we will have the answer to the so-called Income Tax and United Nations Treaties, and every one of the authorities will be founded in our own Constitutional law; perverted perhaps, but, as our tormentors say, "as American as apple pie."

Well then, what is "lawful money?" That's a good question to start. It has never been defined in the statutes, but we can still discover what it is from indirect sources. A Federal Reserve Note as we know it, though always legal tender, did not become absolute "lawful money" until March 18, 1968. We remember that "lawful money" prior to the Civil War, United States Notes (red-seal notes) became "lawful money." That is, the equivalent of coin, not a substitute, but the

equivalent. They were paid into circulation by the government and without interest. They were not lent into circulation, but outright paid. Thus, while they were "lawful money," banknotes never were. They were not for the reason that, although lawful money may be privately lent at interest, it is the non-interest bearing quality that makes the lawful money as currency without a premium or discount. Lawful money may be lent at interest, but is not issued at interest. Thus, legal tender may either bear interest, or it may not, before being lent commercially at private interest. Federal Reserve Notes today do not bear interest, according to correspondence with the Federal Reserve Bank of New York. Thus, banknotes are only legal tender redeemable in lawful money. Lawful money may be defined partially as a circulating medium of exchange issued without interest, and representing standard specie, and payable on demand.

Suffice it to say that, up until 1913, "lawful money" was recognized as whatever might comprise the reserves of a National Bank. That was gold coin, silver coin, gold and silver certificates, Treasury Notes, and United States Notes.

And what happened in 1913? What else, after 1913, besides the above, could comprise the reserves of a National Bank? Something new was added called Federal Reserve Notes. What was supposed to be the heart of the Federal Reserve System, that is, commercial paper or what either are or amount to private obligations of debt, all kinds of long-term or short-term private obligations, obligations upon which credit in legal tender was granted or which contracted payment in "lawful money" at the end of the line of negotiability now took on a capacity of clearing house certificates just as Federal Reserve Notes.

Now, this commercial paper, as it was called, has always been considered "as good as gold" upon the merchant's word in general commercial circles whether domestic or international. So, too, has the word of any merchant, domestic or international, among themselves, and based upon it, been considered "as good as gold." That is, ultimately payable in hard money at the end of the line, on the same principle as a bill of exchange.

Here, parenthetically, we see the meaning of the summary judgment. This notorious equitable device, passing as legal, is the means by which credit-money can be converted into "lawful money" and be compelled of acceptance as such. Since the summary judgment accomplishes the demand payment of specie or its equivalent in tangible property, it causes the "dispatch of merchants." On this basis and for this purpose did commercial paper become "lawful money" under the Federal Reserve, that is, mere choses-in-action could be considered the equivalent of tangible specie.

Now, the strange thing is that the practices of merchants and traders have never been based on the law of any particular nation or locality, or been derived from such. On the contrary, they were solely and strictly the practice of private merchants. And although it was never any single nation's "law," the private commercial practice of merchants was dignified with the title of "law" merchant. As it was strictly private custom and practice, it could not be enforced in the domestic courts of any host country including particularly Great Britain, and the reason was that it was not immediately founded in hard money, but only upon what are generally called "negotiable instruments". Indeed, as long as individual countries preserved their national moneys in hard coin, commercial practice in commercial paper could not demand hearing in the courts in an

action for debt (called an assumpsit). Nor could it be enforced in the courts of England until a certain gentleman named Lord Mansfield became Chief Justice of the King's Bench to George II in 1756, commencing a heavy tour of duty in dealing in commercial equity.

II LAW AND EQUITY

The fundamental difference between Law and Equity is that Law is grounded in or derived from guaranteed allodial land titles, while equity is based on enforcement of "natural" rights which the common law does not necessarily provide for. That is an overall simplification, but discloses what is essentially at issue. Law deals in substance, Equity in potentiality upon the substance. It could be said that Law deals with the reality of the substance, while Equity deals in only the theory of the substance.

What has this to do with Federal Reserve Notes and with United States Notes? Just this, namely that a Federal Reserve Note, being a private written obligation, is what we call commercial paper. Though it bears no interest, it is based on obligations which do bear interest, and is negotiable, allegedly issued "for value received," that is for United States securities or other "lawful money" of the United States. They are "as good as gold," but only between merchants. Thus, to compel you to accept them, you yourself must somehow be made a merchant despite yourself or your inclinations. Unlike United States Notes, Federal Reserve Notes are not the equivalent of specie, since it is a commercial obligation, and not in any way payable in specie to intermediaries. They can be redeemed only in United States Bonds.

III CONFISCATION OF REAL PROPERTY

It so happens that the judges are bound by Constitutional clauses and UN treaties to take "judicial notice" of this "natural" Law Merchant, which has been only partially written into commercial and mercantile codes, or codes of law, of the states, or of uniform codes of law on negotiable instruments. There are several reasons for this, which must be understood for us to pursue our argument.

The rule of all rules of this Law Merchant, this law supreme of "private enterprise" is, who trades with a merchant becomes a merchant for the purpose of the transaction at hand. That is, liable to support the paper at whatever stage it is in or at. Further, it makes anyone liable in equity on a summary judgment to any merchant who may bring a charge of default. And that means no jury trial, despite what one might be led to believe under the Seventh Amendment because jury trials are based in Money transactions and not Debt transactions. Equity, you see, is not strictly "common Law." The rule can also compel what is called an "action of account" (in equity) on the debtor/creditor basis. It is this continuing relationship which creates the liability to file (not necessarily to give information, or to pay tax) under the Code of the I.R.S..

Thus, the continuing debtor-creditor relationship creates the running account, which cash transactions do not. That is the heart of the matter, but only the beginning of the maze of deceit and treachery revealed in challenging the system. The only word for what follows is "sly."

Since jury trials in our system of law originated in land and real property titles and in their protection, it follows that summary judgments in equity on the law merchant are the essence of communistic socialism and the means of wholesale confiscation and destruction of private land titles. The Federal Reserve Note is thus a multiple-party communist groupie-dollar confiscatory of real property, where all wealth originates.

Indeed, if the Federal Reserve Notes have one overriding purpose (and the same thing goes for any such notes issued by the so-called International Monetary Fund), it is to confiscate in equity (summary judgment) all private landed property for the benefit of certain international commercial "private enterprise" interests which issue them. It is on this grounds that Federal Reserve Notes can rationally be attacked as illegal by calculated discrimination under the equal protection clause of the 14th Amendment. They discriminate against real property, as real property is not personality or what is called a chose-in-action.

Since March 18, 1968, there are technically no more rights to a jury trial in common law default cases. Through "negotiable instruments," Federal Reserve Notes and checks which represent the commercial paper called "lawful money" in the banks, every individual who accepts one of these, or indeed a draft or check upon them, whether he likes it or not becomes a credit merchant with no right of defense against others upon a jury trial of peers (per pais). The IRS also operates on the same unprincipled principle, but in different areas.

Consider the following for a moment. Almost the only jury trials remaining generally at common law cases are not upon substantive law but upon nothing more than the amount of damages (in debt money) to be awarded in civil cases. It is the judge who decides whether there are to be any damages awarded by fast deciding whether there is any "controversy" or "triable issue of fact." The judge decides the guilt by allowing the trial, and the jury the amount of damages upon the trial. This is essentially true in criminal cases too where the amount of "damages" or "penalty" is technically governed by the severity of the punishment. The juries find on "degrees of guilt" which has already been determined in a prior equitable proceeding, as one is predetermined for "failure to file" grounded in an action of account on the debtor/creditor relationship.

So, we understand something further about Federal Reserve Notes. We understand why they have effectively outlawed trials by jury on anything but the amount of damages or extent of punishment. This is the basis of the executive summary Judgments of the Internal Revenue and they are all called "civil." All the "criminal" charges arise in want of performing "civil" acts under the just "natural law" of the Law Merchant.

Let us see further what the Federal Reserve Notes have to do with liability for the Income Tax itself, and how they create liability where none exists by all the other law we ever knew except the private Law Merchant of international enterprise, which can override all local Constitutions¹.

1. See Letter From Attorney, Appendix V

IV CORPORATE PRIVILEGE

The Supreme Court has itself ruled that the Sixteenth Amendment created no new American law, gave Congress no powers it did not already have, and in effect might just as well not have been written. It has further declared repeatedly that the alleged "Income Tax" it created is not an Income Tax at all, because a generic Income Tax is a direct tax on property, while the tax legislated under the Sixteenth Amendment is no more than a tax on a franchise, or more precisely on the privilege of doing business in a corporate capacity, that is the privilege of perpetual existence, perpetual succession, and limited liability for debt. And it is so, because it is not apportioned among the several states as a direct tax would have to be.

This so-called Income Tax, is a tax on a franchise (privilege) of juristic persons and is only measured by the amount of income property of a juristic person or corporation subjected to it upon some clear contractual franchise or privilege.

And the juristic person, being created by society, can be compelled by law to reveal how it operates on the privilege granted to it, and also to report its earning and pay a return for the privilege. What it does is to render unto its creator a measure of gratitude and liability of discipline for its creation. In plain down to earth terms, the tax is upon the quasi-immortality granted to society. [To see this in operation during the time of Jesus, see Matt. 22.17-21.]

Natural persons, cannot be subjected to being compelled to informing on themselves in either criminal or civil cases. The IRS intimidation artists will tell you that the liability to inform on oneself is only a civil liability under the Code, and one can indeed be compelled to give information. But what you are not told is that that information can automatically change the case from allegedly civil to outright criminal because of information right out of ones mouth. So the IRS will try anything to keep its goons in business as private contractors in harassment and shakedown.

So, if only juristic persons are liable under the Sixteenth Amendment, how can natural persons be liable for the tax? Very simple: by enjoying the favors of the holder of the franchise they become debtor/creditor merchants themselves by bargaining with merchants on the corporate franchise, and thus enjoying the right to summary judgment themselves on a default of whatever description against the chicken next down the pecking-order in this "natural law" of summary judgment.

This is a double-barreled trap for the natural or non-juristic person. He becomes liable on a corporate franchise and on the commercial paper (checks) which it issues, supposedly "as good as gold."

Thus, the corporate franchise pretends not to destroy his civil immunity and not reveal information under the 5th Amendment and the 4th Amendment, while the Federal Reserve Notes as well as business and personal checks guarantee a summary judgment on any charge brought against the person "enjoying" the benefits of the commercial paper. Thus, the employer, the beneficiary of the franchise, reveals on his information returns the amount of wages allegedly paid, called income, upon which charges can be brought against the employee for "willful failure" to file upon the paper, because "income" is now considered to be any kind of "consideration," just as it used to be on His Lordship's manor in feudal times.

But now, all that can be successfully attacked, because you have here learned the fundamental secret relationship between the Income Tax and the Federal Reserve Notes. So the rest is up to you. And what kind of defenses can be made? Well, let's see.

V DEFENSES TO THE FRN

Actually, there are many defenses. The first is the defense that a natural person or individual cannot be liable on a franchise, as he has granted no franchise to himself. Can an individual render himself immortal or liberate himself from natural process? Nor can an individual be liable on a corporate franchise because no one can be compelled to submit to an unsolicited or unwanted private boon. Individuals cannot be enfranchised by their own creation. Did God create men so that men could alter their creator? These franchises are derived only from the People themselves who are policed only by the Providence of their own Creator.

Defense on the Federal Reserve Notes is essentially that they clearly discriminate against holders of allodial land titles in favor of law merchants. This is because the Federal Reserve Notes and demand deposits passed by check (in equity) lay a disproportionate burden of from 10 to 1 to about 16 to 1 upon real property or substance (in law). That is, the real property must yield or produce from ten to sixteen tax or income "Dollars" for every one tax or income "Dollar" paid by the juristic person. In other words, "equitable" commercial paper is worth from ten to sixteen times as much in pure money-of-account as legal specie of gold and silver, or the real property (substance) which it represents.

It is thus eminently clear, why the Montgomery Bank chose not to appeal on anything but a fee paid in Federal Reserve Notes. In order to win their case any other way, they would have had to compel the court to play merchant to the Bank's trade of merchant upon the commercial paper called the Federal Reserve Note, and upon no other.

So a Federal Reserve Note is a negotiable instrument, negotiable by mere delivery and forced acceptance upon everyone except the proprietors of the Federal Reserve by the same private corporation in order to compel subjection to summary judgments under the Law Merchant. It is as simple as that. For the proprietors of the Federal Reserve hold the real gold which cannot make them liable in, equity. The Federal Reserve Note, for allied and subsidiary purposes, also passes as several other things under color of law. It passes as a bill of exchange, as a currency bond, and most important of all perhaps as an irredeemable perpetual annuity bond charged upon the land. It is technically itself a bond, being "small change" for the United States securities which allegedly back it along with other commercial paper. The sole legitimate purpose for the Federal Reserve Note, by the Federal Reserve Act, is to cash-balance inter-bank accounts in demand deposits at the end of the day.

VI WHAT THE JUDGES KNOW

Should we assume that Judge Mahoney knew something which other judges don't know? Not necessarily. The probability is that it was his mere directness rather than any sophisticated knowledge which thwarted the bank's swindle upon the Federal Reserve Notes. In any case, we

shall discover yet more of the mercantile basis upon which, particularly since March 18, 1968, the hidden owner of the Federal Reserve have promoted the communization of the world.

This mercantile basis of communization is laid in absolutely nothing but the Law Merchant, the law of private traders which supposedly in the many cases decided by the Lord Mansfield above mentioned, became a part of the "common law of England" just prior to the American Revolution. Indeed, it was this new law of summary judgments which sparked the American Revolution, which itself rejected the new law.

Surely, the judges who enforce it are not all either ignorant or criminal, but they do know something that the vast numbers of the rest of us only dimly suspect in our apparently fruitless efforts to achieve justice in cases involving not only money and taxes, but many other areas as well, particularly those bearing on marriage and family life.

We need to examine the one particular place where the United States Constitution mentions the "common law," and that is in the Seventh Amendment. Once we look carefully at it, and thus determine all that it implies, we shall see that "communism" and the brutalizing of America derive from the one thing which many tax-resisters unwittingly promote/themselves; the Law Merchant.

VII THE SEVENTH AMENDMENT

The worst of the erroneous assumptions that certain Tax and Money Fighters make, and the most self-defeating, is that the judges either don't know the Constitution and the Laws, or that they are all corrupt and bought. But it just can't be so. Why should we prejudice our own cause by assuming that we know all the laws by the mere fact that we can read and quote the Constitution with dexterity, giving an immediate judgment on its content?

Let's look at the Seventh Amendment, for example:

"In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved."

What this says in effect is that the Congress shall pass no law denying the right of trial by jury in suits of common law where the value in controversy exceeds twenty dollars. It says not a word about what State legislatures may do. This Amendment merely protects in the courts of the Union common law rights arising in the States and comparable to those of the Amendment. Now let's go even further.

What is "common law," anyway? Do all the states have the same common law? No. Is there a federal common law? No. If there is no general federal common law, can one institute a "common law" action in a Federal Court? Answer, No. However, a civil action can be instituted. As regards the states, what does "common law" mean? Are suits at common law mere suits over amounts of damages? No, yet some pretend yes. What is "common law," anyway?

If is the unwritten law of sanctioned spontaneous practice upon informed consent as expounded by the judges in the case decisions, which do not create the law, but disclose it. Can the Federal

Courts impose the common law of one state upon another? No. The common law mentioned in this Amendment is the common law prevailing in each state at the time of the adoption of their Constitutions. In some, it bars any common law of England prior to 1607, in most of the others prior to 1776. It enters Federal Courts only on appeals from State courts or in diversity suits between citizens of different states. Much more on this subject follows below.

Do income taxes exist under the common law? Absolutely not! They are enforced primarily upon statutes, primarily in equity by summary judgments of the executive (writs of assistance). "natural persons" The alleged liability of the liability. lies completely in equity, for the Code nowhere defines

In the Seventh Amendment above, what exactly is "value?" Who decides the "value?" The Plaintiff? Defendant? Jury? Judge?

What is "controversy ?" Do controversies exist over "Law" as well as over "fact?" Of course. Are all controversies triable by jury? No. Can the Congress suppress debatable issues of fact by incorporating them in a statute (IRS tax tables, for example) and thus call them matters of Law? You'd better believe it. Do the judges deal in Law in that case? No, but in equity. That is, essentially inquisitory justice on summary judgment, in which case the judge is advocate for the plaintiff, thus making it a semi-criminal case just as most of equity amounts to. Sometimes the courts decide that "facts" too are only for the court.

What is a "jury ?" Twelve men or six? Can a judge be a "jury?" Jury means, sworn to indifferent truth upon the law. A judge can be a jury in a case of "facts for the court." Judges and juries are called "persons indifferent," and if they are not they can be sued or prosecuted. There are not genuine juries in equity. Juries charged by a judge from following anything but what he directs are no more that advisory juries in equity.

Is this "equity" a part of the Constitution? Let's see Article III, Section 2, of the Constitution: "The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States; and treaties made, or which shall be made under their authority." Federal equity rules were revised in 1913, the same year as the Federal Reserve and the Income Tax were instituted. Imagine that! Equity was originally an extraordinary jurisdiction of the King's prerogative in deficient common law principles. It has now come to be almost any kind of sociological justification whatever passing as natural or human rights, by the very laws of the Congress. This is where the judges get the jurisdiction they exercise; from the Congress and the legislatures, where else?

So, it is not necessarily the judges who are traducing us, for they are, whether we like it or not, or whether we understand it or not, ruling in "all cases in law and equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority." And that covers a great deal of territory, whether we like it not, or whether we understand it or not. What it has long since been our obligation to do is to discover the source of the difficulty, to see how the Constitution can seemingly be made to contradict itself.

"The legislature has exclusively the power to say what the laws shall be." we read in *Ogden v. Blackledge*, 2 Cranch 272. That obviously means within the powers granted it under the Constitution.

Now let's see what "common law" we have to deal with on the federal level.

VIII FEDERAL COMMON LAW

Since the court have declared there is no general federal common law, outside the principles of the Constitution, the federal courts deal essentially, unless a state right is involved, with either equity or statute law or civil law. And equity and Civil Law can convey almost anything, as we shall see, including the Law Merchant. There are three fundamental case decisions of the Supreme Court on "federal common law" since 1900, and two before. They are these:

- *Wheaton v. Peters*, 8 Peters (U.S.) 591
- *Swift v. Tyson*, 16 Peters (U.S.) 19
- *Erie R.R. v. Tomkins*, 304 U.S. 64
- *Hinderlider v. LaPlata*, 304 U.S. 92
- *D'Oench, Duhme & Co. v. FDIC*, 315 U.S. 447

First let us consider this: there are three schools of thought on what comprises the Anglo-American "common law." The first says it includes the entire system of Anglo-American law as contrasted with the Roman or Civil Law. This means all the unwritten law and all the English statutes woven upon it. It means also the law given primarily in the case decisions. Second, in narrower sense, it distinguishes between common law and equity, admiralty, and ecclesiastical, though including the older English statutes, especially on property. Third, in the narrowest sense, it excludes even the ancient statutes, and means only the law of the case decisions.

In the light of that, we must consider the case of *U.S. v. Read*, 12 How (U.S.) 361, 13 L.Ed. 1023, which declares that the English statutes do indeed form a part of the common law. If so, that would include one of the earliest called *Acton Bumel*, of which more later.

The first of the cases mentioned above, *Wheaton v. Peters*, 8 Peters 659, declares this: "It is clear there can be no common law of the United States. No one will contend that the common law, as it existed in England, had ever been in force in all its provisions in any state in this Union. It was adopted so far as its principles were suited to the condition of the colonies; and from this circumstance we see what is common law in one state is not so considered in another. The judicial decisions, the usage's and customs of the respective states, must determine how far the common law has been adopted and sanctioned in each." Thus, the Federal courts must rely on state case law as precedent.

Wheaton v. Peters stood until 1842, when it was overruled by *Swift v. Tyson*, thus: "In this case, notwithstanding section 34 of the Judiciary Act, which provides that the laws of the several states, except where the Constitution, treaties, or statutes shall otherwise provide, shall be regarded as rules of decision binding upon the federal courts and the highest court of the State of New York had established a rule upon the question, the Federal Court decided contrary to that

rule, upon the broad principle of commercial or maritime law indicated." Also the same court held that the Federal Court is bound by the general commercial law, independent of the law of any particular state.

This decision was reported again in *Camenter v. Providence-Washington Insurance Company*, 16 Peters 494-511, and also in *Railway Company v. National Bank*, 102 U.S. 14.

Swift v. Tyson also declared, by Justice Story: "The law respecting negotiable instruments may be truly declared in the language of Cicero, adopted by Lord Mansfield in *Luke v. Hyde* (2 Burr. R. 883-887) to be in a great measure not the law of a single country only, but of the commercial world. The fame of Mansfield, whose decisions were deplored by Thomas Jefferson, lay in moving into equity out of the law the action called *assumpsit*, giving summary judgments to merchants on writs of assistance. The very thing that, in fact, sparked the American Revolution. Further, "It is observable that the law merchant and the maritime law are not generally distinguished from each other, but are frequently used indiscriminately. The only real difference is in the sanction. When viewed as a part of the municipal law the rules are called the law merchant, when regarded from the standpoint of international law the same rules are the law maritime."

