

YOU CAN SLAY THE DRAGON

THE PHOENIX RISES



BY

GYEORGOS CERES HATONN

“dharma”

A PHOENIX JOURNAL

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The Phoenix Journals are intended as a "real time" commentary on current events, how current events relate to past events and the relationships of both to the physical and spiritual destinies of mankind.

All of history, as we now know it, has been revised, rewritten, twisted and tweaked by selfishly motivated men to achieve and maintain control over other men. When one can understand that everything is comprised of "energy" and that even physical matter is "coalesced" energy, and that all energy emanates from God's thought, one can accept the idea that the successful focusing of millions of minds on one expected happening will cause it to happen.

If the many prophecies made over thousands of years are accepted, these are the "end times" (specifically the year 2000, the second millennium, etc.). That would put us in the "sorting" period and only a few short years from the finish line. God has said that in the end-times would come the WORD--to the four corners of the world--so that each could decide his/her own course toward, or away from, divinity--based upon TRUTH.

So, God sends His Hosts--Messengers--to present that TRUTH. This is the way in which He chooses to present it, through the Phoenix Journals. Thus, these journals are Truth, which cannot be copyrighted; they are compilations of information already available on Earth, researched and compiled by others (some, no doubt, for this purpose) which should not be copyrighted. Therefore, these journals are not copyrighted (except SIPAPU ODYSSEY which is "fiction").

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If the Truth is to reach the four corners of the world, it must be freely passed on. It is hoped that each reader will feel free to do that, keeping it in context, of course.

YOU CAN SLAY THE DRAGON

THE PHOENIX RISES

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DEDICATION

This Journal is dedicated to YOU THE PEOPLE. People of all nations, and may the goodness spread from its rebirth, across the globe that all men might be free. Truth and knowledge can only bear fruit according to the tending of the vineyard. That greatness must flow forth from wherein it is birthed. Many nations have been birthed in perfection and died of the evil destroyer never to again recover the greatness in which they were born. If you all stand strong and act in wisdom you shall change of the world as you recognize it to be and rebirth it into that glory in which it was created. For yours is given to be the kingdom, the power and the glory forever. For where ye are; so shall He be.

AHO!

FOREWORD

REC #2 HATONN

WEDNESDAY, JUNE 27, 1990 3:06 P.M. YEAR 3 DAY 315

YOU CAN SLAY THE DRAGON

You, the ones of the Phoenix, can slay the Dragon which consumes you IF you want to and will take action.

You are in the throes of experiencing the types of oppression and government power as could only be expressed in terms "Government by emergency". What might that mean? It means that the powers of the Federal bureaucracies are about to be greatly expanded even beyond the incredible increase in control of just your past decade. Executive order has all but replaced your constitutional laws.

There are over 20,000 executive orders on the books. Nobody has catalogued them into a coherent whole. Nobody understands more than a mere fraction of them. Yet the whole Federal bureaucracy operates in terms of them. If the New Constitution is brought into law replacing your Constitution you will not need executive orders as such for you will simply fall into "legal" operations as is now underway--that of dictatorial government.

No choices? Come now, chelas, FREEDOM OF CHOICE ALWAYS EXISTS AND THE ADVANTAGEOUS CHOICE WILL ALWAYS BE BROUGHT FORTH BY THOSE WHO SEEK AND THEN TAKE ACTION. THE CALL ALWAYS COMPELS THE ANSWER--FROM GOD!

The goal of your actions, and the intent of this book is to give you the knowledge necessary for fulfillment, to cut the lifeline and transfusions unto the government which has moved, in total, away from your Constitutional foundation. The life source of that Dragon with its many heads is money. It is recognized as taxes, the most oppressive and unlawful of all being the income tax.

This Journal has been produced with the major goal of totally eliminating the UNLAWFUL withholding of wages under the guise, pretext, sham, and subterfuge of "withholding taxes" from Americans who, IN FACT, ARE NOT SUBJECT TO nor liable for any "income" or other revenue tax. And we shall explain the facts behind this projection. Proof is, I believe, that which label you give it.

The Sixteenth Amendment is indeed, unlawful and NULL and VOID, having never been ratified. Even as it has been used against you unlawfully all of these years, there is still recourse left to you which, even though unnecessary because of the foregoing statement, will work--a repeal of the 16th Amendment.

The IRS is unlawful, the "income tax" is unlawful and all the practices of the government as concerns income taxes are unlawful and unconstitutional.

There are ways to utilize to stop even the filing of the income tax forms--in fact, if you are to be successful, that is where you begin--stop filing the forms. Then, if countered, set up a "Controversy of Law" and politely and with gracious manners tell them where to shove it.

We are not in the practice of law or licensed lawyers, therefore, we give no "legal" input--only lawful, constitutional facts. Take some responsibility and try them, if you please--please. You are about to lose your Constitution, the most wondrous document ever created upon your planet (yes, that includes that one called the Bible). It is more bastardized, however, that even is your Bible. Some food for thought as you go through this Journal.

The United States Constitution did not create any new law, but rather it is a document which re-enforces the LAWS OF NATURE, or, if you prefer, THE LAWS OF GOD.

The Founding Fathers recognized that the Laws of Nature existed, and restated some of these laws in the Declaration of Independence (prior to the U.S. Constitution) when they declared: "(T)hat all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty and the pursuit of happiness".

Law simply IS. Law is not made by men, but rather men enact legislation pursuant to the "law that is". Legislation that is not pursuant to the "law that is", is unconstitutional and is NULL and VOID from the date of its inception.

The 16th Amendment did not create any new law, but is simply a restatement and clarification of the general and permanent law of the United States in regard to income taxes. That which is taxable after the 16th Amendment was just as taxable prior to the 16th Amendment. If taxable property or taxable activities were not taxed, it merely was because Congress had not taxed them. If you returned to the authority and laws within your Constitution you would balance your budget, etc., etc., as we intend to show you.

When the U.S. Constitution was established, except for the prohibition against taxing exports, the States gave Congress full and all-embracing taxing powers, but laid down two rules by which the two great classes of taxes were to be governed, namely: the rule of apportionment as to direct taxes, and the rule of uniformity as to duties, imposts and excises. These two rules have never been repealed.

Everything is not taxable. The exercise of a natural right is not taxable. A state may not impose a charge for the enjoyment of a right granted by, or secured by, the U.S. Constitution. It is not a natural right to engage in any activity which is inherently evil or harmful to others. Such activities are taxable. It is not a natural right to do business

in a corporate capacity. Such activity is taxable but, strangely enough, not in the manner utilized at present. There can be many taxable activities; however, THE FREE EXERCISE OF THE CONSTITUTIONALLY GUARANTEED RIGHT TO LAWFULLY ACQUIRE PROPERTY (INCOME OR OTHER COMPENSATION) BY LAWFULLY CONTRACTING ONE'S OWN LABOR TO ENGAGE IN INNOCENT AND HARMLESS ACTIVITIES FOR LAWFUL COMPENSATION CANNOT BE, and therefore has not been, TAXED FOR REVENUE PURPOSES, AND THEREFORE, AN INDIVIDUAL WHO IS ONLY ENGAGED IN LAWFUL, INNOCENT AND HARMLESS ACTIVITIES IS NOT SUBJECT TO ANY "INCOME" OR OTHER REVENUE TAX.

SIX CENTS PER OUNCE UP TO 13 OUNCES OF FIRST CLASS MAIL IS LEGAL COST--BY LAW! TRY IT, DEMAND IT AND YOU WILL LIKE IT. WE WILL GIVE YOU THE LAWS RELEVANT AND APPLICABLE FOR YOUR USE.

We have come forth with the information in this Journal gleaned from thousands of volumes of wrong, half-right, unlawful and illegal writings. These writings are correct and, used properly, will work for your use.

We are come forth to assist you in your struggle to regain the laws within your Constitution and restore your God-given "rights" under the shelter of your Constitution. How do I know of these things; particularly how do I know about the writing and intent of the U.S. Constitution? I WAS THERE! I AM NOW BRINGING THIS INFORMATION THAT YOU MIGHT TAKE ACTION AND RESTORE THAT WONDROUS DOCUMENT TO ITS FULL INTENT AND PURPOSE. AS YOUR NATION GROWS OR FALLS, SO FALLS ALL THE NATIONS OF THE WORLD AND CIVILIZATION WITH THEM.

THE WAY YOU MAKE AN IMPACT IS TO ACT. DO THAT WHICH IS LAWFUL WITHIN YOUR CONSTITUTION AND CAUSE THE OPPRESSORS AND CONSPIRATORS TO CEASE THEIR ASSAULT UPON THE VERY FIBER OF YOUR BEINGS.

At one point within these pages I shall mention that we will add pages regarding the Juror's Handbook. I apologize and ask your indulgence when you find it not. I have weighed the purpose and intent of entering it herein and find that it is necessary that we do a Journal devoted to the Judicial System--THE INJUSTICE RAILROAD SYSTEM--and instructions for Jurors will be more appropriate placed therein.

GOD SENDS HELP AND TRUTH IN RESPONSE TO YOUR CALL--FOR THE CALL COMPELS THE ANSWER. HE WILL SHOW OF YOU THE WAY IF YOU WILL BUT OPEN YOUR HEARTS, MIND, EYES AND EARS--RECEIVE IN FULLNESS AND ACT IN KNOWLEDGE AND TRUTH. GOD WOULD NEVER LEAVE HIS LAMBS WITHOUT A SHEPHERD AND WE OF THE REALMS OF HIS SHEPHERDS ARE COME THAT YOU MIGHT NOT WALK ALONE. SO BE IT IN THE GLORY OF THE UNIVERSE. MAY YOU BE GIVEN COURAGE

***AND STRENGTH TO PREVAIL FOR YOU ARE OF GOD AND YOU MUST
RETURN UNTO GOD AND RECLAIM THAT BIRTHRIGHT WHICH IS
YOURS!***

Gyeorgos Ceres Hatonn

CHAPTER 1

REC #2 HATONN

SATURDAY, JUNE 16, 1990 9:00 A.M. YEAR 3 DAY 304

THE SIXTEENTH AMENDMENT TO THE U.S. CONSTITUTION

As we discuss the different portions of your Constitution as written and put forth by your Founding Fathers, you shall see what a wondrous document it is, indeed. You will also be confronted with the duping which has been pressed upon you--the lies --which you have allowed to sweep over you like a plague of locusts in the spring wheat fields--taking of all your wheat and leaving you with naught but chaff upon which to feed.

The Constitution is not "taught" in the schools any longer--only references unto the document and a cursory overview. The teachers are ill-informed at best. The point is to stop "education" and an ignorant society is the only kind which can be controlled.

As we discuss the "INCOME TAX" laws and amendments as laid forth in the Constitution, I must remind you that the reason for a Constitutional Convention is to bring this into law right under your noses before you realize you have been subject to punitive treatment since onset and put a stop to it.

First, I will tell you right up front for those of you who will shout, "Well, how else could we run our government?, etc." Beautifully!!! The method of gaining money, balancing the budget and maintaining control over your own representatives is built right into the original and wondrous Constitution document. I will only refer to that herein and pass it by for if I keep not to the subject at hand, you become confused and the Journal becomes too lengthy for most to stay unto the ending.

Secondly, I will repeat a bit from the prior Journals which state that the 16th Amendment has never been valid and therefore I will mostly leave it lay until later, also.

NULL AND VOID

The 16th Amendment was never properly ratified so was actually never a proper amendment. But since it has been enacted "as if" it were, we must deal with other measures which will show you that none of the enforcement of Income Tax on persons is valid. Even the police force set up to deprive you of your goods and property is merely a private police corporation set up to enforce unlawful actions against the citizenry. Of course, most of you have never heard of such a thing--that is why I am telling you, just as have some other very daring people who know the laws. Certainly the "robber" is not going to tell you his secrets when he is in the midst of making a fortune from your property in your absence. Further, if he holds a gun to your head,

you are going to render up your goods for that would appear wise indeed. Therefore, you must know how to disarm the robber!

ONCE THAT NEW CONSTITUTION IS IN FORCE--YOU WILL NO LONGER HAVE OPPORTUNITY TO DO ANYTHING, SO "ACTION" MUST BE THE NAME OF THIS PORTION OF THE GAME.

I claim not to be a lawyer (thank God for small favors) but I DO KNOW THE LAW --the real law. The Constitution of the United States was written within the guidelines of the Laws of God and Creation, albeit errors are within because at the writing, circumstances set forth by man were present. Equality was structured within but man interpreted equality to suit himself. However, all you need to rectify all ills is built within the foundationed structure. The Hosts sat at the writing of the law of your lands to insure its basic perfection, for your land was destined to be the testing ground for human upon your placement. You are right to the brink of failing--forever.

TRANSFUSIONS

Since taxes from "you the people" represent the life blood of the dragon and that which allows it to continue in its usurpation of your planet, we shall begin by outlaying the lies and showing you what some have done legally and lawfully to begin to set things to right and regain control of that which you foolishly have allowed to control you. The Income Tax is the place to begin for it is about the most blatantly malused single example.