Does that last not lend some sinister atmosphere to the Atlantic Charter "granted" by Roosevelt and Churchill on the high seas?

Swift V. Tyson effectively made the law merchant a part of our common law, thus bringing up the question of jury trials at common law under the Seventh Amendment. This decision stood from 1842 until 1938, when its application was overruled by the well-known case of *Erie R.R. v. Tompkins*, which said: "Except in matters governed by the Federal Constitution, or by acts of Congress, the law to be applied in any case is the law of the State. Whether the law of a State shall be declared by the legislature in a statute or in its highest court in a decision, is not a matter of federal concern."

The case at hand was a diversity of citizenship case, but the intent of the decision was of universal application in federal courts. The decision declared further, "There is no general federal common law. Congress has no power to declare substantive rules of common law applicable in a state . . . and no clause in the Constitution purports to confer such a power on the Federal Courts."

On the same day was decided the *Hinderlider* case, which declared essentially the same thing, adding that there is a federal common law specifically created by the federal courts themselves and applicable to those areas where the state laws cannot be relied upon.

In 1942 another case of importance was decided, namely *D'Oench, Duhme & Co. v. FDIC*, which expanded on the doctrine of *Hinderlider* that there is a federal common law specifically created by the federal courts themselves and likewise applicable to those areas where the state laws cannot be relied upon. Indeed, in the *D'Oench* case, Justice Jackson went so far as to refer to federal judge-made case law as a federal common law. The law creating the FDIC said in part that "all suits of a civil nature at common law or in equity to which the corporation shall be a

party shall be deemed to arise under the laws of the United States . . ." Based upon that, here is what Justice Jackson said: "Although by Congressional command this case is to be deemed one arising under the laws of the United States, no federal statute purports to define the corporation's rights as a holder of the note in suit or the liability of the maker thereof. There arises therefore, the question of whether in deciding this case we are bound to apply the law of some particular state or other or whether, to put it bluntly, we may make our own law from materials found in common law sources."

The Justice certainly did not say "American common-law sources," because of the fact that the American Revolution itself outlawed the indiscriminate application of the mercantile law injected into it by Lord Mansfield out of the Civil Law promoted on the Continent. There is much more, but have we not essentially revealed the secret of the brutalization of America which is brought by resort to the private custom of merchant international known as the Law Merchant? This law cannot be made a part of our substantive or municipal law as it is called. It can only be enforced upon acquiescence or, where that is like to fail, upon intimidation by private contractors on franchise, as operate in and out of the Internal Revenue Service.

Thus, while the application of the Erie Railroad case pretended to overthrow *Swift v. Tyson*, what it did bluntly was to open up the way for new resorts to establishment of a definitive "federal common law," while each of the three cases had said that there was no general federal common law. The sole question was one of where to resort to find one beyond the general common law of the states which could be called a "national common law" generally shared by the states on the principle of the Federal Constitution, and particularly the Bill of Rights, whose preamble echoes the ringing phrases of the Declaration of Independence. So we can now understand the tremendous lack of due process which has grown in the courts since 1938. Civil rights (rights of citizens of the Union) have become essentially those which promote trade and commerce under the custom of merchants, and supported to the last syllable by the rope-merchants of the so-called service organizations such as the Rotary International.

Too few Patriots realize that "communism" is a hoax and is not more than the excuse for swallowing up millions of small commercial enterprises into the maw of monstrous cartels in the tradition of the Deutsche Hansabund, from which came the Warburg architects of the infamous Federal Reserve.

It will be good and sufficient time for covert promoters of mercantilism to "get U.S. out" of the UN only when, after repeated empty exhortations, the entire world commerce has been monopolized by the proprietors of this credit.

IX BUSINESS IN GOVERNMENT

One of the first things for us to realize, is that it is not "the Government" which is traducing and betraying us, but private interests which have usurped the powers and offices of government under color of the Law Merchant. The purpose has been to create two things. One, a vast bureaucracy, and secondly a tyranny. So that in the end, carefully upon cue, we can be saved from destruction and from "tyranny" by splitting up the bureaucracy into waiting private hands and by creating a decentralized feudalistic state in which the tyranny is farmed out through

private corporations and not by public bureaus. This is precisely what such dangerous proposals as the so-called "Liberty Amendment" will help to bring about; the mere replacing of a public tyranny with a private one.

The "Liberty Amendment" was written in good faith over thirty years ago after Franklin Roosevelt's assault upon the Montgomery Ward Corporation, but is now a lamentable hoax and fraud upon every working person in the nation, whether regularly for wages or as private contractor. This Amendment is not designed to protect private undertakings, but to protect corporate limited liability upon public franchises granted by the Peoples of the States. To repeal the "Income Tax" (which lawfully applies to corporations on franchises and not to private citizens) and still leave the corporations with the perpetual succession and the limited liability for debts is to turn the nation into a single gigantic private corporation, untouchable by any individual, precisely as Jefferson warned us.

The author of the "Amendment" declines outright to discuss its true meaning under the opinions of the Supreme Court in the several so-called Income Tax cases we shall also consider, especially the Brushaber case. The deceptive scheme is also served by promoters of a federal corporate monolith posing as self-styled "educational" organizations which corral decent, concerned citizens, and "educate" them in everything but the real truth of how to defend themselves, and do not more year after year than soothe and "build morale" among the brutalized with name-calling and finger-pointing, while the whole vile, rotten swindle is creatively cultured to ripen (at the appropriate moment) into violent Revolution by which the over-ripe (nay, rotten) fruit will fall into their own hands for "regeneration" and "protection" and "cleaning-up" under the auspices and jackboots of pyramids and private enterprise hirelings on immunity franchises who will either obey company orders or lose their meals. For an interesting parallel see Revelation 13:171

We don't need to "Get Government out of Business" we need to Get Business Out Of Government. The Federal Reserve, is one of the finest instances of naked "private enterprise," with an absolute throttle-hold on the fiscal economy of the nation. The benevolent founders of the Federal Reserve did get the Government out of the Money Business for sure. Is there any other that really counts?

To take a further step toward seeing the problems for what they are, let's permit ourselves a closer look at the sources of jurisdiction used by our regimentators.

X JURISDICTION

The following are the bases on which the courts principally operate, whether we understand it or not, on the jurisdiction given by the Constitution, Congress, and the Legislatures. There is no sense in being in the ball game if we don't know the rules under the Constitution.

Ground Rules of Law Merchant

Article I, Section 8. The Congress shall have power:

To..... lay and collect excises.

To..... regulate commerce with foreign nations, and among the several states.

To..... define and punish . . . offenses against the law of nations. To..... make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other powers invested by this Constitution in the Government of the United States, or in any Department or officer thereof.

Article III, Section 2

The Judicial power shall extend to all cases in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their authority. In all other cases before mentioned the Supreme Court shall have appellate jurisdiction, both as to Law and Fact, with such exceptions, and under such Regulations as the Congress shall make.

Article IV

This Constitution, and the Laws of the United States which shall be made in pursuance thereof, and all treaties made, under the authority of the United States, shall be the Supreme Law of the Land. And the judges in every state shall be bound thereby, anything in the Constitution or Laws of any State to the Contrary notwithstanding.

Article V

No person shall be compelled in any criminal case to be a witness against himself.

Article VII

In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved.

Suits in common law, it must be pointed out, do not include suits in Chancery, better known as equity, such as suits for injunction, divorce, enforcing a trust, canceling naturalization, accounting, and specific performance.

An important note about treaties must be made here. Anyone who believes that the United Nations treaties can lawfully override the clear intent of the Constitution will do well to notice the following, taken from *A View of the Constitution of the United States of America*, by William Ralle, LL.D., which clearly explains the matter of treaties under the United States Constitution.

"There is a variance in the words descriptive of laws and those of treaties - in the former it is said those laws which shall be made in pursuance of the Constitution,

but treaties are described as having been made, or which shall be made under the authority of the United States.

'The explanation is that at the time of adopting the Constitution, certain treaties existed, which had been made by Congress under the Confederation (with France, the United Netherlands, and particularly the treaty of peace with Great Britain), the continuing obligations of which it was proper to declare. The words 'under the authority of the United States' were considered as extending equally to those previously made, and to those which should subsequently be effected. But although the former could not be considered as pursuant to a Constitution, which was not then in existence, the latter would not be made under the authority of the 'United States,' unless they were conformable to its Constitution.'

What kind of law is it that the United Nations treaties protect - private or public? Or is it natural or positive? Or is it aggressive or defensive?

XI NATURAL LAW

For those many Patriots concerned over what they often refer to as their Natural Rights, the following short passage dealing with the Law Merchant may perhaps provide a clue to why they may not come by all the immediate justice in the courts, to which they may believe themselves entitled, in the field of Natural Rights. The excerpt is found at page 207 in the American edition of Colin Blackburn's essay on Contract of Sale, published at Philadelphia, 1847, by T. and J.W. Johnson. These notes follow a discussion of some of the pertinent law antecedent to the famous decision on stoppage in transit in the case of *Lickbarrow v. Mason*, 2 T.R. 63, in the year 1786. Blackburn writes thus:

"There is no part of the history of English law more obscure than that connected with the common maxim that the Law Merchant is part of the law of the land. In the earlier times it was not a part of the common law as it is now, but administered in its own courts in the staple, or else in the Star Chamber. The Chancellor, in the 13 Edw. 4, 9, declares his view of the law thus: 'This suit is brought by a alien merchant who is come by safe conduct here, and he is not bound to sue by the law of the land, to abide the trial of twelve men, and other forms of the law of the land; but he ought to sue here (in the Star Chamber) and it shall be determined by the law of nature in Chancery, and he may sue from hour to hour for the dispatch of merchants; and he said further that a merchant is not bound by statutes, where the statutes are introductiva novae legis; but if they are declarative antiqui juris (that is to say of nature, etc.). And since they have come into the kingdom, the king has jurisdiction over them to administer justice, but that shall be secundum legem naturae which is called by some the Law Merchant, which is the law universal of the world.' And the justices being called on, certified that the good of this plaintiff were not forfeited to the crown as a waif (though those of a subject would have been) because he was an alien merchant. It is obvious that at that time the law merchant was a thing distinct from the common law. This accounts for the very remarkable fact that there is no

mention whatever of bills of exchange, or other mercantile customs in our early books; not that they did not exist, but they were tried in the staple, and therefore were not mentioned in the books of the common law; just as the matters over which the Courts of Admiralty, or Ecclesiastical Courts, have exclusive jurisdiction, are at this day never treated as part of the common law. But as the courts of the staple decayed away, and the foreign merchants ceased to live subject to a peculiar law, those parts of the law merchant which differed from the common law either fell into disuse, or were adopted into the common law as the custom of merchants, and after a time began to appear in the books of common law. How this great change which was brought about does not appear, but though bills of exchange were in common use among merchants in the 13th century; the first mention of one in an English report is in Cro. Jacl., in the beginning of the 17th century; and though, the right of rei vindicatio must have prevailed in the continent from the time of the revival of the Civil Law, the first mention of it in our books is as late as 1690. It seems quite impossible that such matters should not have been the subject of litigation in some shape or other in England for centuries before those times."

The remainder of this section is devoted to excerpts from 19th Century printed matter on the subject of Law Merchant, with only minor alterations by the author of this books.

"Blackstone, whom internationalists prefer to quote over Lord Coke, classified the Law Merchant as one of the 'customs' of England, and so a part of the common law; but it is not properly a custom, as it is not restricted to a single community, and is not the municipal law of a single country, but regulated commercial contracts in all civilized countries. The body of mercantile usage's which compose this branch of law, having no dependence upon locality, does not need to be established by witnesses, but judges are bound to take official notice of it. The principle branches of the law merchant are the law of shipping, the law of marine insurance, the law of sales, and the law of bills and notes. The feudal law, which grew up in a time when property consisted chiefly on land upon whose alienation great restraints were laid, was found inadequate for the needs of the mercantile classes who were coming into prominence. The courts when commercial contracts were brought before them, adonted from the rules which regulated their business dealing and made them rules of law. Many of these rules were in direct contradiction to the common law. Magna Charta contained a special provision guaranteeing to merchants, among other things, the right 'to buy and sell according to their ancient customs,' and many later statutes were enacted for their special protection. As the custom of merchants began to encroach upon the common law, there was a determined effort on the part of lawyers to resist it. It was attempted to make the custom of merchants a particular custom, peculiar to a single community, and not a part of the law of the land. It was finally decided in the reign of James I (1603-1625) to be a part of the law of the realm. An attempt was then made to restrict the application of the law merchant to persons who were actually merchants, but the courts, after

considerable variance, held that it applied to the same con-tracts between parties and merchants."

The paragraphs following to the end of this section, as the one immediately preceding, are taken from the articles of Mercantile Law in the American Universal Cyclopaedia, Volume IX, New York, 1884, S. W. Green's. They serve to demonstrate to the reader how alien this law is to our Constitution and to our ancient common law on real property, and to show that the true purpose of it is indeed to confiscate all real property to the uses of a private mercantile cartel.

"Mercantile law is the only branch of municipal law which, from the necessity of the case, is similar, and in many respects identical, in all the civilized and trading countries of the world. In determining the relations of the family, the church, and the state, each nation is guided by its own peculiarities of race, of historical tradition, of climate, and numberless other circumstances which are almost wholly unaffected by the conditions of society in the neighboring stores. But when the arrangements for buying, selling, and transmitting commodities from state to state alone are in question, all men are very much in the same position. The single object of all is that the transaction may be effected in such a manner as to avoid what in every case must be sources of loss to somebody, and by which no one is ultimately a gainer, viz., disputes and delay. At a very early period in the trading history of modern Europe, it was found that the only method by which these objects could be attained was to establishing a common understanding on all the leading points of mercantile, and more particularly of maritime law. This was effected by the establishment of those maritime codes, of which the most famous, though not the earliest, was the Consolato del Mare. It is sometimes spoken of as a collection of maritime laws of Barcelona, but it would seem rather to have been a compilation of the laws and trading customs of various Italian cities such as Venice, Pisa, Genoa, and Amalfi, together with those of the cities with which they chiefly traded - Barcelona, Marseilles, and the like. That it was published at Barcelona towards the end of the 13th century, or the beginning of the 14th century, in the Catalonian dialect, indicates that it is of Italian origin. As commerce extended itself to the northwestern coasts of Europe, similar codes appeared. There was the Guidon de la Mer, the Roles d' Oleron, the Usages de Damme, and most important of all the ordinances of the great Henseatic League (Deutsche Hansabund). As the central people of Europe, the French early became distinguished as cultivators of maritime law, and one of the most important contributions that ever was made to it was the famous ordinance of 1681, which formed part of the ambitious and in many respects successful legislation and codification of Louis XIV. All these earlier attempts at general mercantile legislation were founded, as a matter of course, on the Roman Civil Law, or rather on what that system had borrowed from the laws which regulated the intercourse of the trading communities of Greece, perhaps Phoenicia and Carthage, and which had been reduced to a system by the Rhodians.

"From the intimate relations which subsisted between Scotland and the continent of Europe, the lawyers of Scotland became early acquainted with the commercial

arrangements of the continental states; and to this cause is said to be ascribed the fact that down to the period when the affairs of Scotland were thrown into confusion by the rebellions of 1715 and 1745, mercantile law was cultivated in Scotland with much care and success. The Work of Lord Stair, the greatest of all the legal writers of Scotland, is particularly valuable in this department.

"In England the case was very different. After the loss of her French provinces in 1543, the legal system of England became wholly insular, and there was no branch of it which suffered more in consequence of being cut off from the general stream of European progress than the law merchant. It was Lord Mansfield who, whether guided by the wider traditions of his original country, Scotland, or deriving his views from the scourge from which these traditions sprung, viz., the Roman Law, as modified and developed by continental jurisprudence, introduced those doctrines of modern commercial law which English lawyers have since developed with so much acuteness and logical consistency. Many attempts have recently been made to assimilate the commercial law of England and Scotland, and a commission of lawyers of both countries was recently appointed for the purpose. One of the most important results of their deliberations was the mercantile law amendment act, 19 and 20 Vict. c. 60."

XII LAW MERCHANT

The direct relationship between Federal Reserve Notes and the Income Tax as grounded in the Law Merchant is nowhere more strikingly revealed than in the following excerpt from the Richard Wooddesson's exhaustive Lectures on The Laws of England, to be found in Littell's Law Library, Philadelphia, 1842.

"The Law of Nations is another constituent part of the British jurisprudence, and has always been most liberally adopted and attended to by our municipal tribunals, in matters where that rule of decision was proper to be resorted to, as questions respecting the privileges of ambassadors, and the property in maritime captures and prizes.

"But the branch of the Law of Nations, which there have been the most frequent occasions of regarding, especially since the great extension of commerce, and intercourse with foreign traders, is called the Law of Merchants. This system of generally received law has been admitted to decide controversies touching bills of exchange, policies of insurance, and other mercantile transactions, both where the subjects of any foreign power, and (for the sake of uniformity) where natives of this realm only, have been interested in the event. Its doctrines have of late years been wonderfully elucidated, and reduced to rational and firm principles in a series of litigations before a judge, long celebrated for his great talents, and extensive learning in general jurisprudence, and still more venerable for his animated love of justice (Lord Mansfield; to whose name we may now add that of Lord Ellenborough). Under his able conduct and direction, very many of these causes have been tried by a jury of merchants in London; and such questions of

this kind as have come before the Court of the Ring's Bench in term time, are laid before the public by a copious and elaborate compiler (Sir James Burrows).

"The Law of Merchants, as far as it depends on custom, constitutes a part of the voluntary, not of the necessary, Law of Nations. It may, therefore, so far as it is merely positive, be altered by any municipal legislature, where its own subjects only are concerned. Innovations may also be made in the voluntary Law of Nations, so as to effect the inhabitants of different states, either by the sovereign thereof (Eden's Prim. Law, sect. 3) or any confederated union of human authority."

There, then, in the United Nations, we find our "confederated union of human authority" imposing the Law Merchant upon every human creature alive.

How pathetic and frightening it is to see and hear alleged American Patriots publicly declaiming that they are being deprived of their rights by Communist hirelings out of the Moscow Kremlin, when the perversion of the American Constitution can clearly be discerned to have its sole authentic source in the law delineated in the three paragraphs above. To read the whole of Smith's lectures is a shocking experience, for it reveals the mechanics of the entire swindle perpetrated against the American people by their own best "Conservative" politicians and organizational "educators." To read Smith is to discover not only the meaning of Federal Reserve Notes, or the 1040 form, but also the joint return and the turning of families into hives of warring cannibals.

The motto is then, "Every man and woman and child a trader upon the Law Merchant," whether he will or not. The technical term for an individual trader or merchant is Sole Trader. Let us see what we may discover about Sole Traders in John William Smith's Mercantile Law, again in Littell's series.

"The word trader is used in the bankrupt laws in a definite and peculiar sense, which will be treated of in the Fourth Book under the title of Bankruptcy. For the general purposes of law it seems to have a wider signification than is either there, or in the common parlance of mankind, attributed to it; and perhaps it is not going too far to say that every man who does an act upon which any of the rules of mercantile law operate becomes, quoad that act, a trader though his ordinary pursuits may not be of a mercantile character. Thus, it is laid down by books of authority that if a man draws a bill of exchange, he is, for the purposes of that bill, a merchant (Comyns digest, Merchant, A.1). The French law defines the word 'trader' as follows: 'Sont commercan ceux qui exercent les actes de commerce et en font leur profession habituelle.' (Co.8. 85. 631 s. 638)

"The law of England, following in this respect the maxims of sound and liberal policy, licenses every individual, who is desirous of so doing, to assume the character and functions of a trader, unless he fall within the letter of some special prohibition, which takes his case out of the ordinary rule, and subjects him to a peculiar disqualification; nay, such is the anxiety with which the law

watches over the interests of trade and commerce, that it will not allow a man to deprive himself of his right of embarking in commercial enterprise. A bond or other contract by which a person binds himself generally not to exercise his trade or business in this country is merely void (Mitchell v, Reynolds, 1 P. Wins. 181. Law Lib. New Series, vol. vii); for "the law," to use the expressions of Best, C.J., "will not permit anyone to restrain a person from doing what his own interest and the public welfare require that he should do." (Homer v. Ashford, 3 Bing. 328). A partial restraint of this kind will indeed be upheld, provided it be reasonable in its nature and extent, and founded on an adequate consideration (Mitchell v. Reynolds, ubi supra; Chesman v. Nainby, 2 Str. 739). But if it want these 2 qualities it will be void (see Horner v. Gravs, 7 Bing. 743; Young v. Timmons, 1 Tyrwh. 226). And all contracts in restraint of trade are, if not special circumstances appear to show them to be reasonable, invalid in the eye of the law (Horner v. Graves, ubi supra). Particular personal disqualifications, however, as has been said, exist, which incapacitate the individuals laboring under them from engaging in commercial pursuits. It may be proper to adduce one or two examples of this sort of disability; the instances of most usual occurrence are to be found in the law relating to the capacity of aliens, infants, married women, and clergymen."