You must realize that to be effective you must work from the facts of strength--no half-ways and no dickering, as such. If you have been sending forms to the IRS, you have been voluntarily playing their game and they are accepting your filing as a contract for your willing obligation to give them a portion of your income and property.

Will simply refusing to file a form be sufficient? It depends on how much you have been volunteering to give them to squander on their self-righteous spending sprees. If the amount is great--expect every barrage imagined; if there is naught to get from you, they will probably leave you alone following the first follow-up notice and response.

Therefore, I cannot stress firmly enough that before launching off on the path of withdrawal from the system you divest yourself of assets. Get your corporations into birthing in Nevada where ownership is private and shows nothing of great value to come take from you. If you already are paying withholding and fairly minimal amounts you are at a good place to begin to take action without further baggage.

Perhaps I will begin by giving you a rather long observation that the Withholding form (W-2) is totally unlawful and if you are allowing that form to be utilized--you have just admitted to actions of heinous proportion. To agree with use of that form indicates a confession, on your part, of illegal behavior. You are a "taxpayer" ONLY if you

engage in illegal methods of action to obtain your income. Therefore, it must be decided whether or not you are a "taxpayer". Then we will move into a discussion of "direct" vs. "indirect" taxes and how they apply to income.

I choose this order of presentation which is really quite out of order, but you need to first establish to yourselves as to whether or not you are actually a "taxpayer" and I presume to prove to you that all but the very tiny percentage of people (outside the government thieves themselves) are truly not "taxpayers", not even eligible to be called "taxpayer".

UPON WHAT IS THE "INCOME TAX" IMPOSED?

Your Supreme Court of the United States of America has held that an income tax is *not a "direct" tax*, but rather an *"indirect" tax in the nature of an excise tax*. Now, with that fact firmly in mind, we should ask this next question: Upon what, *exactly*, is that *indirect* tax, which is named or called the 'income tax', imposed?

Will this make the "big boys" happy? Of course not, for they have kept this secret for years and just robbed and pillaged, plundered and raped you while you diligently fork over your property. You will quickly see that an indirect tax, such as an "income tax", is not actually imposed upon the money received as income or upon any other property, **BUT RATHER UPON AN ACTIVITY OR EVENT WHICH IS TAXABLE FOR REVENUE PURPOSES.**

You will have to face the fact that most of the hard working men and women in America are working at jobs which do not involve any activity that is taxable for revenue purposes and, therefore, are **NOT** subject to any income tax. You will also realize that millions of Americans earn their living only by exercising their constitutionally guaranteed, God-given right to exist by engaging in *lawful, innocent and harmless* activities, but are nevertheless being unconstitutionally deprived of a portion of their wages under the guise, sham, pretext and subterfuge of "withholding taxes" *as if* they were engaged in revenue taxable activities.

The right to exist and sustain one's self by lawful means is a God-given and constitutionally guaranteed right. An individual *is not* subject to a charge (tax) on the *exercise* of this constitutionally guaranteed, God-given right.

The U.S. Supreme Court said, in *Murdock vs. Pennsylvania*, 319 U.S. 105, at page 113. (1943): "A state may not impose a charge for the enjoyment of a right granted by the Federal Constitution".

The individual's natural rights limit the power of taxation! For remember, with the exception of taxing exports, the states gave the federal government full and complete taxing power, but could not have given the federal government any power they themselves did not possess! Therefore, the federal government is also prohibited from imposing a charge (tax) for the enjoyment of a God-given right secured by the U.S.

Constitution. You either have a constitutionally guaranteed right to do what you are doing, or you do not. It is as with pregnancy--you are or you are not. Constitutionally guaranteed rights cannot be taxed for revenue purposes. IT IS JUST THIS SIMPLE!

Ah, but the "secret" lies hidden, so watch the hand carefully: The U.S. Supreme Court in 1930, *Tyler v. U.S.*, 281 U.S. 497, at page 502. (1930): "A tax laid upon the happening of an event, as distinguished *from its tangible fruits, is an indirect tax...*" (We shall discuss this in "Indirect vs. Direct taxation").

Those of you who have been studying this subject will quickly recognize the importance of the statement above. You already realize the fact that "income taxes" *are not direct taxes* and they are not imposed directly on the income, or on licenses or franchises, or any other form of property. You know that "income taxes" are not imposed upon people. You know that capitation taxes, and taxes imposed upon property (including money), are in the category of *direct* taxes. You also know that the U.S. Supreme Court has held that Congress' power of income taxation belongs in the category of *indirect* taxation, and has also held that taxation on income is, in its nature, an *excise* entitled to be enforced as such.

BUT WHAT EXACTLY IS THE SO-CALLED INCOME TAX?

The U.S. Supreme Court gives you the answer in the Tyler Case (above), by telling you that indirect taxes are not imposed upon the "tangible fruits", but rather upon the happening of an event. Obviously then, such events must be taxable for revenue purposes. Then it can only follow that excise taxes, being indirect taxes, are imposed upon the *happening of events or activities*, which are *taxable* for revenue purposes.

VERIFY IMPOSITION OF EXCISE TAXES

You must now realize that it is extremely important to be able to verify that excise taxes are imposed upon *activities*, and the income derived from these activities is used only to measure the amount of the tax. Once again, the U.S. Supreme Court comes to your assistance. In 1911, *Flint v. Stone Tracy Co.*, 220 U.S. 107, at page 154: "We must remember, too, that the revenues of the United States must be obtained in the same territory, from the same people, and excise taxes must be collected from the same activities, as are also reached by the States in order to support their local government". and,

"Conceding the power of Congress to tax the business activities of private corporations....the tax must be measured by some standard..." (pg. 165, *Flint*, supra.) and,

"It is therefore well settled by the decisions of this court that 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 taxation is found in the income..."

Don't go get all bent out of shape now, as to "what about corporations?" Allow us to walk one step at a time. We will later show you that a corporation is simply an artificial "person"; moreover, if a corporation is birthed and birthed in Nevada--there is no state tax, at any rate. Actually, we will show you that, as structured, even state taxes are handled unlawfully and unconstitutionally.

INCOME TAX IS AN EXCISE TAX

Realizing that, and that an excise tax is imposed upon revenue taxable activities, consider these questions: What activity, if any, have you been involved in upon which an excise tax can be imposed? Would this not be the first question to be asked in order to determine whether or not you are *subject* to the indirect tax called the "income tax"? Unless it can be shown that you have been involved in some activity which is taxable for revenue purposes, there is no factual basis upon which anyone can substantiate a claim that you are subject to the revenue laws.

SECRET OUT OF THE BAG

It will no longer be a secret when the American people realize that most of them are working at jobs which do not involve revenue taxable activities. SURPRISE!?! THIS REALIZATION WILL COME WHEN YOU UNDERSTAND THAT "INCOME TAXES", BEING IN THE CATEGORY OF INDIRECT TAXES, ARE TAXES IMPOSED UPON ANY REVENUE TAXABLE ACTIVITY OR EVENT SUCH AS THE DOING OF BUSINESS UNDER CERTAIN LICENSES OR FRANCHISES, OR THE DOING OF ANY OTHER ACTIVITY WHICH IS TAXABLE FOR REVENUE PURPOSES, AND UNDERSTAND THAT SUCH TAXES ARE MERELY NAMED "INCOME TAXES" BECAUSE THE INCOME FROM THE REVENUE TAXABLE ACTIVITY IS THE GAUGE, OR "YARDSTICK", USED TO MEASURE THE AMOUNT OF THE TAX IMPOSED UPON THE REVENUE TAXABLE ACTIVITY.

If this seems complicated, please allow input and then go back and make your connections. It is too entangled to read thus far and decide on the merit or truth of this document. You WILL understand it by the ending of the Journal. To assist you and save time we will give you the dictionary definition of "excise tax".

{Excise: an internal charge (tax) levied on the manufacture, sale, or consumption of a commodity within a country; any of various taxes on privileges often assessed in the form of a license or other fee. }

Remembering now that an "income tax" is an *indirect* tax in the nature of an excise, and an indirect tax is a tax laid upon the happening of an event (activity), as distinguished from its tangible fruits, you will realize the importance of classifying a person's activity.

TWO CATEGORIES OF ACTIVITIES

1. Activities which only involve the exercise of constitutionally guaranteed rights, such as earning one's living by engaging in lawful, innocent and harmless activities.
2. Activities which are taxable for revenue purposes.

You must come into realization of the importance of making a distinction between these two types of activities because, remember, the U.S. Supreme Court said: "A state may not impose a charge for the enjoyment of a right granted by the Federal Constitution". *Murdock v. Pennsylvania*, 319 U.S. 105, pg. 113 (1943).

Try another reason: The Oregon Supreme Court said in *Redfield v. Fisher*, 292 P. 813, pg. 819 (1930): "The individual, unlike the corporation, cannot be taxed for the mere privilege of existing. The corporation is an artificial entity which owes its existence and charter powers to the state; but the individuals' rights to live and own property are natural rights for the enjoyment of which an EXCISE CANNOT BE IMPOSED". [Emphasis added.]

It is this type of activity or the happening of an event, which is taxable for revenue purposes, that makes a person a "taxpayer" subject to the revenue laws.

One who is merely exercising his constitutionally guaranteed right to exist by engaging in lawful, innocent and harmless activities is a "nontaxpayer" and IS NOT subject to the revenue laws.

As will be referred to in this Journal, the term "taxpayer" is used in the strict or narrow sense contemplated by the Internal Revenue Code and means: a person who is subject to pay his own personal income taxes.

THE INCOME TAX AMENDMENT

The 16th Amendment, which is the so-called income tax amendment, was placed in your Constitution in 1913. As you will see, three years later in 1916, the U.S. Supreme Court continued to recognize the FACT that the power of income taxation is in the category of indirect taxation, and this indirect taxation is in its nature an excise.

Lets look at that 1916 verification of the fact that an income tax is not a direct tax. The Supreme Court said: "The contention that the Amendment treats a tax on income as a direct tax...is...wholly without foundation..." *Brushaber v. Union Pacific R.R. Co.*, 240 U.S. 1, pg. 118.

Also in *Stanton v. Baltic Mining Co.*, 240 U.S. 103, pg. 112 (1916): "The Sixteenth Amendment conferred NO NEW POWER of taxation but simply prohibited the previous complete and plenary power of income taxation possessed by Congress FROM THE BEGINNING from being taken out of the category of indirect taxation to which it inherently belonged...".

Then again the Supreme Court verified this fact in *Brushaber*, supra, at pages 16-17: "The conclusion reached in the *Pollock Case* did not in any degree involve holding that income taxes generically and necessarily came within the class of direct taxes on property, but on the CONTRARY recognized the FACT that taxation on income was in its nature an EXCISE entitled to be enforced as such....".

Please understand that I shall emphasize things at liberty throughout this Journal. I am efforting to give you information and not be grammatically superior or running in a language contest. You can get all the documentation in perfection from other authors which I shall endeavor to list in the appendix. You will not find the books listed in the regular libraries or bookstores but most will be obtainable from Liberty Library, which information I shall also avail you. I cannot take the time of this scribe to list each author separately or give, in any manner, adequate recognition for their work surpasses the "thank you" level of gratitude. YOU GIVE THEM THE RECOGNITION MERITED BY YOUR SUPPORT AND GRATITUDE.

IRS CODE REFERENCES

When the Internal Revenue Code refers to 'taxable income', 'taxable year', 'person liable', 'person made liable', etc., it is referring only to those whose incomes are derived from revenue taxable activities. As you have now seen, an indirect tax is not upon the tangible fruits, but upon the revenue taxable activity, and therefore, it is not a direct tax on the income as property. In other words, once a person understands that the "income tax" is in the class of indirect taxes, which are taxes imposed upon revenue taxable activities, it goes without saying that anything in the revenue code referring to income or "income taxes" only applies to those whose activities are taxable for revenue purposes.

You must realize that a government cannot impose a tax on the free exercise *of a constitutionally guaranteed, God-given right, such as the right to lawfully acquire property and the right to exist and sustain one's self by lawfully contracting one's own labor to engage in innocent and harmless activities for lawful compensation.*

While the federal government indeed has the power to impose direct taxes, providing they be apportioned among the states according to their respective numbers, it has not exercised its power of direct taxation since the time of the Civil War. From that time since, all federal taxes for revenue purposes have been, and still are, in the category of indirect taxes; in other words, taxes imposed upon the happening of events (activities) which are taxable for revenue purposes. Even the "VICTORY TAX" of 1942 was nothing more than an additional tax, called the "victory tax not income", which was

added to the already established indirect tax named the "income tax". We shall speak of this particular blob upon your records at a later chapter.

Often people will, at this point, ask how the government can provide for the necessary revenue. The fact that this question is even raised demonstrates the failure of the school systems to teach even the fundamental principles of constitutional taxation. Do not worry. Not only can Congress increase the rates of the indirect taxes applied to the proper subject, it also has a tremendous source of revenue available through its power of direct taxation, but has not exercised this tremendous power in over 100 years.