Now, if it is everyone's lot or choice of duty to become a merchant or trader merely by purchasing a meal, for the sake of example, and if contracts in restraint of trade are all absolutely illegal, and if a marriage contract can prevent spouses from being or becoming Sole Traders, then does the abolition of marriage serve the ends of private mercantilism or of something called "Communism?" Let's consider another short excerpt from Smith, this one dealing with "joint tenancy" or its variant "tenancy by the entirety:"

"For the most distinguished incident of joint tenancy is the Jus acrescendi, by which, when one joint tenant dies, his interest is not transmitted to his heirs, in the case of descendible property, nor to his personal representatives, in the case of personal effects or chattels, but vests in the survivor or survivors; this right of survivorship being admitted equally in regard to personal chattels, as in estates of every denomination. Now if stock in trade were subject to the same claim, one of two evils might ensue: either the family of a deceased partner might be left destitute; or man's fear of employing a considerable part of their property in these undertakings might heck the spirit of commerce. It is therefore, the established law of merchants, that among them joint tenancy and survivorship do not prevail. (Co.Li. 182a; Anon. 2 Browne. 99; Anon. Noy. 55; Hall v. Huffam, 2 Lev. 188; Annand v. Honiwood, 2 Ch.C. 129).

"This right of survivorship Sir William Blackstone apprehends to be the reason why neither the king nor any corporation can be a joint tenant with a private person. (2 Comm. 184). But the rule is more extensive: for two corporations cannot be joint tenants together (Litt. s. 296; C.Li. 189b, 190a)."
An understanding of the full implications of such law is the only basis on which

we can hope to retrieve our rights and our Republic in the courts or, indeed, anywhere else.

XIII NEGOTIABLE INSTRUMENTS

Regarding Federal Reserve Notes and what they are or what they represent, let us consider another short passage from Smith's Mercantile Law, particularly on the subject of negotiable instruments, keeping in mind that a Federal Reserve Note is a negotiable instrument, negotiable merely by delivery as "paper gold"

"Under the head of mercantile property, it seems right to advert to a peculiarity in the mode in which title may be acquired to a description of chattels, most usually found in the hands of mercantile men, viz., negotiable instruments. The common and well-known rule of law is that property in a chattel personal cannot, except by sale in market overt, be transferred to a vendee, however innocent, by a party who does not himself possess it. (See Peer v. Humphrey, 2 A & E. 495). The contrary, however, is the case with negotiable instruments, a transfer of which, when in that state in which by law and the usage of trade they accustomedly pass from one man to another by delivery, causes the property in them, like that in coin, to pass along with the possession (see Grant v. Vaughn, 3 Burr. 1516; Lang v. Smyth, 7 Bingh. 284; Gorgier v. Mieville, 3 B & C 45) provided that the transferee has been guilty of no fraud (Gross negligence was ruled to be the correct expression in Crook v. Jadis, 6 C & P 194; 5 B & Ad 909). The negligence must however be so gross as to render it impossible that the instrument should have been taken bona fide, and the case of Hill v. Cubitt seems not to be supportable. Backhouse v. Harrison, 5 B & Adol. 1105. See the observation of Parke, B., in Foster v. Pearson, 5 Tyrwh. 255; Cunliffe v. Booth, 3 Bing. N.C. 821. In the case however of Goodman v. Harvey, 4 A & E 870, the Q.B. ruled that gross negligence would not be a sufficient answer where a party has given consideration for the bill, and that gross negligence could only be important so far as it supplied evidence of mala fides (bad faith) in taking them, in which case he would be forced to bear the loss..

"An instrument is, properly speaking, negotiable when the legal right to the property which they secure may be conveyed. For there are other instruments (See Glynn v. Baker, 13 East 509; Talyer v. Kymer, 3 B & Ad 338; s, 1 M 8z M 453; 1 Lloyd & Walsh. 184. See Ford v. Hopkins, 1 Sal. 284, and see 1 Burr, 452, Ambl. 187, and Turner V. Cruikshank, there cited) which, though salable in the market by the usage of merchants, can yet only be put in suit in the name of the original contractee, and are not, properly speaking, negotiable. Moreover, instruments which in one state would be negotiable, may by being put into another, cease to be so. Thus, though a bill or note will be negotiable if indorsed in blank, yet the holder may, by a special endorsement, determine its negotiability. (Segourney v. Lloyd, 8 B & C 622; 5 Bingh. 525; Ancher v. Bank of England, Douglas 639. Snee v. Prescott 1 Ark. 249, per Lord Hardwicke, Treutell v. Barandon, 8 Taunt. 100. Cunliffe v. Whitefield, 3 Bing. N.C. 828"

XIV NOW YOU SEE IT, NOW YOU DON'T

We do not need to reach so far back as the detailed early cases cited above to show the reckless disregard that tax-and-money litigants have had for the vast amount of law available on which to mount offensives against the grand larceny in our tax and money laws.

Only two cases, or extracts from them, will suffice to demonstrate grounds and arguments available to anyone who take the trouble to discover them. One of these cases is British, and the other American, as late as 1926, with domestic references to the "unheard of" law merchant.

The first is the case of *Goodwin v. Robarts, Exchequer*, 1875 (L.R. 10 Ex. 337, 346), as follows:

*"Godburn, C.J., Having given the fullest consideration to this argument, we are of opinion that it cannot prevail. It is founded on the view that the law merchant thus referred to is fixed and stereotyped, and incapable of being expanded and enlarged so as to meet the wants and requirements of trade in the varying circumstances of commerce. It is true that the law merchant is sometimes spoken of as a fixed body of law, forming part of the common law, and as it were coeval with it. But as a matter of legal history, this view is altogether incorrect. The law merchant thus spoken of with reference to bills of exchange and other negotiable securities, though forming part of the general body of the lex mercatoria, is of comparatively recent origin. It is neither more nor less than the usages of merchants and traders in the different departments of trade, ratified by the decisions of Courts of law, which, upon such usages being moved before them, have adopted them as settled law with a view to the interests of trade and the public convenience, the Court proceeding hearing on the well-known principle of law that, with reference to the transactions in the different departments of trade, Courts of law, in giving effect to the contracts and dealings of the parties, will assume that the latter have dealt with one another on the footing of any custom or usage prevailing generally in the particular department. By this process, what before was usage only, unsanctioned by legal decision, has become engrafted upon, or incorporated into, the common law, and may thus be said to form part of it. 'When a general usage has been judicially ascertained and established,' says Lord Campbell, in *Brandao v. Barnett* (12 Cl & F at p. 805), 'it becomes a part of the law merchant, which Courts of justice are bound to know and recognize.'*

*"Bills of exchange are known to be of comparatively modern origin, having been first brought into use, so far as it is at present known, by the Florentines in the twelfth, and by the Venetians about the thirteenth century. The use of them gradually found its way into France, and, still later and but slowly, into England. We find it stated in a law tract, by Mr. McLeod, entitled *Specimen of a Digest of the Law of Bills of Exchange*, printed, we believe, as a report to the government, but which, from its research and ability, deserves to be produced in a form calculated to insure a wider circulation, that Richard Malynes, a London merchant, who published a work called the *Lex Mercatoria*, in 1622; and who*

gives a full account of these bills as used by the merchants of Amsterdam, Hamburg, and other places, expressly states that such bills were not used in England. There is reason to believe, however, that this is a mistake. Mr. McLeod shows that promissory notes, payable to bearer, or to a man and his assigns, were known in the time of Edward IV. Indeed, as early as the statute of 3 Rich.2, c.3, bills of exchange are referred to as a means of conveying money out of the realm, though not as a process in use among English merchants. But the fact that a London merchant writing expressly on the law merchant was unaware of the use of bills of exchange in this country, shows that that use at the time he wrote must have been limited. According to Professor Story, who herein is, no doubt, perfectly right, 'the introduction and use of bills of exchange in England,' as indeed it was everywhere else, 'seems to have been founded on the mere practice of merchants, and gradually to have acquired the force of a custom.' With the development of English commerce the use of these most convenient instruments of commercial traffic would of course increase, yet, according to Mr. Chitty, the earliest case on the subject to be found in the English books is that of Martin v. Boure (Cro. Jac. 6), in the first James I. Up to this time the practice of making these bills negotiable by endorsement had been unknown, and the earlier bills are found to be made payable to a man and his assigns, though in some instances to bearer. But about this period, that is to say at the close of the sixteenth or the commencement of the seventeenth century, the practice of making bills payable to order, and transferring them by endorsement, took its rise. Hartmen, in a very learned work on Bills of Exchange, recently published in Germany states that the first known mention of the endorsement of these instruments occurs in the Neapolitan Pragmatica of 1607. Savary, cited by Mons. Nouguier, in his work Des Lettres de change, had assigned it to a later date, namely 1620. From its obvious convenience, this practice speedily came into general use, and as part of the general custom of merchants, received the sanction of our courts. At first the use of bills of exchange seems to have been confined to foreign bills between English and foreign merchants. It was afterwards extended to domestic bills between traders, and finally to bills of all persons, whether traders or not: see Chitty on Bills, 8th Ed., p. 13.

"In the meantime, promissory notes had also come into use, differing herein from bills of exchange in that they were not drawn upon a third party, but contained a simple promise to pay by the maker, resting, therefore, upon the security of the maker alone. They were at first made payable to bearer, but then the practice of making bills of exchange payable to order, and making them transferable by endorsement, as had been done with, bills of exchange, speedily prevailed. And for some time the courts of law acted upon the usage with reference to promissory notes, as well as with reference to bills of exchange.

"In 1680, in the case of Shaldon v. Hentley (2 Show. 160) an action was brought on a note under seal by which the defendant promised to pay to bearer 100£, and it was objected that the note was void because not made payable to a specific person. But it was said by the Court, 'Traditio facit chatam loqui, and by the

delivery he (the maker) expounds the person before meant; as when a merchant promises to pay to the bearer of the note, anyone that brings the note shall be paid.' Jones, J., said that 'it was the custom of merchants that made that good.' In Bromwich v. Lloyd the Plaintiff declared upon the custom of merchants in London, on a note for money payable on demand, and recovered; and Treby, C.J., said that 'bills of exchange were originally between foreigners and merchants trading in England, and then afterwards between any traders whatsoever, and now between any persons, whether trading or not; and therefore, the plaintiff need not allege any custom, for now these bills were of that general use that upon an indebitatus assumpsit they may be given in evidence upon the trial.' To which Powell, J., added, 'On indebitatus for money received to the use of the plaintiff the bill may be left to the jury to determine whether it was given for value received.' (2 Lutw. 1582)

"In Williams v. Williams (1 Carth. 269), where the plaintiff brought his action as endorsee against the payee and endorser of a promissory note, declaring on the custom of merchants, it was objected on error, that the note having been made in London, the custom if any should have been laid as the custom of London. It was answered 'that this custom of merchants was part of the common law, and the Court would take notice of it ex officio; and, therefore, it was needless to set forth the custom specially in the declaration, but it was sufficient to say that such a person secundum usum et consuetudinem mercatorum, drew the bill.' And the plaintiff had judgment.

"Thus far, the practice of merchants, traders, and others of treating promissory notes, whether payable to order or bearer, on the same footing as bills of exchange had received the sanction of the courts, but Hold having become Chief Justice, a somewhat unseemly conflict arose between him and the merchants as to the negotiability of promissory notes, whether payable to order or to bearer, the Chief Justice making what must now be admitted to have been a narrow-minded view of the matter, setting his face strongly against the negotiability of these instruments, contrary, as we are told by authority, to the opinion of Westminster Hall, and in a series of successive cases, persisting in holding them not to be negotiable by endorsement or deliver. The inconvenience to trade arising therefrom led to the passing of the statute of 3 & 4 Anne, c.9, whereby promissory notes were made capable of being assigned by endorsement, or made payable to bearer, and such assignment was thus rendered valid beyond dispute or difficulty.

"It is obvious from the preamble of the statute, which recites that '& had been held that such notes were not within the custom of merchants,' that these decisions were not acceptable to the profession of the country. Nor can there be much doubt that by the usage prevalent amongst merchants, these notes had been treated as securities negotiable by the customary method of assignment as much as bills of exchange properly so-called. The Statute of Anne may indeed,

practically speaking, be looked upon as a declaratory statute, confirming the decisions prior to the time of Lord Holt.

"We now arrive at an epoch when a new form of security for money, namely, goldsmiths' or bankers' notes, came into general use. Holding them to be part of the currency of the country, as cash, Lord Mansfield and the Court of King's Bench had no difficulty in holding, in Miller v. Race (1 Burr. 452), that the property in such a note passes, like that in cash, by delivery, and that a party taking it bona fide, and for value, is consequently entitled to hold it against a former owner from whom it has been stolen.

"In like manner it was held, in Collins v. Martin (1 B. & P. 648), that where bills indorsed in blank had been deposited with a banker, to be received when due, and the latter had pledged them with another banker as security for a loan, the owner could not bring trover to recover them from the holder.

"But these decisions of course preceded on the ground that the property in the bank-note payable to bearer passed by delivery, that in the bill of exchange by endorsement in blank, provided the acquisition had been made bona fide.

"A similar question arose in Wookey v. Pole (4 B. & Ald. 1), in respect of an exchequer bill, notoriously a security of modern growth. These securities being made in favor of blank or order, contained this clause, 'If the blank is not filled up, the bill will be paid to bearer.' Such an exchequer bill, having been placed without the blank being filled up, in the hands of the plaintiff's agent, had been deposited by him with the defendants, on a bona fide advance of money. It was held by three judges of the Queen's Bench, Bayley, J., dissentient, that an exchequer bill was a negotiable security, and judgment was therefore given for the defendants. The judgment of Holroyd, J., goes fully into the subject, pointing out the distinction between money and instruments which are the representatives of money, and other forms of property. 'The courts,' he says, 'have considered these instruments, either promises or orders for the payment of money, or instruments entitling the holder to sum of money, as being appendages to money, and following the nature of their principal.' After referring to the authorities, he proceeds: 'These authorities show, that not only money itself may pass, and right to it may arise, by currency alone, but further, that these mercantile instruments, which entitle the bearer of them to money, may also pass, and the right to them may arise, in like manner, by currency of delivery. These decisions proceed upon the nature of the property (i.e., money), to which such instruments give the right, and which is in itself current, and the effect of the instruments, which either give to their holders, merely as such, a right to receive the money, or specify them as the persons entitled to receive it.

"Another very remarkable instance of the efficacy of usage is to be found in much more recent times. It is notorious that, with the exception of the Bank of England, the system of banking has recently undergone an entire change. Instead of the

banker issuing his own notes in return for the money of the customer deposited with him, he gives credit in account to the depositor, and leaves it to the latter to draw upon him, to bearer or order, by what is now called a check. Upon this state of things the general course of dealing between bankers and their customers has attached incidents previously unknown, and by these decisions of the courts have become fixed law. Thus, while an ordinary drawee, although in possession of funds of the drawer, is not bound to accept, unless by his own agreement or consent, the banker, if he has funds, is bound to pay on presentation of a cheque on demand. Even admission of funds is not sufficient to bind money deposited with a banker is not only money lent, but the banker is bound to repay it when called for by the draft of the customer (See Pott v. Clegg, 16M &W 321). Besides this, a custom has grown up among bankers themselves of making cheques as good for the purposes of clearance, by which they become bound to one another.

"Though not immediately to the present purpose, bill of lading may also be referred to as an instance of how general mercantile usage may give effect to a writing which without it would not have had that effect at common law. It is from mercantile usage, as provided in evidence, and ratified by judicial decision in the great case of Lickbarrow v. Mason, that the efficacy of bills of lading to pass the property in goods is derived.

"It thus appears that all these instruments which are said to have derived their negotiability from the Law Merchant had their origin, and that at no very remote period, in mercantile usage, and were adopted into the law by our courts as being in conformity with the usages of trade; of which, if it were needed, a further confirmation might be found in the fact that, according to the old form of declaring on bills of exchange, the declaration always was founded on the custom of merchants.

"Usage, adopted by the Courts, having been thus the origin of the whole of the so-called Law Merchant as to negotiable securities, what is there to prevent our acting upon the principle acted upon by our predecessors, and followed in the precedents they have left to us? Why is it to be said that a new usage which has sprung up under altered circumstances, is to be less admissible than the usages of past time? Why is the door to be now shut to the admission and adoption of usage in a manner altogether of cognate character, as though the law had been finally stereotyped and settled by some positive and peremptory enactment? It is true that this script purports, on the face of it, to be a security not for money, but for the delivery of a bond; nevertheless we think that, substantially and in effect, it is a security for money, which, till the bond shall be delivered, stands in the place of that document, which when delivered, will be beyond doubt the representative of the sum it is intended to secure. Suppose the possible case that the borrowing government, after receiving one or two installments, were to determine to proceed no further with its loan, and to pay back to the lenders the amount they had already advanced; the script with its receipts would be the security to the holders of the amount. The usage of the money market has solved

the question whether script should be considered security for, and the representative of, money, by treating it as such.

"The universality of a usage voluntarily adopted between buyers and sellers is conclusive proof of its being in accordance with public convenience; and there can be no doubt that by holding this species of security to be incapable of being transferred by delivery, and as requiring some more cumbrous method of assignment, we should materially hamper the transactions of the money market with respect to it, and cause great public inconvenience. No doubt there is an evil arising from the facility of transfer by delivery, namely, that it occasionally gives rise to the theft or misappropriation of the security, to the loss of the true owner. But this is an evil common to the whole body of negotiable securities. It is one which may be in a great degree prevented by prudence and care. It is one which is counterbalanced by the general convenience arising from facility of transfer, or the usage would never have become general to make script available to bearer, and to treat it as transferable by delivery. It is obvious that no injustice is done to one who has been fraudulently dispossessed of script through his own misplaced confidence, in holding that the property in it has passed to a bona fide holder for value, seeing that he himself must have known that it purported on the face of it to be available to bearer, and must be presumed to have been aware of the usage prevalent with respect to it in the market in which he purchased it.

"Lastly, it is to be observed that the tendency of the Courts, except only in the time of Lord Holt, has been to give effect to mercantile usage in respect to securities for money and that where legal difficulties have arisen the legislature has been prompt to give the necessary remedy, as in the case of promissory notes and of the East India bonds."

The second case is an American case involving a well-known corporation which has been around since 1799, founded in that year by Aaron Burr and others to provide the City of New York with pure drinking water. It is the case of *President and Directors of Manhattan Company v. Morgan*, Court of Appeals of New York, 1926 (242 NY 38, 48-50). Cardozo, J.:

"The Negotiable Instruments Law of New York is much broader than its English model. The English act is expressly limited to bills of exchange, checks, and promissory notes. It does not cover bonds or other classes of securities (Chalmers, Bills of Exchange, p. 362). The argument has been made that bonds are excluded from our statute also. The provisions of section 332, directed as they are to bonds, municipal and corporate, leave no support for that position. The statute of New York does not confine itself, if found, to an enumeration of certain qualities which, if found, will make instruments negotiable. It enumerates others which will make them non-negotiable. By section 20, 'an instrument to be negotiable must conform to the following requirements.' Of the five requirements that follow, we quote the second and the third. It 'must contain an unconditional promise or order to pay a sum certain in money.' It 'must be payable on demand, or at a fixed or determinable future time.' By section 23, 'an instrument payable

on a contingency is not negotiable, and the happening of the event does not cure the defect,' and by section 24 there is a like declaration as to the non-negotiable character of any 'instrument which contains an order of promise to do any act in addition to the payment of money,' with enumerated exceptions not important for the case at hand.

"These are the tests to which the instrument in suit must be subjected. It is promissory in all its features, yet its promises are of a two-fold order. There is a promise for the payment of money, subject to the specified conditions, and welded into this there is another promise, again subject to conditions, for the delivery of bonds. So far as the instrument is one for the payment of money, it is open to the objection that it is payable not absolutely nor at a fixed or determinable time, but subject to a contingency. The 'holder is to receive interest on presentation of the annexed warrant, subject, however, to the condition that moneys of such payment have been supplied by the government of Belgium. So far as the instrument is one for the delivery of bonds, it is open to the same objection, and to the additional one that it is a promise to make payment not 'in money' but in something else (Sects 20, 24; Hostatter v. Wilson, 36 Barb. 307; Brown v. Richardson, 20 NY 472; Hodges v. Shuler, 22 NY 114; Dinsmore v. Duncan, 57 NY 573, 580). The statute says that instruments are 'not negotiable' when they embody such provisions.

"The Law Merchant cannot prevail against prohibitions so specific. In holding otherwise, we should do more than supplement the statute. We should disregard and contradict it. The plaintiffs case is not helped by section 7 to the effect that 'in any case not provided for in this chapter the rules of the Law Merchant shall govern.' The difficulty is that the case is provided for. Unforeseen situations may reveal gaps in the statutory rules. In such circumstances the Law Merchant is competent to fill them. It is without power to annul what the statute ordained."

XV THE BOON OF DEBT

The second case above shows clearly the need for the decision given in the Erie R.R. case; the need to establish the Law Merchant as a rule of law for all cases.

Thus, at this point we can hardly dispute the contention of William that "the custom of merchants, or *lex mercatoria*, however different from the general rules of the common law, is yet ingrafted into it and made a part of it, being allowed for the benefit of trade to be of the utmost validity in all commercial transactions." (1 B.Com. 75). We must conclude that the Law Merchant, as openly acknowledged in countless sources, is nothing but the law of raw and naked utility. This law is, in point of fact, an edifice erected by the merchant, as we have read before, with comparatively little assistance either from the courts or the legislatures. We are in the grips of a private mercantile government which has usurped our Constitution.