Once you understand how direct taxes are to be applied, you will realize that this method of taxation is extremely fair and does not violate any individual's constitutional rights. Isn't fairness and the protection of the individual's constitutional rights what America is or was all about?

Moreover, a person will realize that when the revenues are lawfully collected from the proper subjects of taxation, the people will exert much better control over the spending habits of their congressmen and put a stop to the thievery and selling of your country. This is why the power of direct taxation has not been used in over a century. Special interest groups have influenced the congressmen. You would find interesting answers if you asked your congressman why the power of direct taxation is not being used as it was during the Civil War, considering the condition of the national debt and all. It certainly is grand food for thought.

Now, back to "taxpayer" and a "nontaxpayer".

"TAXPAYER" vs. NONTAXPAYER

THE FREE EXERCISE OF THE CONSTITUTIONALLY GUARANTEED RIGHT TO LAWFULLY ACQUIRE PROPERTY (income or other compensation) BY LAWFULLY CONTRACTING ONE'S OWN LABOR TO ENGAGE IN LAWFUL, INNOCENT AND HARMLESS ACTIVITIES FOR LAWFUL COMPENSATION *CANNOT* BE (and therefore has not been) TAXED FOR REVENUE PURPOSES, AND THEREFORE, AN INDIVIDUAL WHO IS ONLY ENGAGED IN LAWFUL, *INNOCENT*, AND HARMLESS ACTIVITIES IS NOT SUBJECT TO ANY "INCOME" OR OTHER REVENUE TAX, AND THEREFORE, IS NOT A "TAXPAYER", AS DEFINED BY LAW, AND CAN THEREFORE BE PROPERLY DESCRIBED AND DEFINED AS A "NONTAXPAYER"!

Your United States courts have ruled (and here are two evidences); Long v. Rasmussen, 281 F. 236, at 238 (1922) and Economy Plumbing and Heating v. U.S.; 470 F.2d 585, at 589 (1972): "The revenue laws are a code or system in regulation of tax assessment and collection. THEY RELATE TO TAXPAYERS, AND NOT TO NONTAXPAYERS. The latter are without their scope. NO PROCEDURE IS PRESCRIBED FOR NONTAXPAYERS, and NO attempt is made to ANNUL any of their RIGHTS and remedies in due course of law. With them Congress does not

assume to deal, and they are neither of the SUBJECT nor of the OBJECT of the revenue laws”.

So, who are the "taxpayers", and who are the nontaxpayers? As the United States courts have said, the revenue laws relate only to "taxpayers", and not to nontaxpayers. The courts further state that there is no attempt made to annul the rights and remedies of nontaxpayers in due course of law.

Nontaxpayers cannot legally be prosecuted under laws that relate only to "taxpayers". Because of this fact, it is extremely imperative that you know the difference between a "taxpayer" and a nontaxpayer, and even more imperative that you CLAIM YOUR PROPER STATUS!

What makes the difference? All taxes imposed by the federal government today are in the category of indirect taxes. You now further know that indirect taxes are imposed upon the happening of an event or activity which is taxable for revenue purposes. You can, therefore, conclude that a person must be engaged in an event or activity which is taxable for revenue purposes before he would be subject to any internal revenue tax. Such a person would be a "taxpayer" as that term is legally defined by statute. ALL OTHER INDIVIDUALS ARE IN THE CATEGORY OF NONTAXPAYER; those who are "neither of the subject nor of the object of the revenue laws".

Remember our definitions; the term "taxpayer" is used in the strict or narrow sense contemplated by the Internal Revenue Code and means a person who is subject to pay his own personal income taxes. Further note: The nature of a revenue taxable activity is such that it cannot be pursued as a matter of constitutional right!

Dharma, before we break these down into detailed outlay, let us take a break and attend other things this day. We must have no errors in this Journal in concept for all must remember the ultimate: everything the government does is legal even if unlawful. I suggest all ones study this information most carefully in detail prior to acting in partial ignorance. We shall do a much better performance if we take respites and total breaks from the subject material at point. Thank you.

Hatonn to clear, please.

CHAPTER 2

REC #1 HATONN

SUNDAY, JUNE 17, 1990 8:53 A.M. YEAR 3 DAY 305

A PERFECT PRAYER FOR FATHER'S DAY

I am grateful indeed for this message sent unto us, for it repeats the Master's lesson for speaking unto our Father/Mother but requires thought instead of simple foolish repetition:

***"MY SPIRIT, YOU ARE OMNIPOTENT. YOUR NAME IS HOLY
MAY YOUR REALM BE INCARNATE IN ME. MAY YOUR
POWER REVEAL ITSELF WITHIN ME, ON EARTH AND IN
THE HEAVEN. GIVE ME TODAY MY DAILY BREAD, AND
THUS, LET ME RECOGNIZE MY TRANSGRESSIONS AND
ERRORS, AND I SHALL RECOGNIZE THE TRUTH. AND DO
NOT LEAD ME INTO TEMPTATION AND CONFUSION, BUT
DELIVER ME FROM ERROR. FOR YOURS IS THE REALM
WITHIN ME AND THE POWER AND THE KNOWLEDGE
FOREVER, AMEN"..... SANANDA***

You ones in this group have seen the wondrous work of the Father who sustains you. In his grace he gives back unto you that which you presume lost forever. 'Tis right you call the little sparrow "Albird", for it is. It is truly a lesson of lessons--you must release that which you love and yet, you must recognize it when the Father returns it unto you. If you always care for each and all, you will not miss of the Great Spirit's coming for you are not given to know in what form he shall visit thine places for your lessons of love and giving of thine heart love and nurturing unto your brethren of all creatures --for ALL is of the Creation. "As you do unto the least of these; so do ye unto ME"! So be it. The Creator knows of the fall of even the sparrow or the lamb missing from the fold and He will not leave that fragment. You need no rituals and no books of great human teachings--you are the fragment and you are tended in constant love and cherishment. Just as Elizabeth picked up the little sparrow and you have taken him as your own little handicapped fledgling, so God tends you through your handicapped journey home. May you learn to see each lesson and blessing for the wondrous gift which it portends. AHO!

Let us return to the Journal. I know it would seem a long way from God to the IRS and an enslaved people, but, God is coming forth to set you free if you will but pay attention.

TAXPAYER

For this discussion, the term "taxpayer" will be used only as it applies to an "income

tax" so that you are not confused.

Let us look at the person who is engaged in activities which are taxable for revenue purposes. This, friends, is a real "*culprit*". He has been given the more glamorous name of "taxpayer" but he is a real culprit. The term "taxpayer" has been legally defined by statute, and has a very limited and very narrow definition.

A "taxpayer" can be considered a "wrong-doer", a "tort-feasor" (a little lawyer language should perk you up), a "malefactor", a "lawbreaker", a "scofflaw", and so on. At the very best he is one who, because of his revenue taxable activities, has incurred an obligation to society and is required to make restitution in the form of a fine (TAX). Yes, this "culprit" is *LIABLE*.

Let us look into what makes a person *subject to, liable for*, and thus obligated to make restitution to society in the form of a tax. I shall be most disappointed if any of my circle defines themselves in this manner.

FRONT DOOR

What is the label on the front door to the Internal Revenue Code? TAXPAYER! If you are NOT one of these "culprits", exemptions do not apply: 4 forms do not apply, 1040 forms do not apply, and all the other voluminous statutes, rules, regulations and/or penalties of the internal revenue laws simply DO NOT APPLY! You are "WITHOUT THE SCOPE" of the revenue laws! (Refer back to the "Economy" case in the prior chapter).

The Internal Revenue Code (Title 26 of the United States Code), defines the term "taxpayer" in two sections; 1313(b) and 7701(a)(14).

Sec. 1313. Definitions:

(b) Taxpayer

Notwithstanding section 7701(a)(14), the term "taxpayer" means *any person subject to a tax under the applicable revenue law. 26 U.S.C. 1313(b).*

Sec. 7701. Definitions:

(a) When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof--

(14) Taxpayer

The term "taxpayer" means any person subject to any internal revenue tax.

26 U.S.C. 7701(a)(14).

The term "taxpayer" clearly applies only to those persons subject to a tax under the applicable revenue law. But, who are these persons who have become subject to an income tax?

What must happen to make one subject to an "income tax"? We first need to know the definition of "subject to".

"sub'ect to": *Liabie, subordinate, subservient, inferior, obedient to; governed or affect by; provided that; provided; answerable for.* Homan v. Employers Reinsurance Corp., 345 Mo. 650, 136 S.W.2d 289, 302. BLACK'S LAW DICTIONARY, 5th Edition, page 1278.

Therefore, in order for an individual to be subject to the "income tax", he must be liable, or answerable for something he has done.

BLACK'S LAW DICTIONARY: liable: Bound or obligated in law or equity; responsible; chargeable; answerable: *compellable to make satisfaction, compensation, or restitution.* (Homan v. Employers Reinsurance Corporation)

Obligated; accountable for or chargeable with. Condition of being bound to respond because a *wrong* has occurred. Condition out of which a legal liability might arise. (Pacific Fire Ins. Co. v. Murdock Cotton Co). Justly or legally responsible or answerable.

The IRC, at sections 6001 and 6011, deals with a person who has made himself liable by committing an act for which he is obligated to make restitution.

Sec. 6001:

Every person liable for any tax imposed by this title....shall keep records, render such statements, make such returns, etc.... 26 U.S.C. 6001 (in part).

Sec. 6011(a) General rule:

When required by regulations prescribed by the Secretary any person *made liable* for any tax imposed by this title....shall make a return or statement.... 26 U.S.C. 6011(a) (in part).

So--what part of the Internal Revenue Code "makes" you liable? Surprise! The Internal Revenue Code does not make anyone liable for an "income tax". So, stop looking there for the answer. *THE CODE SIMPLY APPLIES TO "ANY PERSON MADE LIABLE", AND A PERSON MAKES HIMSELF LIABLE BY ENGAGING IN ACTIVITIES WHICH ARE TAXABLE FOR REVENUE PURPOSES.* The nature of a revenue taxable activity is that it is so infected with culpability and is so utterly inappropriate for constitutional protection and so affects the public's interest that the public therefore

has a right to compensate itself and punish the "wrong-doer" with its revenue taxing powers. *IT IS THAT SIMPLE, INDEED*. Perhaps into this category of "taxpayers" should fall Congress as well as the IRS????

THE NONTAXPAYER

This Journal is, therefore, compiled for you, THE NONTAXPAYER. If someone has acted in such dastardly fashion as to owe retribution, then he should pay. Now, if you have made yourself liable, then you look up your own references; see exception provided in 26 U.S.C. 6012(a)(1)(A) & (C).

It is not feasible to list all revenue taxable activities, but you can rely quite comfortably upon one thing; THE FOLLOWING ARE *NOT* AND CANNOT BE TAXED FOR REVENUE PURPOSES: *THE FREE EXERCISE OF THE CONSTITUTIONALLY GUARANTEED RIGHT TO LAWFULLY ACQUIRE PROPERTY (income or other compensation) BY LAWFULLY CONTRACTING ONE'S OWN LABOR TO ENGAGE IN INNOCENT AND HARMLESS ACTIVITIES FOR LAWFUL COMPENSATION!* WHY? BECAUSE A STATE MAY NOT IMPOSE A CHARGE FOR THE ENJOYMENT OF A RIGHT SECURED BY THE U.S. CONSTITUTION.

A "taxpayer", by definition, therefore, is one who is obligated to make restitution or repayment for some thing he has done which is culpable in nature, does not meet the requisites of lawful, innocent and harmless, and does not warrant constitutional protection.

Then, obviously, if an individual's acts have been lawful, innocent and harmless, he owes no restitution to anyone.

In reference to "an individual", the U.S. Supreme Court said: *"He owes nothing to the public so long as lie does not trespass upon their rights"*. Hale v. Henkel, 201 U.S. 43, at 74. (1906)

Oh, you think some of these rulings might be old and outdated? NOT UNLESS YOUR CONSTITUTION IS RE-WRITTEN, MY GOOD FRIENDS! *NOT UNLESS YOU ALLOW YOUR CONSTITUTION TO BE RE-WRITTEN!!!*

So, you want an example? Say that John Doe earns his living by being a janitor; an activity which is certainly lawful, innocent and harmless. Does anyone then have the right to claim part of what he has earned, simply because he earned it??? As in, "OK, John, YOU earned some money and WE claim part of it". I would suppose the very thought of this claim being valid is ludicrous to you.

If John obtains a second job of maintenance, and is now working twice as many hours a day instead of the one job of eight hours, does anyone have a right to claim any part of John's extra earnings? As in, "OK, John, YOU are now getting more money. WE

demand an even bigger cut of your money".

Nobody within their rational mind could honestly believe that John owes anybody anything, let alone a bigger cut, because John works harder on two jobs. Anyone who wants part of what John has worked for has the heart and mind of a thief and an extortion artist who causes one to pay "protection racket" sums and is a "protection enforcer", indeed, and probably has a job with organized crime. If not, he should apply for a job as such--or with the "legal" criminal elements.

Some will attempt to justify the taking of John's earnings with the groundless statement, "Everyone should pay their fair share". A fair share of what? A fair share of what John has worked for? There is absolutely NO connection between what John has earned and any debt he may have to anyone. Remember, friends, John's activities are lawful, innocent and harmless! Anyone who wants the "government" to share in John's earnings has a desire for a collectivist form of government and is in no way supportive of the U.S. Constitution or God's laws.

And yet, John's employer, who as a matter of law is expected to know better, is probably withholding from John's pay under the guise, pretext, sham and subterfuge of "*withholding taxes*". The only way this is even legal is because anything the guy with the gun says is "legal" if the rules are "voted in". *BUT, IT IS MOST CERTAINLY AN UNLAWFUL AND UNCONSTITUTIONAL DEPRIVATION OF PROPERTY AND THIS MUST BE BROUGHT TO AN ABRUPT HALT OR YOU, AS A PEOPLE, ARE DOWN THE TUBES.*

Now, even worse, John's employer is probably falsely reporting John's name to the taxing agencies as if John was engaged in a revenue taxable activity and as if John was subject the "income tax" and tax withholding. And the employer, who as a matter of law is expected to know better, will probably have the audacity to falsely claim that the law requires him to withhold.

EVEN IF JOHN FILLED OUT A W-4 FORM WITH 'EXEMPT' WRITTEN ON IT, THE FORM ITSELF IS NULL AND VOID. JOHN HAS NOT MADE HIMSELF LIABLE AND THEREFORE IS NOT SUBJECT TO THE INTERNAL REVENUE LAWS. The form simply does not apply to John.

However, the employer will very likely send this form to the taxing agencies as if John was engaged in an activity that is taxable for revenue purposes. This false and unlawful misrepresentation to the taxing agencies will have a direct and proximate result of the employer procuring a false and unlawful withholding order from the agency to withhold John's wages as if he was engaged in a revenue taxable activity.

Then, further, the employer will very probably have the audacity to claim that he was only doing what the "government" told him to do.

Now, hold on a minute! Who sent John's name and the form to the agency in the first

place? Who should know better than anyone else, which, if any, of their employees are engaged in revenue taxable, culpable, criminal, lawless and answerable taxable activities? (*THE UNLAWFUL WITHHOLDING OF FUNDS IS CRIMINAL CONVERSION, EXTORTION, ABUSE OF CORPORATE PRIVILEGE, AND IS DEPRIVING THE INDIVIDUAL OF PROPERTY WITHOUT DUE PROCESS OF LAW*). Where do I get such an idea? Direct from the rules regarding W-4 forms which we shall cover more in depth a bit farther on in this Journal.

Employers seemingly choose not to know better (which is voluntary as well as culpable ignorance--and some of you should begin with your law-suits for it is time some start having credible, lawful and legitimate law-suits). From the Hale Case, cited above, the individual must trespass upon the public's rights before he owes the public anything.

Now you need an example of "trespass" or "damages"? (Sic sic) Where were your teachers when you "thought" you were in school learning proper things? OK, here is an example of trespass or damage to an individual's property to demonstrate how and when an obligation to make restitution is incurred. If you, from your own negligence or on purpose, drive your car into somebody's fence, who is liable and why? You are, of course, because you have committed an act which resulted in an adverse affect or damage to someone else for which you are now obligated to make restitution. Even if there is not a statute on the books to cover this offense, you are still obligated under common-law to make restitution to the person whose property was damaged. When did you incur this liability? It is not next summer or next month or next year--or next April 15th--you became liable at the time you did the damage.

If the person who is damaged decides to allow the "wrong-doer" until April 15th to pay for the damages, that's OK. If the person who is damaged decides to allow the "wrong-doer" an "exemption" for any damages under a certain amount, say \$1,000 a year, that, too, is quite fine. Nevertheless, the obligation has still been incurred, and it was incurred at the time the act was committed.

This principle will justify the withholding of wages at the time the wages are paid to the person who, because of his revenue taxable activity, has made himself liable, or subject to, and therefore obligated to make restitution, forthwith, now--immediately!

Let us demonstrate the fact that culpability or liability is a necessary requisite before one becomes obligated to pay an "income tax", and also to demonstrate that the income is merely the gauge by which the amount of the obligation or tax is measured. Let us regress all the way back to your year 1864.

The revenue act of that year imposed a tax retroactively to the prior year. This would appear at first to be an ex post facto law (a little more legaleze for confusion), but it is not. Remember, the activity of doing the "dastardly deed" for which the "wrong-doer" ("taxpayer") was liable, had already taken place. There was no need for a statute to be on the books at the time the act was committed for obviously the crime was so heinous

that Society had a common-law right of recovery.

The Supreme Court said in *Stockdale v. Insurance Companies*, 20 Wall. 323, at 331. (87 U.S. 323): "The right of Congress to have imposed this tax by a new statute, although the measure of it was governed by the income of the past year, cannot be doubted; much less can it be doubted that it could impose such a tax on the income of the current year though part of that year had elapsed when the statute was passed. The joint resolution of July 4th, 1864 (how many of you really believe that Congress works on July 4th?), imposed a tax of five-per cent upon all income of the previous year, although one tax on it had already been paid....".

Look at the above *Stockdale* citation for it also can be found in a 1916 Supreme Court case of *Brushaber v. Union Pacific R.R.*, 240- U.S. 1, at page 20. This was after the 16th Amendment. Frank Brushaber made the same argument against the retroactive character of the Tariff Act of 1913--good for him. To dispose, however, of Mr. Brushaber's frivolous argument, the Supreme Court cited the above quote from the *Stockdale* Case.

This certainly confirms that in these two cases the obligation was incurred at the time the act was committed, and perhaps of greater importance, they demonstrate that in regard to an income tax", the income is merely the gauge by which the amount of the tax is measured. Therefore, the tax is not on the income, but rather on the revenue taxable activity.

THEREFORE, IT IS A FACT THAT A "TAXPAYER", FOR THE PURPOSES OF "INCOME TAXES", IS ONE WHO IS OBLIGATED TO MAKE RESTITUTION FOR HAVING ENGAGED IN AN ACTIVITY WHICH CREATED A LIABILITY.

It is also very important to note that the mere filing of forms does not make the individual a "taxpayer" subject to the tax. The signing of the form does not change a non-taxable activity into as taxable activity! It is the engaging in a revenue taxable activity that makes a person subject to an income tax; period!!! If a person is not subject to the tax, he is not a "taxpayer" as contemplated by the Internal Revenue Code.

APPLICATION OF THIS POINT

This principle has been applied by the U.S. Court of Claims in the *Economy* Case cited earlier. The court explains that the filing of forms does not change a person's status from nontaxpayer to taxpayer.

The filing of the claims for refund by the plaintiffs did not help them, because the claims were unnecessary and of no consequence since plaintiffs were not taxpayers who had overpaid their taxes. *Economy*, supra, at 589.

Persons who are not taxpayers are not within the system and can obtain no

benefit by following the procedures prescribed for taxpayers, such as the filing of claims for refunds. Economy, supra, at 589.

The payment of Lieb's taxes with the money due plaintiffs under the contract did not convert such contract funds into an overpayment of their taxes nor make taxpayers of the plaintiffs. Neither did the mere filing of claims for refunds make plaintiffs taxpayers when none of the requisites of the status of taxpayers were present. (note 3), Economy, supra, at 590.

Note 3 of this case reads as follows: "3. The term "taxpayer" in this opinion is used in the strict or narrow sense contemplated by the Internal Revenue Code and means a person who pays, overpays, or is subject to pay his own personal income tax. (See Section 7701(a)(14) of the Internal Revenue Code of 1954.) A "nontaxpayer" is a person who does not possess the foregoing requisites of a taxpayer." Economy, supra, nt.3, at 590.

I thank one, O.S., for pointing out a most interesting turn in this particular case. It is that the plaintiffs were claiming to be "taxpayers" and the "government" was correctly claiming that the plaintiffs were not "taxpayers". The plaintiffs had already recovered the funds taken by IRS to pay Lieb's taxes in a contract action and not for a refund of overpaid taxes. In this action, however, they were trying to claim they were "taxpayers" so they could qualify for 11 years of interest allowed "taxpayers" under the internal revenue laws. Therefore, you must conclude that the "government" does know the difference between a "taxpayer" and a nontaxpayer. *IT IS SUGGESTED THAT YOU CLAIM YOUR PROPER STATUS!*

You will note that the rules and laws are bent in every direction to prove "their" case against the innocent--you must learn to interpret the rules literally and give them back that which they present to you as "proof". The work and research has all been done quite sufficiently for you and we most certainly honor those ones who have done this detailed and tedious work in order to assist you. Is the alarm clock ringing yet?? Who is awakening?? Come on, chelas, you might actually find there is life after walking death.

Even if John (the janitor) signed a form called a W-4 and gave it to his employer, it still did not create a tax liability, and did not make John a "taxpayer" as contemplated by the internal revenue laws. If you do not possess the foregoing requisites of a "taxpayer" as cited in Note 3 of the Economy Case above, the internal revenue laws just do not apply and naught you do can make them apply. If you are not subject to an income tax, you simply have no personal income tax. Money may have been withheld from your paycheck under the guise, pretext, sham, and subterfuge of "withholding taxes", but that did not make it a tax. Not only is such withholding a conversion of funds, but it is taking private property for public use without just compensation; another violation of your 5th Amendment rights.

In the so-called "income tax" cases, both civil and criminal regarding individuals, the

opposition always comes into court waving previously signed W-4 forms and 1040 forms which the individual signed under penalty of perjury. Since these forms apply only to "taxpayers", they imply that the individual is a "taxpayer" and is thus subject to the income tax. The judge then proceeds to advise the jury "on the law" as it applies to a "taxpayer". What is worse, and how sad it is, the individuals, and their so-called attorneys, have failed to raise the issue that the forms are NULL AND VOID because the individual was not engaged in any revenue taxable activity for which he was liable to make restitution in the form of a tax. He was merely exercising his constitutional right to exist.

Remember:

"A state may not impose a charge for the enjoyment of a right granted by the Federal Constitution" Murdock v. Pennsylvania, 319 U.S. 105, at 113 (1943).

"The right to labor and to its protection from unlawful interference is a constitutional as well as a common-law right. Every man has a natural right to the fruits of his own industry". 48 Am Jur 2d, Sec. 2, pg 80.

Before this Journal is completed please remind me to see to it that Handbook Instructions for Jurors be added thereto. By golly, I feel as if I am beginning in pre-school with your educations. Worse, the instructions apply to "common-law" and you have now "assumed" the status of "Admiralty" or "merchant" law. You must bear with us as we try to orderly give this information in some semblance of useable/understandable format. Patience is often the virtue that will save you a lot of your wondrous and so sought-after wealth and keep your property yours. Are you beginning to see what a big, sick and putrid joke has been perpetrated upon you as a people?

You see, the above does not mean just part of the fruits of your own industry; it means you have a right to ALL (TOTAL, 100 PERCENT, 100%) of the fruits of your own industry.

**LET THE WHOLE WORLD KNOW YOU ARE NOT
A 'TAXPAYER'**

If you do not possess the requisites of a "taxpayer" and most of you do not, then let the whole wondrous world know, up front, that you are a NONTAXPAYER!

So you blew it before; previously signed W-4 forms and 1040 forms, signed under penalty of perjury, provide the courts with prima facie evidence that the individual is a "taxpayer", as defined, and is therefore subject to the internal revenue laws. If prima facie evidence is not contradicted, it will be accepted as fact. IT IS MANDATORY THAT THE NONTAXPAYER PRESENT THE COURT WITH A STATEMENT, ALSO SIGNED UNDER PENALTY OF PERJURY, CONTRADICTING THE

PRIMA FACIE EVIDENCE, OR THE COUR WILL ARRIVE AT THE CONCLUSION THAT THE NONTAXPAYER IS INDEED A "TAXPAYER".

Then, without the nontaxpayer knowing why, the judge will then sign a document called "Finding of Facts and Conclusions of Law" containing statements such as, "To the extent that any Conclusions of Law are deemed to be Finding of Facts, they are incorporated into these Finding of Facts" and "To the extent that any Finding of Facts are deemed to be Conclusions of Law, they are incorporated into these Conclusions of Law". However, when a statement, signed under penalty of perjury, contradicting the aforementioned prima facie evidence is furnished to the court by a nontaxpayer, the results might be quite a bit different.

NOW FOR THE NONTAXPAYER

Remembering the fact that the "income tax" is an indirect tax in the nature of an excise, and that an indirect tax is a tax imposed upon activities which are taxable for revenue purposes, consider what the Oregon Supreme Court had to say about the individual's rights and an excise tax. Also consider the fact that acquiring property is also a natural right.