Upon the Federal Reserve Notes, then, we see that private interests have created a private permanent debtor/creditor relationship upon which they have contrived a system of alleged

compulsion ("voluntary compliance") to file annual reports of information on income, all in the name of "The Government," but in firm control of private interests, cynical, sophisticated, cunning, and brutal, conscienceless and criminal, interests which profit most substantially from the impudent hoax of the personal "Income Tax."

The basis for the compulsion to file, as it is called, is in the permanent debtor/creditor relationship, grounded in the Federal Reserve Notes (perpetual annuity bonds), upon so-called Social Security and other pecuniary matters generally related to insurance.

Much of this law of debtor/creditor is to be found in the very authoritative *Law and Usage of Mercantile Accounts* by Alexander Pulling of the Inner Temple, showing the sources in the *Law Merchant* from which many of our woes derive. Portions are quoted below directly, indicating the exceptional lengths to which we have become welded to a "law" that has never been anything more than voluntary between willing participants.

But this *Law Merchant*, for example, makes the accounts of traders always liable on an imputation of fraud or unfairness to be investigated in a court of equity. (See *Lord Courtney v. Godschall*, 9 Ves. 473; *Rothschild v. Brookman*, 2 Dow & Clarke, 188; 5 Bligh, N.S. 165; 1 Simons 153). It is plainly equity in which lies the civil jurisdiction of the I.R.S. And those who expect jury trials in equity have rocks in their heads and wide gaps in their knowledge.

The paragraphs indented below are taken verbatim from the edition of Pulling in *Littell's Law Library*, appearing in 1847 in the American edition, Philadelphia.. They leave no doubt of the source of the general law that is strangling us.

"The most general and comprehensive relation in which parties can stand with regard to each other, so as to create an account between them, is that of debtor and creditor, which, in fact, embraces all the other relations giving rise to matters of account. This will therefore form the subject of the first section of the present chapter, and the remaining sections will treat of agency, partnership and bankers' accounts, and those arising in case of bankruptcy and insolvency.

"The parties to this account are properly denominated debtor and creditor, for every debt legally implies a credit given by the party entitled to the money, no matter for how short or how long a period it may be (see *Comforth V. Rivett*, 2 M. & S. 510), and no such account can therefore be said to arise in case of mere ready money transactions; for there the consideration and the payment are prima facie deemed to be contemporaneous (See *Bassey v. Barnett*, 9 M. & W. 312. In cases of goods sold for ready money, and taken possession of by the purchaser without payment, the seller may, if he pleases, insist upon a return of the goods; *Howse v. Crowe*, R & M 4 14; *Bateman v. Elman*, Cro. Eliz. 867; but he may of course elect to treat the transaction as a sale on credit, and sue the purchaser immediately for the price.)

"Before considering the case of debtor and creditor accounts in the proper sense of the term, viz. where there are mutual credits or mutual payments, let us here see what are the general rights and duties arising from the bare relation of debtor and creditor. These consist in the first place in the payment or offer or tender of payment, by the former, and the receipt in the amount due in discharge or acquittance by the latter; but until this takes place, the creditor is entitled at any moment to enforce payment by legal process, which right can only be defeated by actual

payment, or by accord and satisfaction by the debtor, or by the voluntary discharge or release of the debt by the creditor, or a compulsory discharge by operation of law."

It is readily seen that without the Federal Reserve Notes of perpetual debt, the personal Income Tax would collapse of itself. Also, without the repeal of the Federal Reserve, the Income Tax cannot fall as administered, short of outright repeal. This is so whether or not the so-called Sixteenth Amendment is repealed, as it is said, for Congress could still levy the same taxes without the Amendment as it can with the Amendment, just as the Brushaber case says.

But, with ready money at our disposal, no permanent debtor/creditor relationship can be compelled. Although the Federal Reserve Notes, regarded as irredeemable perpetual annuity bonds, are "as good as gold," the same as the word of a merchant is "as good as gold," they are not and can never be either gold or silver, or ready money in any way, shape or manner.

Let us keep in mind that it is an essential attribute of a negotiable instrument that it be payable in money only, and this is the rule both under the Law Merchant, and under the provisions of the Negotiable Instruments Act to that effect. Accordingly a bill or note, if it is to be negotiable, cannot be made payable in goods, ware, or merchandise, or in property, or in labor or services. So also an instrument is not negotiable if it is made payable in bonds, corporate stock, state paper, script, checks, foreign bills, or good solvent cash notes. Let us keep in mind also that "negotiability" is not the same as actual redemption. An instrument need not ever be redeemed in order to be negotiable.

Thus, it matters little to the commercial gangsters in control of this "private enterprise" swindle what they call their "Income Tax." It seems they are now prepared to replace it with a so-called Soviet-style "turnover-tax" or "added-value tax," if publications such as those of the Hamiltonian Society are any indication. This is essentially the same kind of excise tax on pyramided franchises, supported by the interest off perpetual debt. As the Frenchman says, "Plus ca change, plus c'est la meme chose."

In any case, as it stands under the Code and the law, there are three distinct liabilities under the "Income Tax." One is the liability to file. Two is the liability to give information. Three is the liability to pay tax, each apparently founded or grounded in separate law. This explains why, as such gallant gentlemen as Arthur Porth have pointed out, the Code of the I.R.S. nowhere specifically defines those "required" to do any of the necessary acts. Their identity is really known only to those who understand the Law Merchant, for the real joker is that the liability at law (not merely upon the statute is definable only in a law which is nowhere written in its entirety; the Law Merchant on accounts, bills of exchange, and insurance.

However, it is clear that the liability to file, give information, and to pay in the case of juristic persons are all grounded in the franchises granted by the States to do business in a particular fashion; one of those being the privilege of forming credit, for corporations and business enterprise keep books only because they grant credit. They likewise carry credit with state employment insurance boards, and with Social Security and pension boards. These are the bases on which, in the case of private individuals, the action of accounting (liability to file) is brought through the 1040. The tax, then, is occasioned by the privilege or "franchise" of doing business

on credit, notwithstanding that the credit is not voluntary but compulsory and coercive, commencing with the Federal Reserve Notes.

One cannot be taxed at law under our Constitution for pursuing an activity of natural right (the right to trade), but in equity upon the "privilege" of dealing in credit upon negotiable instruments. Yet this is the very kind of "law" we get when we allow ourselves to reduce the meaning of the word "Republic" to a mere government of any dimension, in which the sole criterion is that the People have no direct voice in legislation. Such is a false meaning to give to "Republic," because the opposite of "republican form of government" is "parliamentary form of government" and not "Democracy."

In any case, can a criminal charge at law arise in an act that is equitable? Only in one instance of immediate concern; "failure to file," which is made tantamount to a contempt, for contempt cannot arise at law, only in equity, and now upon a statute.

Yet contempt is seen as two kinds. One is deliberate disobedience of an order of the Court, and the other is the holding of the Court up to public ridicule; the former called criminal, the latter civil. So, "failure to file" results essentially in a criminal charge of contempt out of an equitable obligation. What else can it possible be? Pretty neat.

Since the Federal Constitution prohibits the State from making anything (any Thing) but gold and silver coin a tender in payment of obligations, and since standard lawful money of the United States is gold or silver coin or their absolute equivalent, it follows that, since the State cannot compel trading in equitable negotiable instruments by citizens, it cannot lay a penalty on such trade or upon any act relating thereto which is a gratuitous right existing out of nature. Indeed, how can a State, which is forbidden from issuing or making any tender but gold and silver coin, initiate programs payable and functioning only by and upon debt?

Can the Federal and State Constitutions be thus invoked to override the rights of merchants-by-compulsion to the benefit of merchants-by-design and intent; of involuntary to voluntary? Can voluntary merchants-traders (in control of the money supply) employ the Constitution to enslave those who are merchants only by fiction and compulsion? Can the Constitution be outlawed by one group of "merchants" to the discrimination of another, or of actual non-merchants?

Obviously, the Law Merchant, is continuously being refined by new commercial practice, and continuously creating and even contriving and arranging new exigencies (or demands and requirements intrinsic to a circumstance or condition), and is nowhere fully written or sanctioned in writing, so can forever keep ahead (equitably, of course) of an "outmoded" written Constitution. Whatever this unwritten law is or may become, the judges are obliged to take notice of it, even as it is served up new to them at each instant. And they are never required to reveal a word of it. Does this, though, necessarily make the judges corrupt and illiterate in the Constitution? Of course not. It only makes those fools who assume that they are. Legal issues are not decided on the piety or righteousness of the litigants, but upon the law.

Thus, we see that the Hanks brief based on Brushaber, Hale v. Henkel, and the other pertinent cases, tells only about thirty-five percent of the whole story of "franchises" and of non-liability

of private individuals for so-called Income Taxes which are franchise taxes. Certainly there is no franchise of corporate limited liability taxable to them. Yet Hank's brief failed to achieve him relief. Thus, there must be a franchise wrinkle that needs to be discovered, and it would seem that we have discovered it in the pages preceding; namely the credit-franchise and insurance-franchise.

With the foregoing in mind, it is the mercantile practice of the equitable debtor/creditor relationship in bills and insurance upon which the Internal Revenue operates to attempt to compel actions of accounting in the 1040, let us review the Income Tax. If the liability of individuals were a strictly legal liability (under the Constitution), then it would appear specifically defined in the Code. But since it does not appear in the Code, nor in any other statute, the obligation must exist only in equity to be invoked individually upon the case of every so-called taxpayer, on the principles of double-entry bookkeeping.

XVI ENGLISH LAW AND NORMAN LAW

As a little reminder to ourselves that we are not indeed out of our senses, included here as a breather is a short and pertinent excerpt from William Grimshaw's History of England, Philadelphia, 1839, page 61:

"The liberties of Englishmen are not (as some arbitrary writers would represent them) mere infringements on the King's prerogative, extracted from their princes by taking advantage of their weaknesses; but a restoration of their ancient Constitution, of which their ancestors had been defrauded by the art and finesse of the Norman lawyers, rather than by the force of the Norman arms."

Further, See Selden, Jur. Angl., 1, 2, s.43, in Fortescue, c. 33, where we find the nobility declaring "that the realm never had been, nor never shall be governed by the Civil Law." Sir John Fortescue, the gentlemen mentioned, wrote De Jure Naturali et Gentium (On the Natural Law and Law of Nations), 1640, among other important works.

Obviously, the Crown (King) is, was, and had always been a corporation (franchise) created by the People upon all the ancient common law of England.

XVII FRANCHISE AND INCOME

Let us consider the basic Hanks position on the Income Tax without particular reference to any debtor/creditor relationship, remembering one thing especially. By the laws of the United States, it cannot apply to private individuals who do not hold corporate franchises or limited liability franchises from the States for doing business in any particular manner. It is not such doing business that is taxable, in any case, but the exercise of the privilege of limited liability or debt. (Such is the privilege which the Liberty Amendment would preserve, while taking away the liability for a corporate tax on franchise, measured by income from whatever source.) Thus, this tax has never lawfully applied to private individuals who contract out their services for compensation or pursue other activities of natural right, including buying and selling. Note, these

are not civil rights, but natural rights. The civil right involved is the right to protect the natural rights as property.

Here is an interesting question. If liability for the Federal Income Tax is based on franchises granted by the States, and if the States are forbidden from making anything but gold and silver coin a tender, then how can the States under any circumstance, or the Congress allow or direct them to, erect a debtor/creditor system based on debt-money?

Now, the creators of the so-called Income Tax have always been aware of what they created. The tax has always been immediately tied up with the Federal Reserve System, which was designed to subject private individuals to an alleged liability to inform on themselves as merchant upon some kind of franchise ostensibly contracted out by the States in the first instance. For a franchise is not a grant, outright, but a contract, which can be broken if the franchise is abused or disused or otherwise misused. Yet the liability turns out to be only voluntary or moral or "equitable," which is why the I.R.S. enforces it necessarily by intimidation and inquisition.

This liability was to arise, not in the private right to contract, which cannot be violated or invaded, but in the subjection to the use of banknotes on the Federal level.

Every private individual has the absolute private right to contract upon his services, talents, labor, and to profit from the same. He can be compelled to pay direct taxes to a State upon his property, if the tax is assessed by a due process, but he cannot be compelled to inform on himself under any circumstances. This is why in any case dealing with the I.R.S. or with State tax officials, or any other such bureaucrat, one should always absolutely invoke the 4th and 5th Amendments.

Thus, there is only one level on which a person can be compelled to produce books and papers or for a taxpayer to inform against himself, and that is upon a public franchise, privilege, or sufficient license required from a State. Ordinarily this means, as we know, corporations. It has been extended to attorneys and other holders of public franchises, such as judges, who are technically corporations called indifferent persons.

Those interested in enslaving the nation have, by use of the wording of the Constitution, attempted to extend corporate liability to others by paying wages in checks, for example. In other words, to make everyone "go public" as some kind of ostensible enfranchised merchant or trader. Then the courts, by the Constitutional provisions cited above, can take judicial notice of the unwritten practice of merchants. This is the same Law Merchant, body of rules and regulations invented by businessmen of all nations down through the years, but incorporated entirely into the law of no one nation, although those nations which have adopted the so-called Civil Law or Roman Law have generally enacted extensive Commercial Codes. It is this law or practice which, as we saw, invented bank notes, bank drafts, bills of exchange, and other varieties of commercial paper as a substitute for specie, so to avoid having to transport it from place to place. Upon it, they hope ultimately to confiscate all private land through mortgage to commercial and mercantile interests.

No "Government" then ever invented bank notes, Federal Reserve Notes, or bills of exchange. If Government employs them, it is for the advantage of somebody's private enterprise. Government does not exist in a vacuum, nor is it a mere fiction. The only kind of money which governments issue is money of intrinsic value of metal, gold or silver. They also issue convenience money such as U.S. Notes, which are, by law, being public and not private, the absolute equivalent of gold or silver standard money and convertible or exchangeable on demand. They are money, not debt, or promises to deliver money or to deliver a commodity. United States Notes do not bear interest because they are not certificates of debt but of wealth. That is what makes them an absolute substitute for specie, which draws interest only when lent. Federal Reserve Notes pretend to be the same as United States Notes, but fail to be because they are issued upon interest-bearing obligations.

Bank Notes are a horse of another color, because they always draw interest. (Federal Reserve Notes are not bank notes.) However, this is only the superficial difference from United States Notes. Federal Reserve Notes, series 1963, 1969, 1974 are not redeemable into specie, as the prior series were, nor into anything but more of the same. Surely that has a meaning beyond the obvious one. The only other thing that these Notes are convertible into is United States government bonds. So, in effect, the Notes are merely "small change" for the bonds. They are the "till money" used by the banks to balance up the demand deposit accounts at the end of the day. If you have a large enough bundle of Federal Reserve Notes you can convert them into a bond by simply purchasing the bond, but never into specie, as that would defeat the scheme of liability on credit for filing an income tax return levied not at law but in equity, and executive equity at that.

And the liability is that anyone who deals in credit and not in hard coin, by the Law Merchant, is automatically presumed to keep a record of accounts, as credit too is a commodity in commerce. Unlike coin, its only evidence is in books of account, and so with interest.

When one deals in hard coin, there is no need for a record of individual transactions, and the transaction becomes only one man's word against another's upon a barter for equal tangibles, no record being needed, as the goods are fast in hand.

Thus, those who trade in or upon credit (a benevolent privilege granted by a benevolent government in the hands of benevolent promoters of credit and debt), become liable to keep a budget account of their dealings to insure that they can prove and verify their scrupulous honesty, although the game actually works quite otherwise.

This, then, is the only source of allegedly lawful liability for the personal income tax (or filing or personal income tax); all citizens, upon taking and passing Federal Reserve Notes (notes of a private corporation, issued and uttered by ten different such corporations), become credit merchants in negotiable instruments and thus liable, not at law, but in equity, to make a report on their trust.

The private bankers of the Federal Reserve have sought to eradicate the United States Notes, not merely because they don't pay interest to them, as the bonds do, but because, being by the law the absolute equivalent of gold and silver, they cannot create a liability for filing a tax return on incomes of individuals. All transactions in United States Notes are made as fully in cash in specie as in gold and silver. It is such secrets as these that influential Hot Shot Super Patriots will

never reveal, nor ever offer to reveal, about the Federal Reserve and the Income Tax, although they can tell you to the nickel how many funny-credit-dollars pass through the hands of welfare recipients who are not licensed to create their own money.

In any case, the feudalistic swindle became the "Law of the Land" on March 18, 1968, when the last redeemability of our money into gold became effective. It was final on July 31, 1971, when even silver certificates became irredeemable, and were driven from existence upon issuance for the first time of the One Dollar Federal Reserve Note in series 1963.

Further, the silver certificates lastly retired were not redeemable in silver Dollars, but only in commodity silver. The certificates of 1928 were the last to be payable in "One Silver Dollar," those commencing in 1934 paying only "One Dollar in Silver," so technically those beginning in 1934 did not pay Dollars but standard silver.

Anyone interested in the full wordings and details of these notes and certificates from 1862 should obtain a copy of Theodore Kemm's The Official Guide of United States Paper Money in the latest edition.

Now, then Federal Reserve Notes, as well as the bonds collateralizing them, are called "lawful money." This circumstance occurs as a sequel of the identifying of "Lawful Money" as those kinds of money which, prior of 1913, might comprise the reserves of a National Bank, namely gold, silver, U.S. Notes, and U.S. Bonds, Treasury Notes of 1890 etc. Subsequent to 1913, "Lawful Money" could be almost anything or kind of commercial paper assets of banks, besides the hard stuff.

This debt-money has a direct bearing on land interest. The 200 year Prussian war on America (through the British throne) has sought to reduce all interests in land to subservience to commercial and mercantile interests, which, translated, means to outlaw coin in favor of negotiable instruments, to put the producers and cultivators at the mercy of "merchants," because Lawful Hard Money is one thing alone - portable land. Thus, if one can lock up all the land (gold and silver) in subjection to urban debt-money, he can recreate and reestablish feudalistic pyramids of private quasi-public "service franchises." This is how the Prussian mentality seeks to destroy all the millions of allodial American land titles.

Clearly, discrimination against real property in favor of commercial interests is in violation of the 14th Amendment, or equal protection of the laws, for landowners are not merchants. Probably the best distinction between a landowner and a merchant is the landowner does not hesitate to soil his hands in the earth, while the merchant seeks to escape. That is surely a perfect matter of personal choice, but why should the one have to pay for the other? Why should the one have to support the other?

This reminds us again that Law not based upon choice and informed consent is not and cannot be Law.

XVIII THE COURT IS NOT A MERCHANT

All right, let's go back to Jerome Daly. Why was it that the bank declined to offer something besides the Federal Reserve Notes such as coin, or a United States Note, for the appeal fee? Besides the obvious reason that it would be acquiescing to the judge's decision, even more obviously to pay in something besides a Federal Reserve Note would be to take the case out of the equitable jurisdiction created by the Note and " make the issues triable by jury at law, upon the very delivery of the equivalent of specie and not of a bill of exchange.

What Judge Mahoney really told the bank was that the Court was no trading pit or market place to be indebted to equitable notes. In short, the Court was not a Merchant, and could not be compelled to be made a merchant.

Thus, it is eminently clear that a Federal Reserve Note can never be the same as a United States Note, because a Federal Reserve Note is issued by a private merchant in Equity, while a United States Note is issued by the People at Law. We should call attention here to the relationship which the 16th Amendment has to the 25th through the Equity of the Federal Reserve.

Federal Reserve Notes, again, do not read, as for example the Treasury Notes of 1890 read, "This note is a legal tender at its face value in payment of debts public and private except when otherwise stipulated in the contract." No, that's Money. Instead they read, "This Note is legal tender for all debts public and private." And that's Debt. Period. It is clear that this Note never pays or conveys or is intended to pay or convey anything, but is and represents a perpetual debt, upon which the law of merchants can bring an action in equity (not jury trial), and upon which individuals can be intimidated into filing returns, even if not compelled or obliged to pay. Debts are paid with money, not with more debt. Otherwise some men are perpetually creditors, and all the rest are debtors.

The Federal Reserve Note is thus, as small change for United States bonds, either a fractional currency bond, or more to the point, as we have said, an irredeemable perpetual annuity bond designed to earn perpetual income for the proprietors of the Federal Reserve, who, incidentally, live nowhere near the Moscow Kremlin.

Finally, it is no coincidence that, by the 25th Amendment, the Presidency has been altered effectively into a Chancellorship (President of the Corporation), an office which does not dispense Law, but Executive Equity (Imperial yet) such as "Gerry Boy" gave to "Tricky Dic" quicker than you could say "Nelson Defarge." This executive equity is the summit of the route of bureaucratic channels on appeal upwards in departmental equity. Every bureaucrat up the line has become a master in Chancery in his own right, dispensing instant temporary appealable "justice." The Vice Presidency has become a Board of Directors.

XIX RANDOM NOTES ON INCOME TAX

"The Congress shall have power to lay and collect taxes on incomes, from whatever sources derived, without apportionment among the several states, and without regard to any census or enumeration."

A tax laid "without apportionment among the several states" and one laid "without regard to any census or enumeration" is not a direct tax, but an indirect tax, that is, not a tax but an excise.

Since the tax in question is not a direct tax, it cannot be a generic income tax, that is a direct tax on property, but only an excise on a privilege. That is, the privilege of doing business in a particular manner or capacity.