Redfield v. Fisher, 292 P. 813, at 819 (1930): "The individual, unlike the corporation, cannot be taxed for the mere privilege of existing. The corporation is an artificial entity which owes its existence and charter powers to the state; but the individuals rights to live and own property are natural rights for the enjoyment of which an EXCISE cannot be imposed".

This is a wondrous case to cite and with which to become very familiar because the court thoroughly considered the nature of the tax and the difference between a tax directly on income (as property) as opposed to a tax on revenue taxable activities, such as doing business in a corporate capacity. In fact, the Oregon Supreme Court said, "We deem it necessary at the outset to determine the nature of the tax..." in the Redfield Case.

The Murdock Case states in unequivocal terms that a state may NOT impose a charge (tax) upon the enjoyment of a right. The act of lawfully earning one's own living in an innocent and harmless activity is indeed a right secured by the U.S. Constitution, and it is indeed a right upon which a state may not impose a charge.

Oh, so you are catching on? Could it be that the various states are also breaking constitutional law by forcing an "income tax" upon you unwary citizens? Could it be the "income tax" regulations and enforcements are unlawful constitutionally, at all levels? My, that does open up a whole can of wondrous excitement, does it not? Isn't this just about the most fun game we have conjured up in a week or so? Why, this is much more feasible to play with than all the counterfeit printers in the Antarctic, or "fill-in" notable personages, or, or, or. This gets right down to your own Constitutional "RIGHTS" and here you were just about to sell that old rag of a document right down

the trash heap. Are you perhaps reconsidering the merit of the old prattlings of your Founding Fathers? Well, hold tight, for we have only just barely begun the truth of it!

This same principle also applies to the federal government. Remember, except for a prohibition against taxing exports, the states gave the federal government complete and all-embracing taxing power, but could not have given the federal government any power that they themselves did not possess. Ah Ha! Caught them in the act, didn't you? The U.S. Constitution does not otherwise limit the taxing power of the federal government, but merely lays down the two rules by which this power is to be applied. That is, the rule of apportionment as to direct taxes (and this will balance the budget constitutionally), and the rule of uniformity as to indirect taxes.

Therefore, the federal government also cannot impose a charge (tax) upon a right secured by the U.S. Constitution. Furthermore, the taxing power of the federal government is sufficiently vast so as to provide all the funds it could ever need through lawful taxation. AS STATED EARLIER, CONGRESS HAS NOT EVEN USED ITS POWER OF DIRECT TAXATION SINCE THE CIVIL WAR!

You must remember always, that in order to qualify as a constitutionally protected right, your activity MUST be lawful, innocent and harmless.

O.S. has given us some other citations which will help you further understand and I will hereby give credit for the research and quote:

The U.S. Supreme Court said:

"The liberty mentioned in that (14th) amendment means, not only the right of the citizen to be free from the mere physical restraint of his person, as by incarceration, but the term is deemed to embrace the right of the citizen to be free in the enjoyment of all his faculties; to be free to use them in all lawful ways; to live and work where he will; to earn his livelihood by any lawful calling; to pursue any livelihood or avocation, and for that purpose to enter into all contracts which may be proper, necessary, and essential to his carrying out to a successful conclusion the purposes above mentioned." *Allgeyer v. Louisiana*, 165 U.S. 578, at 589. (1987).

OOPS! You don't know where your inalienable rights came from; those rights upon which the governments cannot impose a charge?

Ah so:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty and the pursuit of happiness." Could it be that same old DECLARATION OF INDEPENDENCE, from July 4th, 1776?

The U.S. Supreme Court said in *Butchers' Union Co. v. Crescent City Co.*, 111

U.S. 746, at 756-757 (1883):

"As in our intercourse with our fellow-men certain principles of morality are assumed to exist, without which society would be impossible, so certain inherent rights lie at the foundation of all action, and upon a recognition of them alone can free institutions be maintained. These inherent rights have never been more happily expressed than in the Declaration of Independence, that new evangel of liberty to the people: 'We hold these truths to be self-evident'--that is so plain that their truth is recognized upon their mere statement--'that all men are endowed'--not by edicts of Emperors, or decrees of Parliament, or acts of Congress, but 'by their Creator with certain inalienable rights'--that is, rights which cannot be bartered away, or given away, or taken away except in punishment of crime--'and that among these are life, liberty, and the pursuit of happiness, and to secure these'--not grant them but secure them--'governments are instituted among men, deriving their just powers from the consent of the governed'".

Dharma, since this chapter is getting too lengthy to allow absorption, please allow us a respite. We shall take up with 'evangel of liberty' because I see that not even .5 percent of the readers have a notion about what it means. Well, it's good news. Hatonn actually only brings good news unto the nontaxpayers. You see, doom and gloom or wondrous hope and joy is totally in the mind of the beholder!

Salu,

Hatonn to clear.

CHAPTER 3

REC #1 HATONN

MONDAY, JUNE 18, 1990 8:20 A.M. YEAR 3 DAY 306

DON'T MISS YOUR CONFIRMATIONS OF TRUTH OF THE JOURNALS

Please, dear ones, do not overlook attention to those things which give you confirmation of truth. Let me give you a few items to check into that will allow you to know we have been telling you naught but truth.

PANAMA

Note that you will find in this current volume of NEWSWEEK magazine there will be reference to death and injuries to your U.S.A. soldiers in Panama. You will find that a large percentage of the killed soldiers were killed at the errors of your own troops; further, over 60 percent of the injuries were sustained by "friendly gunfire"--meaning: your own soldiers shot each other. Please get an issue for this office for backup.

FLAG BURNING

The flag burning amendment is moving into full scale gear. The Senate is pushing hard--then they will throw in the argument that since you "need" a balanced budget amendment, "Let's just have that good old convention". Stay alert, brothers, for as we move on with our Journals you will see that you MUST not carry either the amendments or the constitutional convention. There are flag non-desecration instructions within the Constitution as well as the way to balance the budget. If you fall for the malarky--expect to lose dearly! It will neither balance the budget nor stop flag burning--there are many more effective ways in which to mutilate your national emblem than through burning. IT IS A SHAM GAME AND YOU ARE THE VICTIMS INTENDED TO BE LOSERS.

KISSINGER/ROCKEFELLER/GORBACHEV

These ones met in secret summit wherein Rockefeller laid forth the format for the Soviet Banking System and Gorbachev accepted it without comment; indicating, of course, that it is well laid, planned and orchestrated.

GRAIN DEAL

The trip of "touring" through Minnesota was in fact a trip to consummate agreements with the Grain Cartel for grain in incredible amounts while it will leave America very short of grain. Remember, your silos are already emptied and the grain sold to foreign interests. You have no reserve of powdered milk, cheese, butter or other dairy products--they, too, have been sold or given away to better position the Cartel for

control. It is getting to be serious time, chelas.

PENSION PLANS

A measure has been granted to give the controlling faction increased input over Pension Plans and allowance made for "studying" situations whereby ones have been deprived of their plans, etc. I suggest that if you are having problems with your pensions--get with pounding upon the ones now wielding more power. However, expect to find the mess is far deeper and incredible than you can imagine, for just as with the S&Ls--the funds have been squandered and this is only a facade to keep you ones thinking "they" are doing something about it.

MEXICO FREE-TRADE AGREEMENT

Disaster! Industry and jobs will flow like wine into Mexico. If you would extract the information I wrote on the Mexican situation, Oberli, and place it in format for an Express item I will greatly appreciate it for I do not wish to cover it herein. However, these are the things you ones must start pulling forth for continuing information input in the Expresses.

OTHER WRITINGS/RECEIVINGS

At this point in the work, there may be some additions into the Journals from Sananda and/or Dee's writings. Please do not undo what we have accomplished with the Journals in moving them into believable human experience. Spiritual input too early in the Journals and Express will cause the newly accepting from human standpoint to re-classify you as extremists and new age projectors. It will all be worked in at proper sequence. As funds begin to flow in a bit of abundance a Journal of spiritual totality can be offered unto the readers. There is, however, need for immediate information for "actions" which must be gotten out timely. If people do not "act" on this input then you can expect a horrendous breakdown in "timing". In other words, dear ones, do not push of the river. The other writings are to give you support and input in truth while you organize your labors. You must always "think" from the "masses' point of view" and we will not err in bringing forth things which the masses cannot believe or have been taught not to believe under any circumstances.

Therefore, you beloved ones who are writing in addition to Dharma, allow patience and remove pressure from selves. You are getting a garden going and moving accomplished; do not bear a burden which is unintended. We are overfilled with joy as we see you coming into focus and sharing of the load--do not bear that which is overload for there is still the "timing" of sequence and you are doing well. For instance, if the garden is not planted now, there will be no time for growth and harvest will be small. Flow--do not "push" for we are pushing quite hard enough. Leave time for your regular "jobs" in the marketplace so that subsistence and livelihood are not jeopardized thereby bringing further problems instead of solving them. Allow always, the one step at a time and blessings of great, great appreciation are given unto you.

TIMING

You continually are distracted by that which is delayed in occurrence; "Where is the depression, etc."? You are in it--the house of cards is being falsely supported in order to bring you under total control and is based upon nothing at all. There is no economic foundation remaining--it is shored up by total control measures with money which is nonexistent. You are being carefully set up so that the optimum control will be obtained at the collapse--by the banks and cartel. I warn you again and again, **THEY HAVE PLANNED WELL AND FOR A LONG, LONG TIME AND THE ZIONISTS ARE VYING FOR THE ULTIMATE CONTROL SO IT BUYS YOU JUST A TAD MORE "TIME".** *HOWEVER, I NOTE HEREIN THAT THERE IS CONFIRMATION THAT THE ZIONIST MOSSAD IS TRAINING TERRORISTS AND EFFECTING TERRORIST ACTIVITIES WITHIN EVERY CONTINENT ON YOUR GLOBE AND I SHALL DO A LENGTHY PROJECTION ON THAT SUBJECT AT ANOTHER SITTING. SO BE IT--TAKE ACTION IN THE SEQUENCE WE LAY FORTH AND YOU WILL COVER IT ALL IN DUE SEQUENCE. THANK YOU FOR YOUR ATTENTION.*

Now to return to the subject at hand in this Journal--The Unlawful Income Tax.

THE EVANGEL OF LIBERTY

Evangel simply means the bringing of good news! Therefore when we refer to the evangel of liberty we speak of good news about the "law" that already IS! It is not new; it is simply "good news" -- and one of those laws is "Thou shall not steal".

By definition, an inalienable right cannot be legally or justly transferred to another. Not only did the U.S. Supreme Court make a distinction between the "granting of rights" and the "securing of rights", but made it clear that these inalienable rights cannot legally be taken away even by 225 million people with the help of their representatives in Congress--although Congress is on the edge of doing that very thing as you allow of it to take place. You see, Congress and the Cartel fully plan to make what is actual "stealing" a part of the lawful extortion of your property. They already enforce laws 'AS IF'! They legally convict you AS IF the laws were already constitutionally "lawful"! and by the assumption and enforcement--YOU BELIEVE IT TO BE LAWFUL!

IN SPITE OF WHAT SOME PEOPLE MAY THINK, THE 16TH AMENDMENT DID NOT TAKE AWAY YOUR RIGHTS OF PROPERTY NOR DID IT, EVEN IF IT HAD BEEN RATIFIED PROPERLY, GIVE CAUSE FOR "LAWFUL" EXTORTION.

Isn't this good news? All you millions of people cannot vote away your God-given rights. You cannot "vote away" a God-given right no matter how many people "vote"

for or against it. NOW, DON'T YOU THINK IT IS TIME YOU SPREAD THIS GOOD NEWS AROUND?

Let us further investigate what the U.S. Supreme Court continues by saying:

"Among these inalienable rights, as proclaimed in that great document, is the right of men to pursue their happiness, by which is meant the right to pursue any lawful business or vocation, in any manner not inconsistent with the equal rights of others, which may increase their prosperity or develop their faculties, so as to give to them their highest enjoyment.

"The common business and callings of life, the ordinary trades and pursuits, which are innocuous in themselves, and have been followed in all communities from time immemorial, must, therefore, be free in this country to all alike upon the same conditions. The right to pursue them, without let or hindrance, except that which is applied to all persons of the same age, sex, and condition, is a distinguishing privilege of citizens of the United States, and an essential element of that freedom which they claim as their birthright.

"It has been well said that, 'The property which every man has is his own labor, as it is the original foundation of all other property, so it is the most sacred and inviolable. The patrimony of the poor man lies in the strength and dexterity of his own hands, and to hinder his employing this strength and dexterity in what manner he thinks proper, without injury to his neighbor, is a plain violation of the most sacred property.'" Butchers, supra, at 757.

While labor is property, it is also activity; and to claim it as a right, the activity must be lawful, innocent and harmless.

GOOD OLD CALIFORNIA

The California Constitution expounds even further on inalienable rights, which include the right to acquire property. They also are the worst offenders at breaking the law and extorting from the citizens. Be that as it may, in the Constitution of the State of California, Article 1, Sec. 1:

"All people are by nature free and independent and have inalienable rights. Among these are enjoying and defending life and liberty, acquiring, possessing, and protecting property, and pursuing and obtaining safety, happiness, and privacy.

Try the U.S. Supreme Court in another case; *Coppage v. Kansas*, 236 U.S. 1, at 14 (1915): "Included in the right of personal liberty and the right of private property --partaking of the nature of each--is the right to make contracts for the acquisition of property. Chief among such contracts is that of personal employment, by which labor

and other services are EXCHANGED for money or other forms of PROPERTY".

Reminder: An "income tax" is an indirect tax, and an indirect tax is a tax laid upon the happening of an event, as distinguished from its tangible fruits. An indirect tax is never upon property, but upon an activity or event. A state may not impose a charge (tax) on the activity or event of "the enjoyment of a right" endowed by YOUR CREATOR, and secured BY THE CONSTITUTION! THIS IS THE LAW THAT IS!! This is the constitutional law, civil rights law, common-law, the law of nature, God's law, the law of the cosmos/universe. If people in other countries are being deprived of part of what they earn in lawful, innocent and harmless activities, then such deprivation is as unlawful there as it is in the good old U.S.A. but they have no recourse with which to press their case against the slave-masters. YOU DO! IF--YOU DO NOT GIVE IT AWAY!. Always remember that ALL men...are endowed by their Creator with certain inalienable rights...!

NOT TAXABLE

This you can lay all bets on: The free exercise of the constitutionally guaranteed right to lawfully acquire property by contracting one's own labor to engage in innocent and harmless activities for lawful compensation IS NOT A REVENUE TAXABLE ACTIVITY!

The right to sustain one's self is God-given, and nobody can justify imposing a charge on the exercise of that God-given right. Nor can anyone justify the taking away of any part of the fruits derived from exercising that God-given right. It is important to understand that the income tax laws do not violate any individual's God-given rights. IT IS THE UNLAWFUL, UNCONSTITUTIONAL AND ARBITRARY MISAPPLICATION OF THOSE LAWS BY OTHER INDIVIDUALS THAT CAUSE THE VIOLATION OF THESE RIGHTS!

Once it is understood that, for income tax purposes, the term "taxpayer" applies only to the person who has engaged in an activity that is taxable for revenue purposes, you will immediately see how frivolous some of the past arguments have actually been.

FRIVOLOUS ARGUMENTS

"I don't owe the tax because I did not receive any 'lawful' money". This is indeed an illogical argument. If a person has engaged in revenue taxable activity, he is now subject to make restitution. It matters not if his gain or profit from that activity was in the form of "lawful" money, fiat money, legal tender, Federal Reserve Notes, goats, sheep, pigs, chickens, wheat, peanuts or maize popcorn, potatoes or horse manure, he still made himself liable because of his revenue taxable activity, whatever it was.

However, once it has been determined that a person has made himself liable for an income tax by engaging in an activity which is taxable for revenue purposes in some odious or outrageous manner, and is therefore subject to the revenue laws, it may then

be well and proper for him to ask what the state or federal government can legally demand from him in payment of his liability incurred by such heinous activity.

The "money issue" is outside the scope of this writing; but, since it is most important and interesting in subject matter, and because the Founding Fathers gave a great deal of thought to the subject of the money of account of the United States, and absolute prohibitions placed upon the states regarding money--it will be passed by herein, briefly:

The U.S. Constitution does indeed state, my friends: "No State shall...coin money; emit bills of credit; make any Thing but gold and silver coin a tender in payment of debts..." U.S. Constitution, Article 1 sec. 10, cl. 1 (1787).

No, don't repeat even one more time--"That is OLD"! Until a thing has been abolished lawfully, it is valid within the law!

There are three prohibitions regarding money:

1. No State shall coin money.
2. No State shall emit bills of credit.
3. No State shall make any Thing but gold and silver coin a tender in payment of debts.

THEREFORE, IT IS OBVIOUS THAT THE THIRD PROHIBITION LISTED HAS BEEN UNLAWFULLY AND UNCONSTITUTIONALLY, AS WELL AS INTENTIONALLY VIOLATED, BY YOUR PUBLIC SERVANTS!

DON'T RAISE THE QUESTION OF "MONEY"

The money issue, however, is not a proper issue to be raised when an individual is trying to establish that you are not liable for nor subject to an income tax. Why should a NONTAXPAYER, ONE WHO IS NOT LIABLE, present any such issue? One makes himself liable only when he engages in a revenue taxable activity of which most of you do not. It is the nature of the activity that decides the issue. It is the activity, the doing of the deed, that creates the liability.

Another frivolous argument is, "I don't owe the tax because I have not received an assessment". If you engaged in a taxable activity, you have created the liability at the time you engaged in the activity. When a person engages in an activity that does not warrant constitutional protection, he has made himself liable and is subject to the income tax laws. Any person who has made himself liable shall keep records and shall make a return or statement. [Sec 26 U.S.C. 6001, 6011 and the exception provided in 6012 (a)(A) & (C).] The one liable can either voluntarily pay now, or pay later plus all of the penalties. This might be called "The culprit's choice". It must be pointed out that it is absolutely ridiculous for a NONTAXPAYER TO USE THE 5TH AMENDMENT RIGHT NOT TO WITNESS AGAINST HIMSELF, IN AN ATTEMPT TO PROVE HE IS NOT REQUIRED TO FILE SO AS TO ELIMINATE CRIMINAL

PROSECUTION. The civil machinery will continue to grind and he will find himself suffering all the consequences of civil penalties for late filing, failure to furnish information, liens, levies, etc., all AS IF he were subject to the tax. IF YOU ARE NOT SUBJECT TO THE TAX, THE ONLY ISSUE IS SIMPLY THAT: YOU ARE NOT SUBJECT TO THE TAX.

IF YOU ARE NOT SUBJECT TO THE TAX, YOU ARE *NOT* REQUIRED TO FILE ANYTHING!*** So, don't blow your opportunity for a clean acceptance of your rights. Don't file the blame forms unless you want to lose the game.

Still another frivolous argument for a nontaxpayer is, "I filled out 'exempt' on my W-4 form and my employer did not honor it". THE W-4 APPLIES ONLY TO "TAXPAYERS" AS DEFINED. DO NOT USE EITHER OF THESE TERMS: "EXEMPT" AND/OR "IMMUNE". These terms are simply not quite good enough.

For example, you are subject to AIDS. You get an AIDS shot so that you can become immune or exempt. YOU ARE NOT SUBJECT TO "Willow Bark" disease, so you do not need to acquire an immunity or exemption to it. A NONTAXPAYER IS SIMPLY AND CLEARLY NOT SUBJECT TO A REVENUE TAX, AND DOES NOT NEED TO ACQUIRE AN IMMUNITY OR EXEMPTION. THE W-4 FORM SIMPLY DOES NOT APPLY TO ONE WHO IS NOT SUBJECT TO THE TAX.

NOT SUBJECT TO

THE CORRECT PHRASE IN SUCH A CASE IS "NOT SUBJECT TO" AND THE ISSUE SHOULD BE PURSUED ON THIS BASIS.

Surely, the individuals who have furnished W-4 exempt forms were intending to use the form as a vehicle to advise the employer that they were not subject to the tax, but the forms were unnecessary and the employer is expected to know that the forms apply only to those who are employed to engage in revenue taxable activities. Before the employer decides to send a W-4 form to the taxing agencies, and before he decides to withhold money AS IF IT WERE FOR TAXES, he should be absolutely certain that the employee is engaged in a revenue taxable activity and because of such activity is subject to any revenue tax. IGNORANCE OF THE LAW IS NO EXCUSE FOR THE EMPLOYER and we shall check this out in more detail later.

EXERCISING GOD-GIVEN RIGHT

If you are merely exercising your God-given right to exist by contracting your labor for lawful compensation by engaging in lawful, innocent and harmless activities, you have not created any liability to anyone. You are simply not subject to make any restitution to society, or anyone else, in the form of a tax of any kind whatsoever.

The patriot community seems to be replete with frivolous arguments. It is certainly that they do not clearly understand that which they are attempting to accomplish. Four

of the foremost and glaring frivolous arguments are these listed above. There are several other arguments which we will address later, but we can by no means list them all, and further, **YOU DO NOT EVEN NEED TO CLUTTER YOUR MINDS WITH INAPPROPRIATE DISTRACTIONS.**

Remember that label on the front door of the Internal Revenue Code? "TAXPAYER"! If you do not qualify as a "taxpayer" as defined, it seems utterly foolish to argue with anyone about what the code says you can or cannot do. The code simply does not apply to you. Have you argued with your boss or payroll office as to what the Internal Revenue Code says you can or cannot do, when you have only been engaged in lawful, innocent and harmless labor? So be it.

Have you seen fit to present arguments in court as to what the Internal Revenue Code says you can or cannot do? Have you presented yourself AS IF you were a "taxpayer" as defined by law? Sic, sic--if you do not qualify as a 'taxpayer", then the entire Internal Revenue Code and all of the multitude of rules and regulations issued pursuant to the code apply to some other persons, but they do not apply to you, my friends. Therefore, why would you treat them as if they do?

If an individual has lawfully contracted his labor, and by such contract has lawfully engaged in innocent and harmless activities, he has not created any obligation whatsoever for which he would be required to make any form of restitution.

Therefore, exemptions do not apply, W-4 forms do not apply, 1040 forms do not apply, and all the other voluminous statutes, rules and regulations of the internal revenue laws, including penalties, **DO NOT** apply to an individual who has not engaged in any revenue taxable event or activity! He is "without the scope" of the revenue laws! **HE IS A NONTAXPAYER!**

Dharma, I believe that prior to further discussion regarding W-4 forms and what to do about them, it is probably the better part of intelligence to better understand "Direct" v. "Indirect" taxes and the 16th Amendment. We shall effort to structure this in logical format to better enhance understanding of the subject in logical sequence. There are only one or two persons who have pursued this subject in clarity of understanding of the whole. If you get caught in the entrapment of utilizing "arguments" based on "taxpayer" v. "nontaxpayer" you have lost half your strength. You must henceforth pursue your goal as your proper status indicates --NONTAXPAYER--and allow no lip-service to "taxpayer" unless you truly have committed corrupt, unlawful, guilty and harmful activities. For the remainder of this Journal the assumption will be that you are actually a NONTAXPAYER.

Allow us a respite please and we shall continue with the aforementioned subject of taxes upon our return. Let us try to do an additional chapter or so this day. It will be so advantageous to have this Journal ready for press, in the least, by the meeting in July. Thank you.

Hatonn to stand by.

CHAPTER 4

REC #2 HATONN

MONDAY, JUNE 18, 1990 12:15 P.M. YEAR 3 DAY 306

INDIRECT TAXES vs. DIRECT TAXES/16th AMENDMENT

The so-called "income tax" is one of the biggest issues facing America this day. Yet most Americans do not have even an elementary understanding of the constitutional principles of taxation and wonder about doing the unlawful things instructed to them by the ones perpetuating unconstitutional, and therefore unlawful, requirements upon them. Most are unable to define either a direct or an indirect tax, and they do not understand the importance of making a distinction between the two classes. It is mandatory to the preservation of your liberties, and indeed, it is vital for the very survival of your nation of "free" individuals.

In the public school's failure to teach facts, they have aided in the keeping of the hard working Americans in total ignorance as to the basic constitutional principles of taxation and of civil rights. You can now see why! As this news gets into the minds of the masses of citizens, you will insist on collecting revenue in a lawful manner, balancing of the budget through lawful means and causing your representatives to be answerable for their heinous behavior in Congress. You can also see that only through "truth" can you act to set yourself "free".

Most Americans voted for the presidential candidate that promised to "lower the so-called income tax" rates. Remember that you read his lips and they said "no more new taxes", etc. ad nauseam? Well, you were slower than the hand and eye--he is just going to sock it to you with old taxes which have already been unlawful since inception.

You can also figure it out--if you stop this unlawful behavior--they already have follow-on "emergency" control. Declaration of emergency will be next and then, of course, a war wherein all sorts of "emergency" mandates can be handed down upon your heads---IF YOU ALLOW OF IT! IF YOU AS A PEOPLE, REQUIRE THE LAWS OF YOUR CONSTITUTION TO BE FOLLOWED AS IS WRITTEN, IT WILL ALSO REQUIRE THAT THE PRESIDENT STOP HIS DICTATOR ORIENTED AND OUTLINED ACTIONS. ALL THOSE DICTATORIAL POWERS BEING "ASSUMED" PRESENTLY ARE WRITTEN INTO THAT "NEW" CONSTITUTION WHICH THEY ARE "ASSUMING" UPON YOU ALREADY. IT IS TRULY UP TO YOU THE PEOPLE WHICH IT WILL BE.

It is safe to assume that people are tired of having a large chunk of their wages taken, even under what they assume to be lawful taxation.