The tax in question, then, is merely measured by the total amount of income which the Congress can compel the corporation to reveal because the State can do so since it was the People of the State who created the franchise.

The Amendment means no more and no less than that in laying taxes on privileges, any person compelled to report income and pay tax on the privilege must pay the tax in full proportion to total income no matter what source, that is, whether directly from property or possession of property or not.

Since Congress can tax only the same state-created rights or privileges which the state itself may tax, then it follows that where the state is prohibited from taxing constitutionally protected rights, so too is Congress.

The Income Tax is not unconstitutional for those to whom it applies, namely the beneficiaries and holders of certain franchises. Its enforcement against those to whom it does not apply is unconstitutional, as there are obvious distinctions to be made between corporations and persons on the one hand and private individuals on the others.

The sole liability to the tax is in the franchise on the part of those persons for whom the franchise was created.

Individuals exist in Nature. Persons are created by positive law of Society.

The liability to report via 1040 is compelled by an equitable action of account on a debtor/creditor relationship.

The I.R.S. Code does not anywhere do what the 16th Amendment did not do, that is assess a liability to be taxed where none exists at law. See the Brushaber case, 204 U.S. 1, and also Hale v. Henkel, 201 U.S. 43. Since "failure to file" is a criminal act, it follows that one cannot be liable to volunteer information that he is not liable to file.

What the Code of the I.R.S. does is to describe the amount of the tax, and the manner in which it is determinable of payment by those who are or recognize themselves to be liable at law, that is, on some franchise taxable by the Government. Why should one be compelled to the absurdity of bringing to the attention of others the fact that he has been granted no franchise, privilege, or liberty which does not originate with himself?

The only such franchises or privileges taxable are trading franchises, under which the liability to report lies for the privilege granted by the People of the particular state to operate as a person or

do business in a corporate capacity (limited liability and perpetual succession). The People of the particular state are the creators of every commercial corporation that is. They have an absolute right at any time, even by criminal complaint in the nature of a quo warranto to seize back the franchise of any corporation or Person who has abused a franchise.

How can the People, then, make themselves liable to themselves on a corporate franchise, and voluntarily alienate themselves into servitude and subjection upon a franchise of limited liability and perpetual succession (i.e. Personhood)? As the federal government is not the creature of the states, neither are the states the creatures of the Federal Government. One citizenship is not subservient to the other, that is state or federal. Only the People have the power to create the corporation. It does not exist in Nature.

"WE THE PEOPLE OF THE UNITED STATES"

upon our natural rights to self-preservation and perpetuation in nature, recognizing no one to be created as an enfranchised person with status "do ordain and establish this . . ."

STATE CITIZENSHIP FEDERAL CITIZENSHIP

PEOPLE'S PEOPLE'S

STATE RIGHTS NATIONAL RIGHTS

(Bill of Rights) 14th Amendment
Against National Government

Against State Government

Franchises Persons

*"The Union is older than any of the States, and in fact it created them as States."
A. Lincoln*

Civil Rights are not grants or contracts or franchises from the People to themselves. They are automatic rights arising from the Compact, and which the Compact was designed to protect.

The value of a franchise is the earning capacity of the capital.

Article I, Section 17, New York State Constitution: "Labor of human beings is not a commodity nor an article of commerce and shall never be so considered or construed.

"The Supreme Court has unmistakably determined that taxes imposed on subjects other than income, e.g. franchises, privileges, etc. . . . are not income taxes, although measured on the basis of income." Keasley & Matteson Co. v. Rathensies, C.C.A., Penna., 133 F 2d 894, 897 (1943).

Income tax is a tax on property, not earnings. Maine v. Grand Trunk Rv. Co., 142 U.S. 217.

"We are concerned wholly with an excise tax, whether it is a scientifically accurate concept of it or not. The concept of it as a charge for the privilege of following an occupation or trade or carrying on of business, gives us a fairly good working idea of what it is. It is in consequence, an indirect tax, and has no references to earnings on income, except that the sum of such earnings or income may (as anything else may) be made the measure of the tax. An income tax, on the contrary, is a direct tax imposed upon the thing called income, and is as directly imposed as is a tax on land." U.S. v. Philadelphia B & W R Co., 262 F 188, 190.

The People were created by God, and the corporations by the People. Thus it is the corporations which owe allegiance to their creators, as the People owe to Their Own.

The People cannot bestow divinity or immortality upon any Person any more than they can upon themselves.

State's taxation of corporations: see Farrington v. Tennessee, 95 U.S. 679.

Franchisees (e.g. tax-collectors) are not Agents, but Private Contractors for Services.

Corporate Franchises: privileges in the nature of a property right, out of the feudal law.

Any privilege granted by the people can be seized back upon a quo warranto.

Excise Tax = privilege tax = indirect tax which is laid on acts alone such as, "income", customers, sales.

Direct Tax: laid on persons and property such as land, income, inheritance, poll, etc.

XX RANDOM NOTES OF THE LAW MERCHANT AS SOURCE OF JURISDICTION OF I.R.S.

Law Merchant as source of summary judgment. It arose as a privilege of merchants in the courts of the staple (not courts of law) upon civil law derived from the practice of Rhodes (the Real Rhodes Scholars) in the ancient world. Incorporated into British law primarily by Lord Mansfield when he denied wager of law in assumpsit by making the action an equitable action. See Luke v. Lyde, 2 Burr. 883-887

It is upon this process that Equity has taken the Law power of the Jury and incorporated it into the Executive upon the letter of civil statutes.

Molly: "Merchandise is so universal and extensive that it is in a manner impossible that the municipal law of any one realm should be sufficient for the ordering of affairs and traffic relating

to merchants. The law concerning merchants is called the Law Merchant from its universal concern, whereof all nations do take special knowledge."

Theophilus Parsons: "Law Merchant has never been, and never can be, strictly speaking, the municipal law of any one country, but must ever in a sense remain jus gentium."

Jus gentium is the "Law of Nations." (See Article I, Section 8.)

Law Merchant is founded wholly on considerations of utility.

Magna Charta, article 48, accorded merchants the right "to buy and sell according to their ancient customs." That is, among themselves.

To make all acts into mercantile interests upon the Law Merchant is to accomplish total world rule.

Commerce: "Comprehends traffic, trade, navigation, communication, the transit of persons and the transmission of messages by telegraph . . . and . . . indeed, every species of commercial intercourse." Comyns' Digest of the Laws of England.

"The mercantile law of England is, in point of fact; an edifice erected by the merchant with comparatively little assistance either from the courts or the legislatures."

It likewise comprises the Law of shipping and insurance.

Early commercial law was a collection of treaties by merchants.

"Thus they, in early times, erected a sort of mercantile republic, the observance of whose code was ensured, less by the law of the land, than by the force of opinion and the dread of censure."

The keeping of accounts is a protection to the debtor/creditor privilege granted by the franchise.

Concern with forcing the settlement of accounts.

Bills of exchange promissory notes, and checks that are payable to bearer or order are negotiable instruments by the Law Merchant, but other instruments used as evidences of debt have in some jurisdictions become negotiable, as bonds, some forms of stock, etc.

For Law Merchant, see 1 Cranch, esp. note a, 368.

1890. Sherman Act. Dealt with "conspiracy or combining to prevent competition among merchants and others moving commodities in interstate commerce." The unemployed are thus "in restraint."

Law Merchant fabricates credit-debt money in order to overcome landed-money specie or substance-money.

Outside all municipal law or common law was the Law Merchant, protected in the staple courts by summary judgments. Called jus gentium.

Law Merchant constitutes only a part of the voluntary, not of the necessary, Law of Nations. It may, therefore, so far as it is merely positive, be altered by any municipal legislation where its own objects only are concerned.

Commercial books of merchant are prima facie evidence against anyone under the custom of merchants.

"All men are created equal" = "No man is born to personal status" under our law of the Natural Law.

1040: In effect, an action of account compelled in equity to disclose transactions as trader on commercial paper under rules of the Law Merchant.

Juries, which do no more than assess the extent of common law damages, are merely advisory juries in equitable proceedings disguised by the presence of the jury.

Summary Process: Particularly in cases of "receivers of the revenues" (i.e., tax-farmers on franchises of the I.R.S.), thus private contractors, not agents of Government. 18 How. 227.

Willful: See U.S. v. Pohlmann, 510 F 2d 414 (1975).

From Corpus Juris, section 2: "The Law Merchant is a vaguely defined portion of the common law, or, in its widest interpretation, of the law of European countries having the Roman and the Frankish-law for its parents (Mass., Ashlanian v. Dostumian, 54 N.E. 845; 174 Mass. 328; Am. S.R. 348; 47 LRA 495), which in effect is no more than a judicial recognition of commercial rules and usages. (MO., Long v. Armsby Co., 43 Mo. App. 253; 8 C.J. p 32 note 4-7; 36 C.J. p. 960, note 27). It is frequently arbitrary and not deducible from logical considerations (U.S. Farmers National Bank v. Sutton Mfg. Co., Mich., 52 F 191; 3 C.C.A. 1, 17 LRA 595).

For law Merchant as part of common law see Common Law, section 8, 2 C.J., p. 183, notes 72-75.

Law Merchant prevails unless modified by statute (Hunt v. Eure, 125 S.E. 484; 188 N.C. 716), but statutory provisions, where in conflict with the Law Merchant, must prevail. See Patent Title Co. v. Stratton, CC Colo, 89 F 174.

The Law Merchant, as stated, was originally prosecuted summarily in a place called the staple, which was simply the gathering place of merchants dealing in a certain commodity, generally for export, under the protection of the Crown, but dealing in its own law among its own members. This tribunal was of great antiquity and had cognizance of all questions which should arise between merchants, native or foreign. It was composed of an officer called the mayor of the staple, selected yearly by the native and foreign merchants who attended the particular staple; two constables appointed for life, also chose by the merchants; a German and an Italian merchant, and six mediators between buyers and sellers, of who two were English, two German,

and one Lombard. The Law administered was the *lex mercatoria* and there was a provision that causes in which one party was a foreigner should be tried by a jury one-half of who were foreigners. The most important legislative content of the staples were the Statute of Acton Burnel (11 Edward I) by which merchants were enabled to sell the chattels of their debtor, and attach his person for debt, 3 Edw. 1, c. 3, and 27 Edw. III, c. 2, called the Statute of Staple, one object of which was to remove the staple formerly held at Calais to certain towns in England, Wales, and Ireland. With the growth of commerce the staple became more and more neglected, and at last fell together into disuse under its name.

Other aspects of the staple all too immediately fore-shadowed the I.R.S. of today. Some of the old law is cited below.

So, by the St. 27 Edw. III. 2, if any by color of his office, or otherwise, take anything of merchants against their merchants, he shall be arrested by the mayor and bailiffs of the place, if out of the staple, or by the mayor and minister of the staple if within the staple; and speedy process shall be against him from day to day according the law of the staple, and not of the common law.

Again: And therefore, he shall have advantage of the law merchant, tho it be not conformable to the common law. 13 Edw. IV, 9.6; 2 Rol. 114.

And again: And therefore, where a merchant stranger delivers his goods to a carrier to be carried to a port, which are by him feloniously embezzled, he may sue in Chancery for relief, when there shall be speedy dispatch, and need not proceed at the common law. 13 Edw. IV 9.6

Several excerpts from Comyns's Digest of the Laws of England (1800) have a remarkable content.

"By the St. 11 Edw. I de Acton Burnel, a merchant may cause his debtor to come before the mayor of the staple, &c., and make recognizance of his debt, which shall be entered on the roll, with the seal of the debtor and the king, in custody of the mayor, &c."

"By the St. de Mercatoribus, 13 Edw. I, he shall come before the mayor, &c. or other sufficient men sworn thereto, if the mayor &c. cannot attend, and acknowledge his debt and day of payment; and the recognizance shall be enrolled, and the roll double; one part to remain with the mayor, &c. the other with the clerk thereto named, and the clerk shall make an obligation, to which the seal of the debtor shall be put with the king's seal, &c., of which the one part shall remain with the mayor, &c. the other with the clerk."

"By which status the mayor, with the constables of the staple, may take recognizance of merchants of the staple for merchandise only of the same staple, and not others. Vide the St. 23 Hen. VIII, 6.,"

Much more reminds us strikingly of the IRS. For one example:

"By the St. de Act. Burn, 11 Edw. I and de Merc. 13 Edw I, if the debtor does not pay, &c., the creditor shall bring his obligation to the mayor, &c., who shall incontinent cause the moveables of the debtor, to the amount of the debt, to be sold and delivered to the creditor by the praisement of honest men, and the king's seal shall be put to the sale, &c."

"And if the mayor find no buyers, he shall deliver the said moveables to the creditor at a reasonable price, &c."

"And the mayor may cause the body of the debtor (if lay) to be committed to the prison of the town till he agree the debt."

"And therefore the mayor may make execution, where the conusee lives, and has lands and goods within his jurisdiction."

Finally, believe it or not, right out of the Middle Ages the "jeopardy assessment" and the "90-day letter," out of the private law of the time of Edward I, thus:

"By the Stat. Act. Burn, 11 Edw I, & Merc 13 Edw I, if the debtor have no moveables, of which the debt may be levied, or cannot be found within the jurisdiction of the mayor, he shall send the recognizance under the king's seal into the Chancery, and the Chancellor shall direct a writ to the Sheriff to seize the moveables, or the body of the debtor (if lay), and make him agree to the debt in the same manner as the mayor, if he had been in his power."

"So, by the St. de Merc., 13 Edw. I, if the debtor agrees not the debt in a quarter of a year, by sale of his goods and lands, all his lands shall be delivered to the merchants by reasonable extent, to hold till the debt be levied."

So there is nothing new under the sun. And the officers and agents of the I.R.S., we must conclude, are themselves merchants, contracting as farmers of the taxes, and personally liable as such for their collection.

XXI RANDOM NOTES ON MONEY

A Federal Reserve Note is not a Dollar, but an order on future services, allegedly contracted upon the U.S. bond to pay the interest due on the bonds.

Demand Deposits form about 75% of the assets of banks. These are the checkbook money created by the banks themselves on loans out of the atmosphere at ratios of from 10-to-1 to 16-to-1 on their "reserves." These demand deposits do not exist until the bank creates them, and they are not payable on demand but within 30 days notice, for the obvious reason that the reserves to back them up do not exist. Thus, even though the powers-that-be can legislate FRN's as "lawful money," being currency bonds, demand deposits cannot be glorified as "Lawful money." Nor is a check either "legal tender" or "lawful money," even certified, but a mere personal order to pay.

Money: Currency which flows at par without question.

Lawful Money (even by today's law): Any medium circulating at par, being or representing standard gold or silver coin and payable or redeemable on demand This does not include demand deposits or drafts or checks thereon, which are merely credits and payable only within thirty days. Federal Reserve Notes are "lawful money," as they ostensibly represent specie, pass at par (!), and are redeemable on demand in either more of the same or in U.S. bonds.

Legal Tender: Any circulating medium which can be compelled of acceptance as money in place of the above.

Hard Coin at par is Money. Federal Reserve Notes are choses-in-action or mere claims to money. They do no more than pass title.

A Dollar is a coin, not a chose-in-action, nor a fiction, nor a mere equitable money-of-account.

Chose-in-Action: "Any right to anything personal not in one's possession or actual enjoyment, but recoverable by suit at law. Any right to an act or forbearance, as in case of debt, stocks, shares, and negotiable instruments or claims of reparation for a tort. Also, the thing, as a bond or note, which is the subject of this right."

Bond: A registered note under seal. (FRN)

Bond: "The only way that a bond is distinguished from the ordinary promissory note is by the fact that it is issued as a part of a series of like tenor and amount, and, in most cases, under a common security." (FRN)

Issue of a note is its first delivery.

Interest: Money never bears interest; only loans bear interest. Money which bears interest is not money. Money does not work, only people work. Money cannot propagate itself.

Gold: From Treasury Department to author: "Since August 15, 1971, we have not engaged in gold transactions with foreign monetary authorities;" only with private bankers.

Gold regulations amended, April 24, 1964, permit U.S. gold certificates to be held by 'collectors.' Let us guess which Federal Reserve Banks are the biggest collectors. The author has a complete list of the Banks and amounts.

"Accounts receivable are not income." I.R.S.

It is the Federal Reserve which has been granted by Congress the power to create Money, not the National Banks. A power delegated cannot be redelegated. Demand deposits are not money, but manufactured claims on money.

"In dealing with the Internal Revenue Code under Title 26, we believe that Notes not redeemable are valueless." Section 1.1001-1 (.4657) C.C.H.

Money today: Paper, \$65 billions; coin, \$8 billions; demand deposits, \$221 billions; total \$294 billions, of which 75% are demand deposits, or mere claims. Consideration on contract must be a detriment to the promisee as well as a benefit to the promisor, or it must fail. Formerly, aliens, infants, married women, clergymen were excluded from trade. Tenancy-in-common between spouses created to destroy marriages by making husbands responsible for debts of wives as femes sole traders.

Julliard: No power to make currency notes lawful money for any purpose as regards States, Countries, Cities, and municipal corporations chartered by states.

XXII RANDOM NOTES ON PROPERTY

Property is the right to dominion over the use and disposition of an interest. Protected by the Equal Protection clause, which is grounded in stare decisis. See *Cohens v. Virginia*, 6 Wheaton 264, 399.

Intent rules in contract as in common law.

Right of Dominion: "The words 'life, liberty, and property' are constitutional terms, and are to be taken in their broadest sense. They indicate the three great subdivisions of all civil rights. The term 'property' in this clause embraces all valuable interests which a man may possess outside of himself. That is to say, outside of his life and property. It is not confined to mere technical property, but extends to every species of vested right." *Camp v. Holt*, 115 U.S. 620. See *Munn v. Illinois*, 94 U.S. 113.

"The power to destroy which may be the consequence of taxation is a reason why the right to tax should be confined to subjects which may be lawfully embraced therein, even though it happens that some particular instance no great harm may be caused by the exercise of the taxing authority as to a subject which is beyond its scope." Knowlton v. Moore, 178 U.S. 41.

The preservation of one's property is a common law right, and no judgment can be had thereon prior to trial by jury.

Natural rights are not civil rights.

No suit can be brought against an individual in Federal Court for denial of natural rights under the United States Constitution, only denial of civil rights by Persons on state or national level under color of law.

Compensation: "The equal protection of the laws which, by the Fourteenth Amendment, no state can deny to the individual, forbids legislation, in whatever form it may be enacted, by which the property of one individual is, without compensation, wrested from him for the benefit of another, or of the public . . ."

Due Process: A person is not precluded from complaining that the taking of his property conformably to state legislation, to satisfy an alleged debt or obligation, was within the hearing essential under the due process guaranty, because in his particular case due process of law would lead to the same result, since he had no adequate defense on the merits. *Coe v. Armour Fertilizer Works*, 237 U.S. 413, 59 L.Ed 1027; 35 S.Ct. 625.

Construction: A thing within the intention is within the statute, though not within the letter, and a thing within the letter is not within the statute unless within the intention. *Gibbon v. Ogden*, 9 Wheat. 188.

Police Power: The courts are not the Police Power; they take no initiative in the preservation of rights which individuals will not protect themselves.
Corporate Franchise: A contract.

John Marshall: "It is not necessary to inquire how the judicial authority should act if the legislature were evidently to violate any of the laws of God: but property is the creature of civil society, and subject in all respects to the disposition and control of civil institutions . . . it must be repeated that the law of property in its origin and operation is the off-spring of the social state, not incident of a state of nature."

Taxes: Individual can be compelled to support a general government, but not other private individuals.

Boon: No one may have a private boon forced upon him without his consent.

Caveat Emptor: "Let the buyer beware" means this and only this: "Let the purchaser exercise proper caution, for he ought not to be ignorant of the amount and nature of that person's interest which he is about to purchase." It concerns only title to goods, and not their quality, which is the absolute burden of the seller.

Banks: National Banks are not citizens of the United States, but of the various states. They do not enjoy the 14th Amendment rights of citizens of the national government. *Madden v. Kentucky* (1940).

Self-incrimination: One cannot be compelled to inform on himself at law, but he can be compelled in equity, which is the very basis of equity. This is the heart of the Fifth Amendment controversy in the Supreme Court's recent cases. *Beckwith v. U.S.*, (1976, No. 74-1243), and *U.S. v. Miller*, (1976, No. 74-1179). Other related cases are *Calif. Bankers Assn. v. Schultz*, 416 U.S. 21 (1974); *Burrows v. Superior Court*, 13 Cal 3d 238; *Alderman v. U.S.*, 394 U.S. 165 (1969); *U.S. v. Couch*, 409 U.S. 322; *Boyd v. U.S.*, 116 U.S. 616 (1886), 634-635.

Self-incrimination: One can be compelled in equity by an action of accounting on debt-money and transactions thereon. One cannot be compelled at law over hard money except in a common-law action, which demands a trial by jury.

XXIII LAW TAKEN FOR GRANTED

Pro se litigants have a field day when going through case books to find arguments supporting their cause. We ourselves in doing so, can learn caution, and at the same time steal a march on the opposition by careful checking of cases and authorities cited, and many times find that a case carelessly quoted by the opposition can in reality, by close scrutiny, be turned to our own advantage.

An interesting selection on the subject is given below as taken from Jurisprudence and Institutions, by James Dewitt Andrews, in Volume XIII, American Law and Procedure, 1922, LaSalle Extension University, entitled Case in Point.