This information may shock people--I sincerely hope so--to the max, as the youth

would put it. At least now you will know that what has been withheld from the wages they earned from lawful, innocent and harmless labor *was not a tax*; but rather, their hard earned money(property) has been extorted under the sham, guise, pretext and subterfuge of "withholding taxes". They will also find that understanding the difference between direct and indirect taxes is not really complicated, and we will herein attempt to present the issue in understandable format. If you already "have it", be patient for ALL do not yet understand it sufficiently and you can have gracious patience with your fellow student. If you already knew all of this material, you would not have gotten this far in this Journal, at any rate. Further, if you "assume" you know it all and blunder forth causing errors, please do not write threats and contradictions unto this scribe. You the people would not be in the mess you are in if you had simply taken the time to know that which you do.

Capitation taxes and taxes imposed upon property are direct taxes; taxes imposed upon revenue taxable activities or events are indirect. These indirect taxes include duties, imposts and excises. As you carefully examine tax cases and taxing statutes, you are going to find that indirect taxes are always imposed upon an activity which is taxable for revenue purposes.

Even in such cases of the excise taxes regarding tobacco and alcohol products, there is always an activity or event involved. These taxes are imposed upon products manufactured, imported or distilled. As you can see, some activity or event is always involved in regard to indirect taxes. Further note that the terms 'activity', 'event', 'occasion' and 'incident' are used interchangeably in regard to indirect taxation. This will help you and save time as these terms pop up from time to time.

The U.S. Supreme Court has held an "income tax" to be an indirect tax in the nature of an excise, and also has held that a tax imposed upon the happening of an event (activity) is an indirect tax. It must be pointed out that one will never really understand the court decisions or taxing statutes until you understand that direct taxes are capitation taxes and taxes imposed upon property, and that indirect taxes are always upon activities or events which are taxable for revenue purposes. **INDIRECT TAXES ARE NEVER UPON PROPERTY.**

Therefore, this is simplicity itself in action. Why then, is there such confusion regarding "income taxes"? At least a portion of this confusion stems from a lack of knowledge of basic constitutional principles of taxation and of civil rights, as well as a misinterpretation (erroneous statutory construction) of the 16th Amendment. Therefore, this problem will be approached in connection with the taxing clauses of the original Constitution and the proper construction of the 16th Amendment.

Eisner v. Macomber, 252 U.S. 189, at 205 (1920): "The Sixteenth Amendment must be construed in connection with the taxing clauses of the original Constitution and the effect attributed to them before the Amendment was adopted". Therefore, look first at the taxing clauses of the original Constitution. Article I, sec. 2, cl. 3:

"Representatives and direct taxes shall be apportioned among the several States which may be included within this Union, according to their respective numbers, which shall be determined by adding to the whole number of free persons, including those bound to service for a term of years, and excluding Indians not taxed, three-fifths of all other persons".

"The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excises *shall be uniform* throughout the United States". Article I, sec. 8, cl. 1.

"NO CAPITATION, OR OTHER DIRECT, TAX SHALL BE LAID, UNLESS IN PROPORTION TO THE CENSUS OR ENUMERATION HEREINBEFORE DIRECTED TO BE TAKEN". Article I, sec. 9, cl. 4.

In accordance with the original Constitution, all direct taxes must be apportioned and all indirect taxes, which include duties, imposts and excises, must be *uniform*.

Then, in 1913, along came the 16th Amendment which reads:

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

So, what could this mean? You are going to be presented with some of the same questions regarding the 16th Amendment that were before the U.S. Supreme Court in 1915 and 1916--still valid.

1. Does the 16th Amendment cause one part of the Constitution to come into irreconcilable conflict with other parts?
2. Does the 16th Amendment treat a tax on income as a direct tax?
3. Does the 16th Amendment authorize a new kind of tax?
4. Does the 16th Amendment give Congress any new taxing power?
5. Does the 16th Amendment challenge or repudiate the ruling in the Pollock Case of 1895? and,
6. What was the purpose of the 16th Amendment?
7. Now, here is the doozy! Does the 16th Amendment repeal any part of the original Constitution? This was not before the court but we will most surely address it.

These, except for number 7, were some of the questions before the U.S. Supreme

Court in the year of 1916. No, it didn't take long for these things to become controversial but through media blitz and false information you have simply been buried into oblivion from facts.

Two landmark cases; namely *Brushaber v. Union Pacific R.R. Co.*, 240 U.S. 1, and *Stanton v. Baltic Mining Co.*, 240 U.S. 103. It is most interesting to note that both of these cases were argued on October 14, 15, 1915 but not decided until into 1916. It is further important to note that the *Brushaber Case* is the case most relied upon by the IRS to show that the "income tax" and the 16th Amendment are constitutional. It seems only fair to utilize the same case to prove that it is not constitutional.

Well, actually, they are quite correct because "income taxes" were imposed long before the 16th Amendment (and yes, the Rothschilds and Rockefellers were already into the swing of One World Order). Moreover, even had the 16th Amendment been properly ratified into law, it did not change the basic "law that is", nor did it change the nature of an "income tax" which is that of an excise tax. As we will show you, the 16th Amendment is merely a restatement of the general and permanent taxing law of the United States in regard to "income taxes". In deciding its constitutionality, the court carefully reviewed the wording of this new amendment.

REVIEW OF THE ABOVE ISSUES

Let us consider the above issues. The answers will come from the U.S. Supreme Court.

1. Did the 16th Amendment cause one part of the Constitution to come into irreconcilable conflict with other parts?

This issue is especially fun to review because it gives us a chance to present a rather interesting quiz. Having now read the taxing clauses of the original Constitution, you learn that all direct taxes are to be apportioned among the states according to population, and all indirect taxes (which include duties, imposts and excises) are to be uniform throughout the United States. You also know that the 16th Amendment reads as follows:

“The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration”.

Looking back now, and observing the admonitions of the Eisner Court that "the Sixteenth Amendment must be construed in connection with the taxing clauses of the original Constitution and the effect attributed to them before the amendment was adopted", you are now ready to respond to the quiz.

What class of tax (direct or indirect) can be laid "on incomes, from whatever source derived, without apportionment among the several states, and without regard to census or enumeration", and still without coming into irreconcilable conflict with the other

parts of the Constitution?

If it were a direct tax on the incomes (money or other forms of property) it would certainly come into irreconcilable conflict with Article I, section 2, clause 3, and also Article I, section 9, clause 4, which require all direct taxes to be apportioned among the states according to census or enumeration.

However, if it were an indirect tax, there would be no such conflict with any other taxing clause of the Constitution. In other words, friends, providing one understands the taxing clauses of the original Constitution, it now goes without saying that the only class of tax that can be imposed without apportionment, and without regard to any census or enumeration is an indirect tax. It is the "without apportionment" language that confines the 16th Amendment to the class of *indirect* taxes.

As we have already discussed, an indirect tax is "a tax laid upon the happening of an event (activity), as distinguished from its tangible fruits". Therefore, any tax under the 16th Amendment is not a direct tax on income (as property) but rather a tax upon any revenue taxable activity and the amount of income is merely used to measure the amount of tax upon the revenue taxable activity.

It can therefore be assumed, as a matter of law, that the individuals who are involved in the collection of taxes (those within the taxing agencies as well as the employers) thoroughly understand the taxing clauses of the U.S. Constitution. The IRS does fully understand that all "income taxes" must be uniform throughout the United States. It can also be assumed they know that the so-called "income taxes" are indirect taxes which are imposed upon the happening of taxable events or activities.

Let us look again at how the U.S. Supreme Court handled the issue back there in 1916 (still valid). Frank Brushaber, in the Brushaber Case, almost presented more erroneous contentions than the U.S. Supreme Court could handle. It must be pointed out that it will be much easier to read and study this Brushaber Case once you understand that the court spends considerable time paraphrasing Mr. Brushaber's many erroneous contentions, assumptions, conclusion, etc. At any rate, here is what the court said:

“The various propositions are so intermingled as to cause it to be difficult to classify them. We are of the opinion, however, that the confusion is not inherent, but rather arises from the conclusion 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. And the farreaching effect of this erroneous assumption will be made clear by generalizing the many contentions advanced in argument to support it, as follows: (a) The Amendment authorizes only a particular character of direct tax without apportionment, and therefore if a tax is levied under its assumed authority which does not partake of the characteristics exacted by the Amendment, it is outside the Amendment and is void as a direct tax in the general constitutional sense because not apportioned”. *Brushaber v. Union Pacific R.R. Co.*, 240 U.S. 1,

at 10-11.

The court proceeds to address these erroneous assumptions, propositions and contentions by continuing:

"But it clearly results that the propositions and the contentions under it, if acceded to, would cause one provision of the constitution to destroy another; that is, they would result in bringing the provisions of the Amendment exempting a direct tax from apportionment into irreconcilable conflict with the general requirement that all direct taxes be apportioned. Moreover, the tax authorized by the Amendment, being direct, would not come under the rule of uniformity applicable under the Constitution to other than direct taxes, and thus it would come to pass that the result of the Amendment would be to authorize a particular direct tax not subject either to apportionment or to the rule of geographical uniformity, thus giving power to impose a different tax in one State or States than was levied in another State or States. This result instead of simplifying the situation and making clear the limitation on the taxing power, which obviously the Amendment must have been intended to accomplish, would create radical and destructive changes in our constitutional system and multiply confusion". at 11-12.

"Therefore, in other wording, the court has said that IF the tax authorized by the 16th Amendment were considered a direct tax, as Mr. Brushaber had erroneously assumed, it would cause one provision of the Constitution to destroy another; bringing one part of the Constitution into irreconcilable conflict with the general requirement that all direct taxes be apportioned. Obviously, this could not be allowed. IF the 16th Amendment was in irreconcilable conflict with other parts of the Constitution, it would have been held to be unconstitutional".

So--the answer to question number one is NO.

While the court shows that the intent of the 16th Amendment obviously must have been to simplify the situation and make clear the limitations on the taxing powers, and not to create radical and destructive changes in your constitutional system nor to multiply confusion, *the misrepresentation and unconstitutional application of the revenue laws by those who are, as a matter of law, expected to know better are certainly creating much confusion and violating the rights of individuals.*

Now for question number two and you will further see that the answer to it also supports the first question.

2. Does the 16th Amendment treat a tax on income as a direct tax?

Let us look again at Brushaber, supra, at 18:

"The contention that the Amendment treats a tax on income as a direct tax although it is relieved from apportionment and is necessarily therefore not subject to

the rule of uniformity as such rule only applies to taxes which are not direct, thus destroying the two great classifications which have been recognized and enforced from the beginning, is also wholly without foundation....". Further,

"The conclusion reached in the Pollock Case did not in any degree involve holding that income taxes generically and necessarily came within the class of direct taxes on property, but on the CONTRARY recognized the FACT that taxation on income was in its nature an EXCISE entitled to be enforced as such. . ." Brushaber, supra, at 16-17.

Then move right along with us regarding this second question in the Stanton Case; Stanton v. Baltic Mining Co., 240 U.S. 103, at 112 (1916):

“The Sixteenth Amendment conferred NO NEW POWER of taxation but simply prohibited the previous complete and plenary power of income taxation possessed by Congress FROM THE BEGINNING from being taken out of the category of indirect taxation to which it inherently belonged....”.

The answer to question number two must therefore, also be NO! Then we just move on to the next question, with it also answering more substantially, number two, and will also be answered in the negative.

3. Does the 16th Amendment authorize a new kind of tax?

No. Congress possessed complete and plenary power of income taxation from the beginning of your U.S. Constitution, September, 17, 1787.

4. Does the 16th Amendment give Congress any new taxing power?

No. As is clearly stated by the U.S. Supreme Court in the Stanton Case.

5. Does the 16th Amendment challenge or repudiate the ruling in the pollock Case of 1895?

No. The Pollock Case of 1895 will be discussed in detail later. However, for now, it must be pointed out that today many people erroneously believe that the U.S. Supreme Court, in the Pollock Case of 1895, considered "income taxes" to be in the class of direct taxes which had to be apportioned according to the Constitution. Their confusion is multiplied when they not only erroneously conclude that the 16th Amendment challenged and repudiated the ruling in the Pollock Case, but they also erroneously conclude that the 16th Amendment removed the need of apportionment for a particular kind of direct tax. Nothing could be further from the truth. In the Brushaber Case, the U.S. Supreme Court said: *"The Amendment contains nothing repudiating or challenging the ruling in the Pollock Case..."*. Brushaber, supra, at 19.

To show that the Pollock Court (1895) recognized that "income taxes" were in fact

indirect taxes, the Brushaber Court (1916) said: *"The conclusion reached in the Pollock Case did not in any degree involve holding that income taxes generically and necessarily came within the class of direct taxes on property, but on the CONTRARY recognized the FACT that taxation on income was in its nature an EXCISE entitled to be enforced as such...."*

Now I shall take the quiz out of order and respond to question number seven prior to number six for the order will be more reasonable in understanding.

May we have a break please and then we will continue with No. 7 at our next writing.