"It is the case in point which constitutes a precedent, in point of principle, and in point of presence of all the elemental facts of the one at bar. Too little attention is now being paid to what constitutes a case in point. Upon this point a statement of Lord Denman is of great value: 'A case was brought before that court (Exchequer), upon which it was proposed to over-rule not the dicta, the impression, the fancies of the learned frequenters of Westminster Hall, but decided cases, running through a period of nearly fifty years, appearing in numerous reports, and laid down by all the text-titers. I believe Mr. Justice Bayley, on a particular examination of those cases, thought them clearly founded in error; they were traced to a dictum uttered by Lord Mansfield in his first judicial year, which dictum was held by Mr. Justice Bailey to be untenable; and my noble and learned friend pronounced the unanimous judgment of his court, denying the authority of these cases, and overruling them all. I speak of the case of Hutton v. Balme (2 You. & J. 101; Cr. & J. 19; 2 Tyrr. 17; and Error, 1 Cr. & M. 262; 2 Tyrr. 620; 3 Moo. & SC. 1; 9 Bing. 471) . . . And I am tempted to take this opportunity of observing that a large portion of that legal opinion which has passed current for law, falls within the description of 'law taken for granted.' If a statical table of legal propositions should be drawn out, and the first column headed 'Law by Statute,' and a second 'Law of Decision,' and third column under the heading 'Law taken for granted' would comprise as much matter as both others combined. But when, in pursuit of truth, we are obliged to investigate the grounds of law, it is plain, and has often been proved by recent experience, that the mere statement and restatement of a doctrine, the mere repetition of the sonatina of lawyers, cannot make it a law, unless it can be traced to some competent authority, and if it be irreconcilable to some clear legal principle." (Lord Denman in O'Connell v. The Queen, 11 Cl. & Fin. 368,373)

"The above case, with the opinion of the court in a recent New York case, indicates clearly the test of a case in point.

"Certain expressions of learned judges, used arguendo . . . are relied upon by counsel as establishing a principle that controls the case. Principles are not established by what is said, but by what was decided, and what was said is not evidence of what was decided, unless it relates directly to the question presented for decision. 'General expressions,' as the great federal jurist once said, 'are to be taken in connection with the cases in which these expressions are used.'" (Cohens v. Virginia, 6 Wheat, 264, 399; People ex rel. Metr. St. Ry Co. v. Tax Commissioners, 174 N.Y. 417-447.

XXIV PROMOTIONAL SOURCE OF THE LAW MERCHANT IN ANGLO-AMERICAN JURISPRUDENCE

We close with a final relevant excerpt below, taken verbatim from Volume III, pages 300-301, of the American Universal Cyclopaedia (Chambers's), New York, S.W. Green's Son, 1884, which fairly well speaks for itself.

"The Hanseatic League, or the Hansa, was a trade-union established in the 13th Century by certain cities of Northern Germany for their mutual safety, and for the protection of their trade, which at that period was exposed to the rapacity of rulers and the lawless attacks of marauders on land and pirates at sea; yet, notwithstanding obstacles such as these, and the heavy impost levied by their princes on the German traders, several towns of Northern Germany, as, for instance, Hamburg, Bremen, and Lubeck, had acquired some commercial importance as early as the 11th century. The fame of the rich cargoes that found their way into their factories had given rise to swarms of pirates, who infested the mouths of the Elbe and the outlets of the Baltic; and the necessity which the neighboring ports felt of protecting themselves effectually from such troublesome enemies led, in 1219, to the settlement of a contract between Hamburg, Ditmarsh, and Hadeln, to protect the course of the river and the adjacent sea. This agreement was followed two years later by a treaty of mutual aid and defense between Hamburg and Lubeck, which was joined in 1247 by the town of Brunswick; and thus was formed the German league, or Hansa, the name of which indicated, in the Plattdeutsch of the traders, a bond or compact for mutual aid. The progress of the league was so rapid that, before the year 1260, when the first diet met at Lubeck, which was the central point of the whole association, it had its regularly organized government, with a fixed system of finance and administration.

"The entire league, which at one period numbered 85 towns, and included every city of importance between Holland and Livonia, was divided into four classes or circles: 1. The Vandal or Wendic cities of the Baltic. 2. The towns of Westphalia, the Rhineland, and the Netherlands. 3. Those of Prussia and Livonia. 4. Those of Saxony and Brandenburg. The capitals of the respective circles were Lubeck, Cologne, Danzig, and Brunswick.

"The cities comprising the league were represented by deputies at the general diet, which met every three years, generally at Lubeck, which was considered as the capital of the league, to discuss and settle the current business of the league, and held an extraordinary meeting every ten years, to re-new the various unions which constituted the great Hansa. The edicts of the diet were communicated to the masters of the great circles, who remitted them to the several guilds within their respective jurisdictions.

"Four large foreign factories were established at London (1250), Bruges (1252), Novgorod (1272), and Bergen (1278); and besides these and the ordinary members, various circles were connected by treaties of limit alliance with the league; as, for instance, Amsterdam, Antwerp, Bordeaux, Barcelona, Cadiz, Dordrecht, Leghorn, Lisbon, Marseilles, Messina, Naples, Ostend, Rotterdam, Rouen, Seville, Saint, Malo.

"The Hanseatic League was the first systemic trade union known in the history of European nations, and the high political influence which it rapidly attained was due to its development of sounder principles of trade than any that had hitherto been put into practice; while in the earlier periods of its existence it exerted a beneficial action on the advance of civilization, which can scarcely be overrated. Its professed object was to protect the commerce of its members by land and by sea, to defend and extend its commercial relations with and among foreigners, and as far as possible to exclude all other competitors in trade, and firmly to maintain, and if possible,

extend all the rights and immunities that had been granted by various rulers to the corporation. For the promotion of these ends, the league kept ships and armed men in its pay, the charge of whose maintenance was defrayed by a regular system of taxation, and by the funds obtained by money-fines which the diet levied for infringement of its laws. In its factories, only unmarried clerks and servingmen were employed, and an almost monastic discipline was enforced; but the by-laws of the league prescribed a System of daily sports and light occupations for the recreation of the men, while sensible regulations for their comfort and cleanliness, and for the celebration of festivals at certain fixed times of the year, bear evidence of the sound sense that influenced the mode of government of the Hansa, and which was further shown by the masters of factories to avoid everything that could hurt the prejudices of the foreigners among whom they were placed, and to conform in all things lawful to the habits of the country.

"For many years the Hanseatic League was the undisputed mistress of the Baltic and German ocean. It created new centers of Trade and civilization in numerous parts of northern Europe, and contributed to the expansion of agriculture and other industrial arts, by opening new channels of communication by means of the canals and roads with which it connected together the members of its association. The greatest powers dreaded its hostility and sought its allegiance, and many of the powerful sovereigns of the middle ages were indebted to it for the most substantial benefits.

"In England, since the time of King Ethelred, German traders had enjoyed the same privileges as native-born Englishmen. Henry II took the Cologne merchants, together with the house which they occupied on the Thames, especially under his protection, showing to them and their successors the privilege of exporting goods free of duty, and selling their Rhenish wines for the same price at which French wines were then sold in London; and in 1261 these privileges were extended by Henry III to all the Germans in London who had a share in the Hanseatic factory, or Aula Teutonicorum, which was long known to Londoners as the "Steelyard." In 1338 the Hansards gained the goodwill of Edward II by supplying him with the money necessary to redeem the regalia and coronation jewels of his Queen, which he had pledged to Cologne money lenders, and by allowing him to draw upon their houses for large sums with which to defray the cost of his French wars. Their relations to other sovereigns at that period were equally significant of their power, for they defeated Kings Erik and Hakon of Norway, and King Waldemar III of Denmark; in 1348, deposed Magnus of Sweden, and bestowed his crown upon Duke Albert of Mecklenburg; and in 1428 equipped a fleet of 248 ships, carrying 12,000 soldiers, against Erik of Denmark.

"With the 15th century the league reached at once its culminating point and decline, for in proportion as the seas and roads were better protected by the states to which they belonged, and rulers learned to comprehend the commercial advantages of their dominions, its supremacy declined; while the discovery of America, and of a new sea-route to India, gave an entirely new direction to the trade of Europe. The Hansa had, moreover, arrogated to itself, in the course of time, presumed rights of imposing the greater and lesser ban, and exercising acts of sovereignty and judicial power, which were incompatible with the supremacy and judicial power, which were incompatible with the supremacy of the rulers in whose states they were enforced, and hence the league was necessarily brought into frequent hostile collision with the local authorities. Thus, in accordance with their system of exclusive policy, the Hansards refused to grant to merchants . .

trading in foreign parts the same privileges in the Hanseatic cities which they themselves had enjoyed for centuries in England, Russia, and Scandinavia, and hence arose dissensions, which not infrequently ended in a fierce maritime warfare. By way of retaliation for the pertinacity with which the league refused to grant to the English the -which has been accorded to traders of other nations, parliament required that Germans should pay the tax on wool and wine, which was exacted from all other foreigners in the English markets; and although the Hansards strongly resisted, they were at length condemned by the Courts, in 1469, to pay a fine off 13,500; and they would probably have lost all they had in England if their cause had not been advocated by Edward IV, who had been more than once indebted to them for money and aid, and who in 1474 secured for them, by a clause in the Treaty of Utrecht, a restitution of nearly all their former rights in England. In 1598 their old prerogatives, notwithstanding the altered conditions of the times, drew upon them the anger of Queen Elizabeth, who dispatched a fleet under Drake and Norris to seize upon the ships of the Hansa, of which 61 were captured, while she banished the Hansards from their factory in London. These measures had the desired effect of compelling the League to receive English traders on equal conditions, and thenceforward the Hansards were permitted to occupy the Steelyard, as in olden times. The Hansa had, however, out lived its date, and at the diet held in Lubeck in 1630, the majority of the cities formally renounced their alliance. Hamburg, Lubeck, Bremen, and for a short time Danzig, remained faithful to their ancient compact, and continued to form an association of free republics that existed unchanged till 1810, when the fast three were incorporated in the French empire. These, in 1813, combined with Frankfort-am-Main to form a union. Frankfort became Prussian in 1866; whereas at a convention in July 1870, the powers and privileges of the three free towns were reestablished and reorganized, and under the empire they still retained their self government".

XXV POSTSCRIPT

In the light of the fact that Bremen and Hamburg are today effectively free cities of the Deutsche Bundesrepublik (West Germany), may we not indulge our wonder in the fact that on the wall of the merchant-banker Sigmund G. Warburg, in Hamburg, of a long line of Hamburg Warburgs, and one of the hidden manipulators of the Federal Reserve, is a merchant bankers' map of the world showing Germany, Britain, the United States, and Israel as "Warburg Countries." Is this who really owns the Bilderbergers too? Is this why they love the Magna Charta so?

Appendix-I COMMON LAW AND STANDARD SPECIE

The common law of each of the 50 states but one (Louisiana) derives from what is called "The Common Law of England."

In England, this law was derived from feudal tenures in real property as held by a succession of what were called tenants-in-chief and mesne (intermediate) lords or a pyramid of proprietors holding from the Ring on down. These tenures, however, never prevailed in the American colonies, as the Revolution proved. Instead, the land titles (not tenures) in the American states were called "allodial" (see Chapter 36 of the laws of 1787 of New York State as a good example), which meant that they were not, as in England, held from a principal original overlord (Ring or Crown), but each was owned outright by the proprietor. These are the same titles that

prevailed in England prior to the coming of William of Normandy. The holders of them were called "roturiers."

Thus, it is clear that land titles throughout the United States are not held of the Federal Government, and since, by repeated Supreme Court decisions, there is no "general Federal common law," federal interests in land can be only equitable and not legal. They may be held by statute, but the statute will derive not from a legal principal or principle, but from an equitable one, that is, one outside the "common law." This situation was crystallized by the decision in the Erie R.R. case (304 U.S. 64) and other subsequent thereto.

The principal point in this is that the Federal government can never acquire common law rights in real property in the United States individually or supremacy over it except through the law of the States or by equitable means from other sources. The ace in the hole is that no State titles are equitable titles.

Article I, Section 10, clause 1, of the Federal Constitution was designed precisely to protect landed property from assaults through the subterfuge of equitable bases, particularly irredeemable paper money as "legal tender for all debts" and not "legal tender in payment of debts."

That is, all legal transfers of real property were accomplished by delivery of the substance itself, "turf and twig," that is what a "deed" always witnessed; the actual delivery of the substance of the land, and not a mere right to enjoy at someone else's pleasure. This fact clearly shows the difference between a "title" and a "tenure." Titles are allodial, tenures are feudal, in origin. Titles have not paramount overlord, tenures do. It's that simple.

Thus, anyone wishing to acquire control over all the land in the United States must base his approach on something besides a "general federal common law," which is the law of substance or land and hard money. The only way to accomplish this through the federal government is by equitable means. That is, with the use of debt-money at the federal level.

Such is the use of the Federal Reserve; to smother the nation in money which is equitable (irredeemable) and not legal. Legal money is standard substance, equitable money is a promise of the substance. Equitable money is money which can confiscate real property by extra-legal means otherwise "lawful." Although "equitable" and "legal" are both "lawful" and not the other way around. Nor are the terms "legal" and "lawful" synonymous or interchangeable. This is why the Federal Reserve Notes are called "lawful money" (equitable) not "legal money."

So we see that the purpose of the Federal Reserve is to accomplish on the Federal level what the Constitution forbids on the State level. Or more explicitly, to evade the Constitution on the issue of coin in order to acquire title to the lands of the States and convert them into tenures.

This is partly accomplished through the so-called "purchase-money-mortgages" given out by the banks, among other things. But more than that, it subjects the citizens of states to burdens which the States are powerless to impose (i.e. paper money), by compelling citizens of States to deal with the States only through the banks and their "equitable" money and other negotiable

instruments under the Law Merchant (private), while the banks deal with the States in the teal stuff of money orders.

The object in the end is to create a "general federal equity" in place of a "general federal common law," outlawing all local common law of the States in landed property, replacing President with Chancellor at the Federal level. And the joker is that where "common law" belongs to the People in their juries, "equity" belongs only to the Executive. This is the deceitful executive summary "Law and Order" on statutes promoted by the Birch Society, A Rockefeller front, in the name of a "better world," and "under God" of course, which front studiously ignores the transformation of our Republic of Separation of Powers into a Parliamentary "Republic" so-called, under which the Legislative and Executive (as in a corporation) are united. This is the Birch Society's meaning of "Republic," in which "We the People" have been totally defrauded of our common law juries incorporated into the Executive; our common law turned into the Roman Civil Law of the Chancellors. It is this puppet-Chancellor which the 25th Amendment was designed to bring to America by incorporating the Executive into the Legislative. In plain fact, a "parliamentary" Republic is an anomaly because there is not such a thing. A President is not a Congress or a Parliament, nor, except in European countries, is a Congress an Executive, as the British Parliament was that forced us to Revolution. It was precisely against this law of the Chancellors that the 5th and 7th Amendments and others were designed to protect us.

THE SINGLE SOLITARY ISSUE: MONEY

The 16th Amendment and the Federal Reserve both came into being in the 1913, the same year in which new Federal Equity Rules were made. The purpose of the Federal Reserve and their Notes: To subject all interstate commerce to the rule of Equity (overruling *Swift v. Tyson*) upon the claim that there is not general Federal Common Law (except FRN's). (National Bank "common law" is law of private property as expounded in the case decisions, and underwritten). (Law upon a statute is either civil or criminal).

Thus, they acquired the means of evading the injunction of Article I, Section 10, clause 1 on the issue of tender of the states by using private contract. So, in 1938, they made it official by *Erie R.R.* By it, the Law Merchant was taken out of the common law and put into Equity, where it could be "judicially noticed" in any jurisdiction. Law Merchant = Summary Judgment = "Natural Law."

FRN's found lawful by *Milam*, which reiterated the legal tender cases of 1884 (*Julliard*, for example). The meaning is that the Federal Government can outlaw common law on the federal level and replace it with equity enforceable by statutes and a new manner of pleading. This is the system of "confession and avoidance," which turns the courts into trading and bargaining pits.

But the Federal Government cannot (by Article I, Section 10, clause 1) outlaw the substance of the common law of the several states and thus regulate commerce within the states by compelling equitable money (commercial paper, negotiable instruments) in exchange between States and citizens of states. Nor can the States.

Look carefully at the State Civil Practice Law and Rules. The "Law" is the Law of the State; the Rules are the Equity of the Law Merchant. The simplest plea in State Tax cases is inability to perform. And no lawyer has ever told anyone that! No Federal law can outlaw the Cash basis of the law imposed on the States by Article I, Section 10. In the same connection, the Federal Government cannot touch allodial land titles in the States, nor turn equitable mortgages into legal ones by magic. The single solitary issue - money and credit. We can't win on any other. Under the Commerce clause, Congress can regulate (by FRN's) interstate commerce (international as well), but it cannot touch the relationship between a citizen and his State.

Appendix-II JURY TRIALS AND CHANCELLORS

Since the formation of the Federal Reserve, and especially since 1933, the office of the Presidency has been gradually transformed into a Chancellorship on the model of the European (particularly German) governments. The object has been to unite the executive and legislative in such a way that the powers of legislation and of enforcement are placed in the same hands. Thus, our common law system of accusatory law and trial by jury (Seventh Amendment) are nearly destroyed and replaced with the inquisitory system of departmental trial (executive such as Tax Court).

This is accomplished by replacing issue-pleading with code-pleading or "fact" pleading, under which all law is enforced by executives (corporate bureaucrats) upon the letter of a statute (like quoting the Bible - "the Bible sez" . . .) Then no need for juries.

The Chancellor under this system (former President) thus acquires the powers of the jury to interpret the laws. Under our common law the interpretation was the province of the jury, and the construction the province of the judges. Interpretation is made upon the meaning of the words of a statute. Construction is made upon the intent of the legislature.

The (Federal) Chancellor (and all his executive flunkies) thus acquires the powers of the jury to interpret the law, the power to construe being left to the highest Judiciary, the District Courts imposing the meaning as errand-boys for the Congress. That leaves precious little room for dissent, for under this system the only Law is the statute.

The original purpose of the judge's charge was to explain the legislative intent to the jury who alone made the interpretation on the facts in that light. Thus, the swindle promoted by the advocates of code-pleading and of Chancellor-government is very effectively abetted by those who love to quote the Bible and the Constitution as sole "Law." They practice the very thing which they lament and deplore in others. They quote the words, but reserve the interpretation to themselves, as well as the construction. They are doomed to defeat, as has been shown over and over again, for they fail to distinguish between law and equity. But worse than their own defeats, they wish to haul the rest of us along with them on the basis of their own illusions.

Moral: Marry up the Bible-thumpers with corporate immunity maniacs and you have the perfect climate for the Fascist state promoted by Rockefeller and Company themselves. Just who's kidding whom, anyway?

Anyone who has ever been remotely concerned with the subjects of Money, Income Tax, IRS, Law Courts, Socialism, Constitutional Law, or any other related subject must begin his study in one place alone. And that is in Article III, Section 2, of the Federal Constitution, which reads:

"The judicial power shall extend to all Cases, in Law and Equity, arising under the Constitution, the Laws of the United States, the Treaties made, or which shall be made, under the Authority."

Omitting the rest of the text of this section, let us see what we have in only the few words above quoted.

First, what is the "Judicial Power?" Well, what is a Power? It is an authority or capacity delegated from a principal to an agent to do or to accomplish specific acts. The Power which is Judicial is the Power to hear and determine or resolve controversies. It is this "Power" which gives jurisdiction.

Second, these controversies arise in two areas, as the text says, one in "Law" and the other in "Equity." What distinguishes Law and Equity becomes our principal concern, which we shall postpone until we have dealt with the remaining terms in the section.

A "Case" is a claim based upon a right which is either absolute or relative at Law or in Equity and has not outlived some statutory or otherwise lawful limitation placed upon it for enforcement in the Courts. (See 9 Wheat 738).

All right, then, such "cases" arise under one of three elementary divisions of the 'judicial power' or jurisdiction.

1. "This Constitution," including all the Articles of the Bill of Rights and subsequent Amendments.
2. "The Laws of the United States." That means the statutes passed by the Congress, though it used to have an additional critical application to what is known as "common law." (see 7th Amendment)
3. "Treaties made, or which shall be made, under their Authority."

That means two things: First, treaties made by the United States under the Articles of Confederation before the adoption of the present Constitution in 1789 and it includes the Treaty of Paris in 1783 and any treaty made since, including the so-called United Nations Treaties. That's quite a rat's nest.

Let us note carefully, before we proceed further, the "Judicial Power" of the United States means the judicial power of the Federal Government, and not of the States collectively or individually. It means the judicial power of the Union. The Federal District Courts were created precisely to insure the existence of at least one tribunal in each State in which a litigant could presume to be free of any local influence, that is color of local law prejudicial to the meaning and intent of the Federal Constitution, the Laws of the Congress and Treaties.

The national law thus, we see, is comprised of Constitution, statutes of Congress (the "laws"), and treaties of the Union insofar as they are totally consistent with each other, not only in Law but in Equity. Further, the Constitution itself extends this power as an injunction to the state level, where "The judges in every State shall be bound thereby, anything in the Constitution or law of any State to the contrary notwithstanding," compelled thus to enforce the Constitution, Laws or provisions of Treaties mutually consistent.

Very well, then, we arrive at the question of what is Law and what is Equity? Can you remember the last time you heard a Tax-Striker mention the word "Equity," for all the times he goes to court or challenges a court's jurisdiction? Come to think of it, how many times have you heard a Tax-Striker even challenge the jurisdiction of the court to rule in Equity?

This is a very serious question, because responsible people have thrown out some very serious and misleading charges. This is not to say necessarily that you or I wouldn't have hurled the same charge under the same circumstances, unless, perhaps, we had taken careful note of all the words involved, such as, for example, the difference between "Law" and "Equity" and the origin and application of each.

What do these two words mean, anyway? Obviously, they are not the same thing. Nor do they mean the same thing at Federal and State level.

Law first of all derives from the ancient courts of common law, while Equity derives from officers known as Chancellors. In their historical development, Law is judicial, and Equity is executive. This should provide us with our first clue to the momentous difference and application of the two. Further, Equity is the law originally supplied by the King in the person of his Chancellor or chief officer to make up for deficiencies in the general unwritten law of private property and personal relations called the common law.

Common Law was the law upon which jury trials were held, and was the unwritten law as it has been declared or revealed to exist through the case decisions of the courts. Such was primarily the whole tradition of the so-called unwritten Constitution of England. Another immediate difference between Law and Equity is that in Equity there are no jury trials. The Powers of the jury are exercised by the Chancellor. In Equity, controversies which would originally be decided by a jury are decided by the judge. It is thus clear that a Judge is not a Chancellor, nor is a Chancellor a judge. It is likewise clear that the jury is as much a judicial officer as any judge.

Law then belongs to the people's court, and Equity to the Chancellor's. All right, then, what happened to this Equity when the American colonies got rid of the King? What happened to the Powers of the Chancellor? Was it assigned to the judges? No, not necessarily. It resided somehow in the State in the name of the People, according to the Constitution of each of the original States. What more logical place for it to go than into the People's juries. This remarkable circumstance is evidenced at the Federal level in the well-known case of *Georgia v. Brailsford*, (3 Dall, 1794).

This, then, is the most critical issue in American Law, and one which opponents of Big Government (whether public or private) never mention. And before we can know how to attack

this problem in the Courts, we must realize exactly what has happened to America and to American Law through the subversion of the powers of the jury. At the Federal level, we can phrase the question very simply: "Do we have a President or a Chancellor?" To understand the answer to this question we must in due course examine the true meaning of the 25th Amendment. We must first make a new historical perspective.

In 1846, the State of New York set a new example by assigning the powers of the Chancellors to the judges by the act of "merging" Law and Equity into the same courts. The courts of law thus came to have a "law side" and an "equity side." This merger was soon copied in all the courts across the land, or nearly all. How this power of the Chancellor has been used at the Federal level is the history of the United States since 1938, when a certain case called *Erie R.R. v. Tompkins* was decided by the Supreme Court. This is a whole story in itself whose consequences are fast coming to a crises in the courts of the nation and states.

And the question posed is this: "Can the Powers of the Chancellor work against the juries of the People?" The resolution of this question raises many nice questions. For example, as the merger of law and equity progressed in the States and Nation, did the judges become executives and the juries mere advisors? In other words, can the power of the Chancellor replace the jury in the courts of law? Well, perhaps, but the judiciary still remains. But suppose we consider the Executive. Can the Executive acquire the powers of the judiciary? Can the Congress (or by analogy the Legislatures of the States) bring this about under color of Article III, Section 2?

Can the Congress lawfully assign the Equity powers of the judiciary to the executive, or more precisely can it take the equity powers of the national courts and assign them to the Executive, and thus apportion it among all the bureaucrats created by the laws of the Congress?

Can the President, then, become not merely an executive at law, but an executive in Equity or an outright Chancellor? Can the President, by authority of the Congress, acquire powers which make him absolutely a Chancellor? Can the Congress effectively destroy the office of President by its legislation? Does the Constitution assign the Congress this power. Have the People done so? Apparently not, otherwise we would have had no use for the 25th Amendment, nor would we have had to resort to it. What the 25th Amendment does, if you will, is to "constitutionalize" the metamorphosis of the Presidency into a Chancellorship at law, which effectively takes the jury powers of the people out of the courts and transfers them to the Executive. This is exactly what has happened.

By this subtle ruse, then, through the 25th Amendment, the Presidency and the Vice Presidency have been transformed respectively into a President of a commercial corporation and a Board of Directors (Vice Presidency) or a Junta which can replace the president (or Chancellor) at will. Just read the 25th Amendment.

For all else they talk about, Tax-Protesters very carefully avoid these immediate issues. For some reason they are stupefied into silence by the hedge of corporate privilege and immunity (its technical name is "liberty") which go hand in hand with the suffocation of trial-by-jury. Prominent tax-protesters are strangely silent on the stupendous conclusions to be drawn from the case of *Brushaber v. Union Pacific*, in the protection of the rights of individuals enjoying no limited liability whatever, and in no way subject to a generic income tax or to an excise amounting to the same thing. Their stupefaction seems to arise in the strange assumption that a

private corporation is analogous to an individual businessman. In any case, what has happened all the way around, simply stated, is that the Congress (and Legislatures) have consistently eroded the powers of the jury in law and equity both and transplanted them into the executive where they are funneled down through the pyramid of bureaucrats, who become one-man juries in equity (which is no more than their own discretion) upon the statutes of the Congress or legislature.

Appendix-III ELEMENTARY LAW ON "PERSONS," FROM SUPREME COURT CASES

We stated that rights to intangibles "are but relationships between persons, natural or corporate, which the law recognizes by attaching to them certain sanctions enforceable in the courts. The power of government over them and the protection it gives them cannot be executed through control of a physical thing. They can be made effective only through control over and protection afforded to those persons whose relationships are the origins of the rights . . . Obviously, as the sources of actual or potential wealth, which is an appropriate measure of any tax imposed on ownership or its existence, they cannot be dissociated from the persons from whose relationships they are derived. These are not in any sense fictions, they are indisputable realities." *Curry v. McCandless*, 307 U.S. 357 at 366, cited in *State Tax Commission v. Aldrich*.

"The corporation owes its existence to Utah." (This was a case on corporate income tax.)

". . . as declared by C.J. Marshall of *McCulloch v. Maryland*, through dominion over tangibles or over persons whose relationships are the source of intangible rights; or on the benefit and protection conferred by the taxing authority or both." *Ibid*, pp. 367-368.

"Persons," then, and "personal relations" are contractual intangibles created by society. "Natural Persons" are those who have come into Society out of Nature (individuals), as with "Natural Rights." "Juristic persons" are those created by Society, enjoying "civil.

There are not "civil rights" in Nature.

In USA, Society is organized as a Republic. What is "Republic?"

1. "Republic" as distinguished from "Democracy."
2. "Republican" as distinguished from "Parliamentary."

Thus 1. sees Society as a corporation in which an elected minority can bind the principals upon their acts as agents.

And 2. acknowledges Separation of Powers in Republic. In Parliamentary government, the Legislative and Executive are one. (This is what got George III into trouble when he reasserted the independence of the Crown from the Parliamentary dictatorship.

Now, by American law, no one can be excluded from the elective franchise (vote) and all citizens are considered as partners to the contract. Whereas in the corporate view, only an elite is

qualified to "rule." Thus, "this is a Republic, not a Democracy" is a false and deceptive issue, since by our Constitution, nature creates no persons, only -individuals, and the only ones who can be excluded from the franchise are those who have precisely lost their "civil rights" by due process.

Our Constitution says "No individuals are born persons," that is, born to privilege or to civil status.

The fact that a government is "representative" does not necessarily make it a "Republic." The two are not mutually inclusive. Nor are "Republics" and "Democracies" mutually exclusive. As a matter of fact, Parliamentary government may be representative, but it is not republican. And there you have it. A Democracy is a republican government; a parliamentary government never!

Thus, Birchism divides Society into two groups: The Successful and the Unsuccessful: the Rulers and the Ruled: Masters and Servants: Consumers and Producers. The Unsuccessful are the Reprobate; only the Successful are the Virtuous (God's People). This is the raw rule of Nature, in which Civil Rights (rights of persons or citizens) no longer exist. It is the law of the jungle, of the summary judgment (Law Merchant), of the survival of the fittest.. And only the fittest are fit to be the Master (Race), creating their own money and credit.

So, to "smash the state" is to destroy all civil rights and rights of persons in property, created by government, and to replace it with the summary judgment rule of the fist in a pyramid of private franchise.

So, the Birch mentality stands by and preaches while Society is inundated with filth. Those unsuccessful against the filth are the "Reprobate," for, if they had the Grace of God, the Bircher says, they would be "successful," just like me.

How do you destroy "Government?" How do you "smash the State?" By having "private enterprise" take it over. By letting the personal corporate creature take the life of its Creator: Society. That is Atheism and Deicide; the murder of God. We don't need to "Get Government out of Business" so much as to "Get Business out of Government."

The people of PA have not assigned their jury powers to a Chancellor, nor have the people of the State of PA made the governor a chancellor. They use the statute as color and cover to enforce their own private equity and have no jurisdiction over an individual. There are two kinds of Land Titles:

1. Copyhold or Feudal
2. Freehold or Allodial. No overseer's

Can the state through its judges, compel petitioners to be a merchant in equity upon negotiable instruments under color of Law Merchant in order to deprive me of a federal right at law under Article I, Section 10, clause 1 of the Federal Constitution?

Income = A rate of return of capital.

Public Jurisdiction is legal.

Private Jurisdiction is equitable and not legal.

Sales Tax - It's an impossibility for a merchant to collect a Sales Tax. The only Tax a merchant can collect is tax on a purchase and Sales Tax is not a purchase.

A Tax on a sale is not a tax on a purchase.

A MATTER OF FACT

Article I, Section 10, clause 1 says the states have common law if this is the case, where does the Executive acquire equity?

If Article III, Section 2 of the Federal Constitution says equity is in Judiciary only then it follows that the states are more bound to common law through Article I, Section 10, clause 1.

Fiscal = pertaining to Treasury

Monetary = Money itself

Financial = Floating of Economy

Pecuniary = Value of money

Economics = Public or private management of money States have no jurisdiction in Fiscal Equity.

Public Money = Gold and Silver coin or U.S. Notes.

Federal Reserve Notes and slugs = Debt, and are not money.

Taxes are "Dues," not debts. Dues can only be paid in money not debt.

FRN's and negotiable paper cannot be the equivalent or substitute for coin or specie because coin and specie cannot compel me to be merchant in equity as the negotiable paper can.

Article III, Section 2: "The Judicial Power shall extend to all cases in Law and Equity arising under the this Constitution, laws like treaties etc.

Law is the statute passed by the Congress.

Equity is the law merchant which enforces the law of Congress that the unwritten "Law" of the IRS etc.

Before Erie R.R., the law merchant was part of the Common Law which gave jury trials under the 7th Amendment. Throwing the law merchant out with the common law gave the basis for the

summary judgment in Equity. The IRS enforces the Statute and you have relief only in equity which is, the law merchant designed to murder you.

A dollar is not a Chose-in-Action.

Law is not Equity

Due Process of Law is not compulsory confession and avoidance before the Chancellor.

A money consideration must be a detriment to the promise.

The only courts in the U.S. which have jurisdiction in the Civil Law are in Louisiana.

No statute is in derogation of common law unless it specifically so states.

All courts of the staple operate under color of local law. No state in the union, including Louisiana can compel its citizens to be merchants in equity by depriving them of lawful tender and compelling the use of negotiable instruments.

A Federal Reserve Note is a negotiable instrument, negotiable by delivery.

Appendix IV SUPREME COURT DECISIONS

"The 16th Amendment," say many protesters, "is wrong because compliance with it violates my 4th and 5th Amendment rights, and it violates the Article I, Section 9 provision which commands Congress that "No capitation, or other direct tax shall be laid, unless in proportion to the census or enumeration hereinbefore directed to be taken."

Why then hasn't the issue been brought before the Supreme Court to resolve it?

It has. The Supreme Court follows a policy of upholding what can be interpreted in more than one way, and if one of those ways can be "correctly interpreted" as being Constitutional, then the courts will normally say that the law will stand as "correctly interpreted."

Now, how can the 16th Amendment be "correctly interpreted," and not violate the above cited sections of the U.S. Constitution? Very simply. When it is a tax on a "privilege" rather than on a person. What kind of privilege? The privilege of doing business as a corporation, or as a licensed person "privileged" to earn an income in a way not open to anyone else who does not have that government created "privilege." In return for the "privilege," the privileged person pays a fee. How much is the fee? That depends on how profitable the privilege is. For example, how much income was gained from the "privilege." It is really an excise tax, but because the amount of the tax is based on the amount of the income, it is called an "income tax."

Under this viewpoint, unlicensed persons such as farmers, gardeners, laborers, clerks, carpenters, secretaries, waitresses, etc., would not be required to file or pay because their income was not earned in a 'privileged' capacity.

Obviously those persons who have rights guaranteed under the 4th and 5th Amendments are not required to file an income tax return. The 4th Amendment guarantees every citizen the right to the privacy of his papers and effects, while the 5th Amendment guarantees every citizen the right not to present evidence against himself. Filing a tax return forfeits both of these rights.

But are not all "persons" protected by the 4th and 5th Amendment rights?

No! Corporations, which are legally "persons" are not so protected as explained by the Supreme Court of the United States in the case of *Hale v. Henkel*, 201 U.S. 43. The Courts said:

"There is a clear distinction in this particular between an individual and a corporation, and that the latter has not the to refuse to submit its books and papers for an examination at the suit of the State. The individual may stand upon his constitutional rights as a citizen. He's entitled to carry on his private business in his own way. His power to contract is unlimited. He owes no duty to the State or to his neighbors to divulge his business, or to open his doors to an investigation, so far as it may tend to incriminate him. He owes no such duty to the State, since he receives nothing therefrom, beyond the protection of his life and property. His rights are such as existed by the law of the land long antecedent to the organization of the State, and can only be taken from him by due process of law, and in accordance with the Constitution. Among his rights are a refusal to incriminate himself, and the immunity of himself and his property from arrest or seizure except under a warrant of the law. He owes nothing to the public so long as he does not trespass upon their rights.

"Upon the other hand, the corporation is a creature of the State. It is presumed to be incorporated for the benefit of the public. It receives certain special privileges and franchises, and holds them subject to the laws of the State and the limitations of its charter.

"Its powers are limited by law. It can make no contract not authorized by its Charter. Its rights to act as a corporation are only preserved to it so long as it obeys the laws of its creation. There is a reserved right in the legislature to investigate its contracts and find out whether it has exceeded its powers. It would be a strange anomaly to hold that a State, having chartered a corporation to make use of certain franchises could not, in the exercise of its sovereignty, inquire how these franchises had been employed, and whether they had been abused and demand the production of the corporate books and papers for that purpose.

*"While an individual may lawfully refuse to answer incriminating questions unless protected by an immunity statute, it does not follow that a corporation, vested with special privileges and franchises, may refuse to show its hand when charged with an abuse of such privileges." (See also *Wilson v. U.S.*, 2211 U.S. 361)*

Another case in point is *Flint v. Stone Tracy Co.*, 220 U.S. 107. In that case the United States Supreme Court ruled that the Corporation Tax Act passed by Congress in 1909 was not unconstitutional since the tax on the income of corporations was an excise. The Court said:

"Excises are taxes laid . . . upon licenses to pursue certain occupations, and upon corporate privileges. (Cooley, Const. Lim., 7th Ed., 680)

"The Tax under consideration, as we have construed the statute, may be described as an excise upon the particular privilege of doing business in a corporate capacity . . . the requirement to pay such taxes involves the exercise of privileges.

"When the Constitution was framed the right to lay excise taxes was broadly conferred upon the Congress. At that time very few corporations existed. If the mere fact of state incorporation, extending now to nearly all branches of trade and industry, could withdraw the legitimate objects of federal taxation from the exercise of the power conferred, the result would be to exclude the national government from any objects upon which indirect taxes could be constitutionally imposed.

"The thing taxed is not the mere dealing in merchandise, in which the actual transactions may be the same, whether conducted by individuals or corporations, but the tax is laid upon the privileges which exist in conducting business with the advantages which inhere the corporate capacity of those taxed. . . It is this distinctive privilege which is the subject of taxation, not the mere buying or selling or handling of goods which may be the same, whether done by corporations or individuals.

"Congress may have deemed the public inspection of such returns a means of more properly securing the fullness and accuracy thereof. In many of the states, laws are to be found making tax returns public documents, and open to inspection.

"We cannot say that this feature of the law does violence to the constitutional protection of the Fourth Amendment and this is equally true of the Fifth Amendment, protecting persons against compulsory self-incriminating testimony . . ."

Now it becomes clear that the privilege created by the State for certain individuals to do business in a corporate form is a privilege for which they must not only surrender certain 4th and 5th Amendment rights, but must also pay for out of the benefits or income received which otherwise would not have been received except for the State created privilege.

It likewise becomes clear as to what is meant by "make a return." The corporation "makes a return" to pay a tax for the privilege extended to it to do business in a corporate capacity. This could also be called a kick-back. It would obviously include a report, under oath, of how much

was earned. Since the State had created the corporation it obviously has the right to demand a percentage of its income. So too may Congress.

In the case of Morgan v. Commissioner, 309 U.S. 78, The Supreme Court said:

"State Law creates legal interests and rights. The Federal Revenue Acts designate what interests or rights so created, shall be taxed."

"Excise taxes must be collected from the same activities, as are also reached by the States in order to support their local governments." Flint v. Stone Tracy Co., supra.

Since Congress can tax only the same State created rights or privileges which the State itself may tax, than it follows that where the State is prohibited from taxing constitutionally protected rights, so too is Congress.

The Supreme Court said in the case of *Murdock v. Pennsylvania*, 39 U.S. 105:

"A state may not impose a charge for the enjoyment of a right granted by the Federal Constitution." (See also U.S. v. State of Texas, 252 F.Supp. 234, affirmed; 384 U.S. 155.)

Of interest also is the ruling of the Supreme Court of the State of Arkansas in the case of *Sims v. Ahrens*, 271 S.W. 720:

"An income tax is neither a property tax, or a tax on occupations of common right, but is an excise tax. . . . Legislature may declare as privilege and tax as such for state revenue those pursuits and occupations that are not matters of common right, but has no power to declare as a privilege and tax for revenue purposes occupations that are of common right."

It must be understood that the terms excise tax, privilege tax, and indirect tax are synonymous and are used interchangeably in some of the court's rulings. These terms, as we shall see, are contrary to the term direct tax.

Now, let us examine the other Supreme Court's rulings affecting the constitutionality of other so-called "income tax" laws passed by Congress both before the 16th Amendment, and as to the constitutionality of that amendment itself.

1 A term applied to rights, privileges, and immunities appertaining to and enjoyed by all citizens equally and in conxon, and which have their foundation in the common law. Co. Inst. 142a; *Spring Valley Waterworks v. Schottler*. 62 Cal. 106. Black's Legal Dictionary, Revised Fourth Edition.

In Order to provide some foundation for our understanding, we can examine the License Tax Cases, 5 Wall. 462, where the United States Supreme Court said:

"The power and right of the States to tax, control, or regulate any business carried on within its limits, is entirely consistent with an intention on the part of Congress to tax such business for National purposes."

It is elementary, of course, that the power to license, the permitting of doing that which the licensee has no fundamental right protected by the Constitution to do, is the power to tax, and, as Chief Justice John Marshall said in *McCulloch v. Maryland*, 4 Wheat 316, "The power to tax involves the power to destroy." That is, the right to give and the right to take away.

Obviously, a right or privilege created by the State can be destroyed by the State.

There is, of course, an important difference between State created rights or privileges and inalienable, common, or fundamental rights which are guaranteed protection under the Constitution, one of which is the right to contract. The Supreme Court said in *Knowlton v. Moore*, 178 U.S. 41:

"The power to destroy which may be the consequence of taxation is a reason why the right to tax should be confined to subjects which may be lawfully embraced therein, even although it happens that in some particular instance no great harm may be caused by the exercise of the taxing authority as to a subject which is beyond its scope."

In the cases of *Loan Association v. Topeka*, 20 Wall. 655, *Parkersburg v. Brown*, 106 U.S. 487, the Supreme Court said:

"There is no such thing in the theory of our national government as unlimited power of taxation in Congress. There are limitations of its powers arising out of the essential nature of all free governments; there are reservations of individual rights, without which society could not exist, and which are respected by every government. The right of taxation is subject to these limitations." (See also Pollock v. Farmers Loan & Trust Co., 157 U.S. 429.)

Now then, the first so-called "income tax" case before the United States Supreme Court appears to be *Springer v. United States*, 102 U.S. 586. The thing that distinguished Springer was that he was an attorney-at-law, for which he has to be licensed by the state to practice law. The court held that the tax was an excise and, therefore, not unconstitutional as to his income. This involved the income tax imposed by Congress during the Civil War, which was subsequently repealed.

Later on, another "income tax" case came before the United States Supreme Court which was *Pollock v. Farmers Loan and Trust Co.*, 157 U.S. 429, rehearing 158 U.S. 601. This involved the tax imposed by Congress in 1894 which the Court declared unconstitutional because it did not distinguish between the income that persons earned pursuant to their constitutionally protected rights and the income of those who earned it under a special right or privilege created by the State. In holding it unconstitutional the Court said:

"The name of the tax is unimportant. "It is the substance and not the form which controls, as has indeed been established by repeated decisions of this court."

Simultaneous with the Corporation Tax Act of 1909 which was discussed in *Flint v. Stone Tracy Co.*, supra, Congress also approved a proposal to amend the Constitution of the United States with the 16th Amendment. It was said, as reported in the Congressional Record for 1909, that there was some concern that the Supreme Court might declare the Corporation Tax unconstitutional and therefore it was thought that the Constitution should be amended to prevent this.

Obviously, such fear was either based on ignorance or were attempts to confuse the public, most of whom have never read any of the pertinent Supreme Court rulings. The language then proposed is the same as it reads today:

"The Congress shall have the power to lay and collect taxes on income, from whatever source derived, without apportionment among the several states, and without regard to any census or enumeration," 16th Amendment.

As will be shown later, this Amendment does not give Congress any new taxing power, it does not subject any income to taxation which was not also subject to taxation prior to the Amendment, and it certainly does not render as now useless or obsolete any prior rulings of the United States Supreme Court.

Of course, it took longer for the States to ratify this Amendment than it took for Congress to pass and put into operation the Corporation Tax Act and for more than 50 different corporations to complain and take the matter to the Supreme Court, which were all consolidated in *Flint v. Stone Tracy Co.*, supra. At the time of the Court's ruling in *Flint*, which was to the effect that the 16th Amendment was unnecessary, 25 states had ratified it.

After the 16th Amendment was ratified, Congress passed the Income Tax Act of 1913, and subsequently in the cases of *Brushaber v. Union Pacific Railroad Co.*, 240 U.S. 1, and *Stanton v. Baltic Mining Co.*, 240 U.S. 103, the United States Supreme Court was asked if the 16th Amendment was constitutional. It was complained that "the Sixteenth Amendment provides for a hitherto unknown power of taxation, that is a power to levy an income tax which although direct should not be subject to the regulation of apportionment applicable to all other direct taxes."

It was also contended that "the power conferred by the Amendment is new." The Supreme Court said that this was an "erroneous assumption." In *Brushaber v. Union Pacific Railroad Co.*, supra., the Court said:

*"We come then to ascertain the merits of the many contentions made in the light of the Constitution as it now stands, that is to say, including within its terms the provisions of the Sixteenth Amendment as correctly interpreted."
The Courts went on to say:*

"Let us by a demonstration of the error of the fundamental proposition as to the significance of the Amendment dispel the confusion necessarily arising from the arguments deduced from it.

"It clearly results that the proposition and contentions under it, if acceded to, would cause one provision of the Constitution to destroy another. . . . This result instead of simplifying the situation and making clear the limitations on the taxing power, which obviously the Amendment must have been intended to accomplish, would create radical and destructive changes in our constitution and multiply confusion.

"The contention that the Amendment treats a tax on income as a direct tax . . . is also wholly without foundation. . . . The Amendment contains nothing repudiating or challenging the ruling in the Pollack Case."

In other words, the 16th Amendment does not give Congress any new or additional taxing power, and it does not overrule or change any of the Supreme Court's previous rulings on "income taxes."

What the 16th Amendment is supposed to do is to restrict any consideration of a so-called "income tax" as being nothing more than an excise tax, or privilege tax, based on or measured by income.

It would, of course, have been clearer if the words excise were inserted in the Amendment just before the word "taxes." For example: "The Congress shall have power to lay and collect (excise) taxes on incomes . . ."

If Congress created the "privilege," it has the right to tax the benefits (income) obtained from that privilege:

"The terms duties, imposts and excises are generally treated as embracing the indirect forms of taxation contemplated by the Constitution.

"Within the category of indirect taxation . . . is embraced a tax upon business done in a corporate capacity. . . . The tax is not payable unless there is a carrying on or doing business in the designated capacity, and this is made occasion for the tax, measured by the standard prescribed.

"The tax . . . may be described as an excise upon the particular privilege of doing business in a corporate capacity, i.e., with the advantages which arise from corporate or quasi-corporate organization; or when applied to insurance companies, for doing the business of such companies . . . the requirement to pay such taxes involves the exercise of privilege.

"The tax is laid upon the privileges which exist in conducting business with the advantages which inhere in the corporate capacity of those taxes; and which are not enjoyed by private firms or individuals. These advantages are obvious, and

have led to the formation of such companies in nearly all branches of trade. The continuity of the business; without interruption by death or dissolution; the transfer of property interest by the disposition of shares of stock; the advantages of business controlled and managed by corporate directors; the general absence of individual liability; these and other things inhere in the advantages of business thus conducted, which do not exist when the same business is conducted by private individuals and partnerships. It is this distinctive privilege which is the subject of taxation.. .

"Where a tax is lawfully imposed upon the exercise of privilege within the taxing powers of the State or Nation, the measure of such a tax may be the income from the property of the corporation.

"When the sovereign authority has exercised the right to tax a legitimate subject of taxation as an exercise of a franchise or privilege, it is no objection that the measure of the taxation is found in the income. . . . The measure of taxation being the income of the corporation from all sources . . . it is but the measure of a privilege tax within the lawful authority of Congress to impose." The U.S. Supreme Court in Flint v. Stone Tracy Co., supra.

Plaintiff pro se Filed July 16 1976 U.S. District Court N.D. of N.Y. J. R Scully. Clerk
William L. Avery
P.O. Box 896
Franklin, NY 13775

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

WILLIAM L. AVERY
Plaintiff,
V.

THE COUNTY OF DELAWARE, RICHARD H.
FARLEY, HAROLD D. OWENS JR, and THE
NATIONAL BANK OF DELAWARE COUNTY
WALTON,
Defendants

COMPLAINT FOR
MONEY DAMAGES
FOR
DEPRIVATION OF
CIVIL RIGHTS
JURYTRIAL
DEMANDED

The undersigned, WILLIAM L. AVERY, Plaintiff in the action, appears pro se and complains against the Defendants above named for deprivation of liberty and property without due process of law and for denial of equal protection of the laws and other offenses against Plaintiff as follows:

JURISDICTION

This action arises, and this District Court has jurisdiction under Section 1983 of Title 42 U.S. Code, and of Sections, 1331, and 1343 of Title 28 U.S. Code, under Article XIV of Amendments to the Constitution of the United States, and other law of the United States, including Article 1, Section 8, clause 3, and Article 1, Section 8, clause 10, and Article 1, Section 10, clause 1 of the Constitution of the United States.

The matter in controversy, exclusive of costs, exceeds 10,000 (Ten Thousand) Dollars Lawful Standard Money of the United States of America at par by, under, and upon the Coinage Acts of April 2, 1792, and February 28, 1878, and the International Monetary Acts of July 31, 1944.
PARTIES TO THE ACTION

Plaintiff is a citizen of the United States of America and of the State of New York, a resident of this Northern District, a former school-teacher and translator, and tax editor and writer.

Defendant THE COUNTY OF DELAWARE is a public administrative person created by act of the People of the State of New York in Legislature, March 10, 1797, and standing in a relationship of public creditor and debtor to Plaintiff, and is an official symbolic financial, pecuniary, and fiscal coadjutor to Defendant THE NATIONAL BANK OF DELAWARE COUNTY WALTON, a National Banking Association, both operating with and through Defendant RICHARD H. FARLEY and Defendant HAROLD D. OWENS, JR., upon their public franchises holden of the People of the State of New York.

Defendant RICHARD H. FARLEY is County Judge of the Defendant THE COUNTY OF DELAWARE; and is a public franchised person, and a resident of and domiciled in this Northern District.

Defendant HAROLD D. OWENS, JR., is County Clerk of the Defendant THE COUNTY OF DELAWARE, and is a public franchised person, and a resident of and domiciled in this Northern District.

Defendant THE NATIONAL BANK OF DELAWARE COUNTY WALTON is a National Banking Association, Charter Number 4495, holden of the People of the United States of America, is a public franchised corporation, by legal fiction a citizen of the State of New York, domiciled in this Northern District and in National Bank Region number 2, and as such person an official agent and symbiotic financial, pecuniary, and fiscal coadjutor of the Defendant THE COUNTY OF DELAWARE, and of the State of New York, and debtor and creditor thereto and to Plaintiff.

All parties to the action were at all times relevant to the events and incidents herein described residents of and domiciled in this Northern' District.

CAUSE OF ACTION

This action arises in certain acts of the Defendant RICHARD H. FARLEY attendant upon an action for foreclosure on an equitable third-part purchase money-mortgage brought in the County Court of the Defendant THE COUNTY OF DELAWARE against Plaintiff and others by the Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON, which proceedings were administered by the same Defendant RICHARD H. FARLEY as County Judge upon a summary judgment under color of custom of merchants that the Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON, a juristic person, is immune from the common law to which Plaintiff is subject, and enjoys the protection of a private individual under the law merchant to the discrimination against Plaintiff.

Plaintiff alleges that the several Defendants, acting in collusion with Defendant RICHARD H. FARLEY, did unjustly and unlawfully deprive Plaintiff of his lawful property and liberty without due process of law, and did deny Plaintiff the equal protection of the laws granted to the Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON, in the sequence of particulars enumerated below, all such acts comprising a single cause of action wherein the Defendant RICHARD H. FARLEY usurped the jurisdiction of the Supreme Court in equity in order to discriminate against Plaintiff in favor of Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON under color of the custom of merchants, that is to say:

1. That the Defendant RICHARD H. FARLEY, acting outside the jurisdiction granted him in the County Court by Section 190, Judiciary Law of the State of New York, and other law, did willfully, under color of mercantile practise, habit, and convenience in and of the Defendant THE COUNTY OF DELAWARE, deny Plaintiff any and all access to the due process of the Court and any and all opportunity to defend the action of foreclosure, upon the claim that, under the said practise and custom of merchants in and of the said Defendant THE COUNTY OF DELAWARE, there existed no legal or equitable defense to the said foreclosure available to the benefits of Plaintiff under the Constitution, Laws, and Treaties of the United States of America, and did so order judgment entered.
2. That the Defendant RICHARD H. FARLEY did, in open Court, refuse to accept from the hand of Plaintiff into the custody of the Court, a deposit account passbook of the Plaintiff with the Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON recording the full payment into the hands of the said Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON by Plaintiff of all mortgage instalments allegedly in default when the said Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON refused to accept the said payments as payments on the mortgage in question, in order to compel extraction of Plaintiff of payment of unrelated money, upon its own admission to the court.

3. That the purpose of the acts of the Defendant RICHARD H. FARLEY as Judge of Court in the foreclosure action was to compel Plaintiff as an example to others, without any public trial of the issues advanced by Plaintiff, to reimburse Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON for taxes claimed paid voluntarily by check by the said Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON on three occasions allegedly on behalf of Plaintiff to Defendant THE COUNTY OF DELAWARE through its Treasurer, and which were received by the said Defendant THE COUNTY OF DELAWARE for three successive years in derogation of the injunction and requirement of Article I, Section 10, clause 1, of the Constitution of the United States of America and other law regarding lawful tender, so further to indebt Plaintiff arbitrarily on demand deposits to the Defendant National Banking Association THE NATIONAL BANK OF DELAWARE WALTON for no true and lawful consideration.

4. That Plaintiff publicly and to officers of the Defendant THE COUNTY OF DELAWARE protested the unlawfulness and legal insufficiency of the said payments, nor that they could lawfully or justly bind Plaintiff.

5. That the said Defendant RICHARD H. FARLEY did deliberately, maliciously, wantonly, recklessly, and arbitrarily, and with every prejudicial intent of defrauding Plaintiff of his substance and rights under the Constitution of the United States of America and of its laws and treaties to due process, defrauding him of his right to equal protection of the laws, and of his right to defend his liberty and property by pleading as he saw fit before a jury upon the issues against the allegations made, did employ the arbitrary device of summary judgment outside his lawful jurisdiction to the effect that demand deposits created by National Banking Associations are or can be Lawful Standard Money of the United States, and so thus to deliberately deprive Plaintiff of his defense of fraud on the part of Defendant National Banking Association THE NATIONAL BANK OF DELAWARE WALTON, all under color of the custom of merchants through the offices of the Defendant THE COUNTY OF DELAWARE.

6. That upon each and every occasion of special appearance before the Court to defend the action, Plaintiff denied the jurisdiction of the Court to make or give such a decision or judgment or to further the same.

7. The Defendant RICHARD H. FARLEY, upon his Decision and Judgment in the action, did strike from the record the Answer served and filed by Plaintiff denying the Court's jurisdiction to afford any relief whatever to the said Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON or to find any right of the same Defendant National Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON to recover in any way from Plaintiff.

8. The Defendant RICHARD H. FARLEY did repeatedly refuse and deny Plaintiff any and all access to the due process of the Court unless Plaintiff acquiesced as an indigent person to be represented by counsel member of the Delaware County Bar Association of some other such association, and to bargain thus in equities upon his own lawful property.

9. That Defendant RICHARD H. FARLEY in his Decision, under color of practise of his own Court, did reach outside his proper jurisdiction in the matter at hand to take irrelevant and

prejudicial notice of former minutes of Family Court presided over by himself in the exercise of the franchise thereof as a further pretext for maliciously and arbitrarily denying Plaintiff any defense against the foreclosure of the mortgage against Plaintiff, all under color of custom that there is no defense to the action allowable, and under color of the custom that the records of Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON are sufficient prima facie evidence of themselves to deny Plaintiff any relief of right to defend himself and his property at law but by bargaining in pleas in administrative equity under color of custom.

10. That the Defendant HAROLD D. OWENS, JR., did, under color of the wording of CPLR 2302, and only after consultation with the Defendant RICHARD H. FARLEY, refuse to issue to Plaintiff a judicial subpoena and also to subpoena duces tecum in order to compel at Court the attendance and also the testimony of President of said Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON on the subject of the creation of equitable third-party purchase-money mortgages, and to produce and give testimony in his own person and no other upon a certain instrument, a deed poll of grant, entitled Grant, compelled upon Plaintiff by Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON under duress by the said Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON at the time of making said equitable mortgage.

11. That, in implementation of all the foregoing, the Defendant RICHARD H. FARLEY, in adjourned hearing on issuance of a Writ of Assistance against Plaintiff, did give a declaratory judgment, effectively legislating under color of the law merchant a decision that a check is a legal tender and that demand deposits created on the spot by a National Banking Association are Lawful Standard Money of the United States of America or can comprise lawful reserves of a National Banking Association under the Federal Banking Laws.

12. That the Defendant RICHARD H. FARLEY further exceeded his jurisdiction in the County Court by ruling that Plaintiffs refusal voluntarily to quit and surrender lawful possession of his allodial freehold after a Court-ordered judicial sale upon the grounds of some ethical compulsion of the custom of merchants is reason to deprive Plaintiff of his civil right to due process of law in defense of his property before a jury of his peers per pais upon the just issues of lawful coin, currency, and tender, and upon issues of prima facie fraud upon specialties needing no parol evidence to refute and upon issues of the coercion employed by Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON upon Plaintiff in order to achieve assent to the said specialtie and execution thereof under the guise of a legal mortgage.

13. That the course of events beginning with the initial prejudicial remarks from the Bench against Plaintiff by Defendant RICHARD H. FARLEY, immediately upon the first hearing of allegations of the Complaint by counsel for the Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON regarding taxes allegedly paid on behalf of Plaintiff, until the occasion of issuance of the Writ of Assistance against Plaintiff and the alleged distribution of the alleged proceeds to the Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON and others of Referee, the Defendant RICHARD H. FARLEY did willfully and deliberately usurp a jurisdiction to legislate

in his Court political issues never legislated by the Congress and did refuse to relinquish or abandon the same despite every claim by Plaintiff and the mass of evidence brought by Plaintiff in the due process of the Court and barring the issues from the Court.

14. That the Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY OF WALTON, by its counsel, did stand silently by on each occasion and acquiesce in every act accomplished and promoted against Plaintiff by Defendant RICHARD H. FARLEY outside his lawful jurisdiction in the County court.

15. That the Defendant HAROLD D. OWENS, JR., as Clerk of the Defendant THE COUNTY OF DELAWARE, did deny the Plaintiff the process of the Court by denying to Plaintiff the issuance of a subpoena and a subpoena duces tecum, and did enter into the record Decisions and Judgments against Plaintiff given outside the jurisdiction of the Court, and acquiesce in all the actions directed to him from the Court by the Defendant RICHARD H. FARLEY, by the Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON, and by the Referee appointed on two occasions by the Court, and all under color of custom and practise of merchants in, of, for, and by the Defendant THE COUNTY OF DELAWARE.

16. That the Defendant THE COUNTY OF DELAWARE did, by its Sheriff and his several Deputies, enforce the above Writ of Assistance given against Plaintiff by the Defendant RICHARD H. FARLEY to the great harm of Plaintiff, by forcibly breaking and entering Plaintiffs close and dwelling-house, and Sheriff at the same time before three witnesses, hovering over Plaintiff and threatening bodily assault and battery, attempting to provoke Plaintiff, and did forcibly eject Plaintiff therefrom, all under color of the equitable jurisdiction usurped ab initio by Defendant RICHARD H. FARLEY in order to promote the seizing of Plaintiffs property allegedly sold at public auction, for and on behalf of the Defendant THE COUNTY OF DELAWARE and its symbiotic coadjutor, Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON.

17. That the said Sheriff before four witness did declare to Plaintiff that if he did not thus forcibly eject Plaintiff at that time, that the said Sheriff himself would be arrested by the Court.

18. That all the said several acts by the Defendants herein named were promoted, done, and accomplished solely to avoid a public trial by jury per pais upon the issues under the Constitution, laws, and treaties of United States of America'and to conceal from the public the true premise and operational basis of the summary process promoted by the Court and Defendant RICHARD H. FARLEY under color of the custom of merchants in, of, and for the Defendant THE COUNTY OF DELAWARE.

19, That the Defendant THE COUNTY OF DELAWARE, in fulfillment of denial of due process to Plaintiff, did, by its Treasurer, pay into the hands of the Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON, certain substantive monies confiscated upon the real property of Plaintiff through an unlawful judicial sale.

SUMMARY AND ARGUMENT

Plaintiff asserts and declares that all the acts above enumerated and complained of on the part of the several Defendants comprise a single cause of action, namely unjust and unlawful denial of due process of law and denial of the equal protection of the laws to Plaintiff by the several Defendants to the great personal harm, detriment and loss of Plaintiff, all under color of the expediency of daily commercial practise in and for the Defendant THE COUNTY OF DELAWARE to the advantage of the Defendant National Banking Association THE NATIONAL BANK OF DELAWARE COUNTY WALTON and at the expense of Plaintiffs personal substantive property and rights in the same.

Plaintiff alleges that as a direct result and consequence of the acts of the several Defendants complained of, Plaintiff has suffered great personal injury, harm, and anguish, and was summarily deprived of his homestead and freehold, suffering great personal loss therein, being thus bereft of his life's savings, and deprived of an immediate means of self-support.

Plaintiff was compelled to spend many hours of labor in vain defense and pursuit of his right to due process under Article XIV of Amendments of the Constitution and other law of the United States of America.

Plaintiff has suffered personal loss of a valuable piece of unique real property at a greatly reduced price and has been deprived of the opportunity to cultivate the livelihood which the particular freehold afforded to the advantage of the Plaintiff and of Plaintiffs just and lawful personal obligations to his children.

Plaintiff has for a long period of months been deprived of the use of his property and of the pecuniary equity comprising the premises and its uses unique to the premises and the preference of Plaintiff.

Plaintiff in pursuing a fruitless defense of his rights before the Defendants herein has been deprived of his personal liberty over a period of many months, suffering great loss and deprivation, when he would otherwise have been able to devote time to retrieving and restoring other personal losses in health, occupation, and livelihood suffered prior to the bringing of this action.

Plaintiff has suffered great personal anxiety and distress over the effects of this unlawful and discriminatory deprivation of rights through judicial tyranny upon the needs of Plaintiffs children, likewise previously brutalized by the same Defendant THE COUNTY OF DELAWARE and its Judge of the Family Court, Richard H, Farley, when Plaintiff was physically helpless, destitute, and unemployable.

DEMAND FOR JUDGMENT

WHEREFORE, Plaintiff claims damages of the Defendants THE COUNTY OF DELAWARE, RICHARD H. FARLEY, HAROLD D. OWENS JR., and National Banking Association THE NATIONAL BANK OF DELAWARE WALTON, in the amounts specified below, all in Lawful Standard Money of the United States of America, at par, by, under, and upon the Coinage Acts

of April 2, 1792, and of February 28, 1878, and the International Monetary Acts of July 31, 1944:

THE COUNTY OF DELAWARE:

Compensatory Damages \$250,000

Punitive Damages 250,000

RICHARD H. FARLEY:

Compensatory Damages 50,000

Punitive Damages 200,000

HAROLD D. OWENS JR:

Compensatory Damages 50,000

Punitive Damages 50,000

NATIONAL BANK OF DELAWARE COUNTY WALTON:

Compensatory Damages 250,000

Punitive Damages 250,000

Signed this 12th day of June 1976

WILLIAM L. AVERY

Plaintiff pro se

P.O. Box 896

Franklin, NY 13775