CHAPTER 5

REC #3 HATONN

MONDAY, JUNE 18, 1990 5:20 P.M. YEAR 3 DAY 306

REPEAL?

7. Did the 16th Amendment repeal any part of the original Constitution?

You have to consider another example of a situation in which an Amendment was repealed in order to have any relative comparison. We shall consider the 18th Amendment and its later repeal.

The 18th Amendment prohibited the manufacture, sale, transportation, importation and exportation of intoxicating liquors, and was ratified January 16, 1919. Because it was a daring thing to do at the time, quite likely more people started drinking alcoholic beverages than would have if the 18th Amendment had never existed as that is the nature of human behavior. At any rate, it created many problems and was not a popular amendment in the aftermath. The point is, again, that people think they will solve problems with absolutely no notion of that which they are doing. Therefore, those who have a driving desire to have a thing happen make sure it happens while the rest, the uninterested parties, wait and dream on. So, on December 5, 1933, the 21st Amendment repealed the 18th Amendment.

Now this is extremely important so please pay close attention for you are to get some valid truth regarding the nonsense around the 16th Amendment.

Here is the wording of Section 1 of the 21st Amendment:

"The eighteenth article of amendment of the constitution of the United States IS HEREBY REPEALED".

In all the amendments to your Constitution do you see anything similar regarding the 16th Amendment? Of course not--in fact, you can clearly see, there is NO such wording in the 16th Amendment to indicate anything is repealed, nor in any Amendment following. The 16th Amendment clearly and succinctly states: *"The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration"*.

Neither did the 16th Amendment repeal any portion of the U.S. Constitution, but rather it is a restatement and clarification of the general and permanent taxing laws of the United States in regard to "income tax".

Therefore, this brings us to your sixth, and perhaps most important, question.

6. What was the purpose of the 16th Amendment?

Here again, the U.S. Supreme Court answers. Notice carefully the words and phrases used by the court, such as forbids, prohibited, maintaining the limitations, harmonizing their operations, prevented, prevention, making clear, and simplifying the situation.

The court's use of these words supports the statement that the 16th Amendment is a restatement and clarification of the general and permanent laws of the United States in regard to "income taxes".

Having demonstrated what the disastrous results would be to the U.S. Constitution, IF Mr. Brushaber's erroneous propositions and contentions were acceded to, the U.S. Supreme Court said:

"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 constitutional system and multiply confusion".

After having paraphrased some more of Mr. Brushaber's erroneous contentions, the U.S. Supreme Court continued:

"Indeed, from another point of view, the Amendment demonstrates that no such purpose was intended and on the contrary shows that it was drawn with the object of maintaining the limitations of the Constitution and harmonizing their operation".

Then in the Stanton Case, the U.S. Supreme Court said:

"The Sixteenth Amendment conferred NO NEW POWER of taxation but simply prohibited the previous complete and plenary power of income taxation possessed by Congress FROM THE BEGINNING from being taken out of the category of indirect taxation to which it inherently belonged....".

The U.S. Supreme Court said that the 16th Amendment must have obviously been intended to simplify the situation and make clear the limitations on the taxing power. The court also said that the 16th Amendment was drawn with the object of maintaining the limitations of the Constitution and harmonizing their operations. The court further stated that the 16th Amendment simply prohibited the previous complete and plenary power of income taxation possessed by Congress FROM THE BEGINNING from being taken out of the category of indirect taxation to which it inherently belonged.

Was an amendment to the Constitution really necessary just to make clear and maintain the limitations of the taxing power given the federal government in the original Constitution? What was the problem? Who was being prevented from taking the power of income taxation that Congress always had from the beginning out of the

category of indirect taxation to which it inherently belonged? Had somebody done that before? If so, why?

Since it is a FACT that an income tax inherently belongs in the class of an indirect tax which is a tax imposed upon revenue taxable events or activities, how could it have been taken out of its proper class? After all, indirect taxes are the only class of taxes that can be laid without apportionment among the several States, and without regard to any census or enumeration. Perhaps there is another reason for the 16th Amendment.

Let us investigate other statements made by the U.S. Supreme Court in the Brushaber Case in regard to the Pollock Case. These will not explain, but will tend to reveal, what is undoubtedly the main purpose for which the 16th Amendment was adopted; that is, being "drawn for the purpose of doing away for the future with the principle upon which the Pollock Case was decided", and to forbid "the application to such taxes of the rule applied in the Pollock Case".

“The Amendment was drawn for the purpose of doing away for the future with the principle upon which the Pollock Case was decided”. and,

“The command of the Amendment that all income taxes shall not be subject to apportionment by a consideration of the sources from which the taxed income may be derived, forbids the application to such taxes of the rule applied in the Pollock Case...” and yet, the Brushaber Court said:

“The Amendment contains nothing repudiating or challenging the ruling in the Pollock Case that the word direct had a broader significance since it embraced also taxes levied directly on personal property because of its ownership...”.

Let us consider just what was the principle upon which the Pollock Case was decided. What rule was applied in the Pollock Case? What did the court mean when it said the ruling in the Pollock Case was that the word "direct" had a broader significance since it embraced also taxes levied directly on personal property because of its ownership? Let us dig a little bit.

Today many people wrongly believe that the Pollock Court held that an "income tax" is unconstitutional. Others wrongly believe that the Pollock Court held "income taxes" to be direct taxes, and that the 16th Amendment removed the need for apportionment, but the Brushaber Court clearly shows that this was not the holding in the Pollock Case when it clearly states:

“The conclusion reached in the Pollock Case did not in any degree involve holding that income taxes generically and necessarily came within the class of direct taxes on property, but on the CONTRARY recognized the FACT that taxation on income was in its nature an EXCISE entitled to be enforced as such unless and until it was concluded that to enforce it would amount to accomplishing the result which the requirement as to apportionment of direct taxation was adopted

to prevent, in which case the duty (meaning the duty of the court) would arise to disregard form and consider substance alone and hence subject the tax to the regulation as to apportionment which otherwise as an excise would not apply to it”.

It becomes more obvious that you are going to need some additional background information if you are to really understand the reasoning behind the Brushaber opinion. Therefore, let us regress somewhat so that you can gain some information on the man who delivered the Brushaber opinion and also information on some of the prior cases which he cites. Wouldn't this have been easier and a lot less messy if you had learned this all in school?

Chief Justice Edward Douglas White delivered the opinions in both the Brushaber Case AND in the Stanton Case. He had been involved with this "income tax" issue for a long, long time. He was even on the Supreme Court in 1895 and had delivered a somewhat fervent dissenting opinion in the Pollock Case. Yet, he had no argument with the FACT that the power of income taxation belongs in the category of *indirect taxation*, and was in total agreement on this point. His dissenting opinion in the rehearing of Pollock v. Farmers' Loan Assn., 158 U.S. 601 can be found within the last few pages of the documented case at 706-715. Edward Douglas White was appointed Chief Justice by President Taft in 1910 following Chief Justice Fuller's death. He was commissioned to the Supreme Court in 1894.

The reason White dissented in Pollock was the fact that the majority opinion of the court was going to disturb what he considered to be a settled point in case law. It had always been assumed by courts, from the time of 1796 in a case referred to as the Hylton Case down through 1880 with the Springer Case, that a tax imposed upon personal property was not actually on the property by reason of ownership, but rather upon its use (activity) or the consumption of a commodity (activity). It had also been assumed by the courts that if a tax was neither a capitation tax nor a tax on real estate, which were direct taxes, it must therefore fall into the class of an indirect tax. White also expressed concern that if a tax on the income from property was considered a direct tax requiring apportionment, it would be extremely difficult, if not impossible, to reach through taxation the large amounts of invested capital. As always, when there is a will there is certainly conjured up a way--so, don't be concerned, for a way was found, and that way was with the special, and clever, use of words in the later taxing statutes and the 16th Amendment.

Let us read his dissenting opinion in the Pollock Case,. White refers many times to the Hylton Case, which established what he then believed to be the "judicial construction" for almost 100 years.

The Hylton Case, 1796

"This was a writ of Error directed to the Circuit Court for the District of Virginia; and upon the return of the record, the following proceedings appeared. An action of debt had been instituted to May Term, 1795, by the attorney of the district,

in the name of the United States, against Daniel Hylton, to recover the penalty imposed by the act of Congress, of the 5th of June, 1794, for not entering, and paying the duty on, a number of carriages, for the conveyance of persons, which he kept for his own use. The defendant pleaded nil debet, whereupon issue was joined. But the parties, waiving the right of trial by jury, mutually submitted the controversy to the court on a case, which stated "That the Defendant, on the 5th of June, 1794, and therefrom to the last day of September following, owned, possessed, and kept, 125 chariots for the conveyance of persons, and no more: that the chariots were kept exclusively for the Defendant's own private use, and not to let out to hire, or for the conveyance of persons for hire: and that the Defendant had notice according to the act of Congress, entitled "An act laying duties upon carriages for the conveyance of persons", but that he omitted and refused to make an entry of the said chariots, and to pay the duties thereupon, as in and by the said recited law is required, alleging that the said law was unconstitutional and void. If the court adjudged the Defendant to be liable to pay the tax and fine for not doing so, and for not entering the carriages, then judgment shall be entered for the Plaintiff for 2000 dollars, to be discharged by the payment of 16 dollars, the amount of the duty and penalty; otherwise that judgment be entered for the Defendant'. After argument, the court delivered their opinions; but being equally divided, the Defendant, by agreement of the parties, confessed judgment, as a foundation for the present writ of error; which was brought merely to try the constitutionality of the tax". (As was the first proceeding).

“The court delivered their opinions seriatim in the following terms. Chase, Justice. By the case stated, only one question is submitted to the opinion of this court; whether the law of Congress, of the 5th of June, 1794, entitled, 'An act to lay duties upon carriages, for the conveyance of persons', is unconstitutional and void”?

Let us now consider the opinions and whether or not they rendered a judicial opinion on the constitutional meaning of the word "direct".

Chase, Justice: "I am inclined to think, but of this I do not give a judicial opinion, that the direct taxes contemplated by the Constitution, are only two, to wit, a capitation, or poll tax, simply, without regard to property, profession, or any other circumstance; and a tax on land. I doubt whether a tax, by a general assessment of personal property, within the United States, is included within the term direct tax".

Patterson, Justice: "I never entertained a doubt, that the principle, I will not say, the only, objects, that the framers of the Constitution contemplated as falling within the rule of apportionment, were a capitation and a tax on land".

Iredell, Justice: "As all direct taxes must be apportioned, it is evident that the Constitution contemplated none as direct but such as could be apportioned". and, "Perhaps a direct tax in the sense of the Constitution, can mean nothing but a tax on something inseparably annexed to the soil: Something capable of apportionment under all such circumstances".

Now, you come into some interesting facets: Three other justices were on the U.S. Supreme Court. Justice Wilson had ruled on the case in the Circuit Court of West Virginia and continued to uphold his sentiments in favor of the constitutionality of the tax. Thus, he was able to vote twice on the issue. His vote in the U.S. Supreme Court made it a unanimous decision regardless of the actions of the next two justices. Conveniently left out of the records are the names of both judges before whom the case was argued in the Circuit Court. Funny how records and files still disappear from court records at ever increasing rates.

There were two other judges but Justice Cushing had been indisposed, and having not attended the arguments, also declined taking part and Justice Ellsworth had just been sworn into office on that very morning and declined taking part in this decision.

The only issue before the court was whether the act itself, as written, was unconstitutional. The justices really didn't have to give an opinion on the constitutional meaning of the word "direct", and actually, they didn't. They each concluded that a duty on carriages came into the class of duties or excises and therefore did not require apportionment. Good show! Each, however, came to his conclusion by different reasoning. Do you see how vulnerable you really are? By the way--the New Constitution is incredibly more ambiguous than is the original document. You won't have a chance of any type with all the bribery of today's fountains of wisdom and truth that you send to Washington and your state legislatures.

At any rate, the language, and not a ruling, in this case, being that the only direct taxes contemplated by the Constitution were capitation taxes and taxes on real estate, was carried down through the years in the arguments in the various tax cases. It was merely assumed that if the tax was not a capitation tax or a tax on real estate, it would therefore be considered an indirect tax. Just like "they" assume you won't notice your imprisonment until after the fact.

Then there was the Springer v. U.S., 102 U.S. 586. This was much like the Hylton Case; both cases claiming a 'duty' was a direct tax and void because it was not apportioned among the states in accordance with the Constitution. No question was presented to the court in either case as to whether or not the tax actually applied to the individual involved.

I think you get the picture without further prattling about individual cases at this point. They are all out there for your viewing if you ever need to cite them.

DIRECT TAXES ON REAL ESTATE

Compared to other forms of taxation, the assessment and collection process involved with a direct tax on real estate requires far fewer records, and also a smaller number of administrative personnel; especially if the evaluations which are already established in the state records are used. All of this results in lower tax collection costs for the entire

nation. Also, a direct tax on real estate is more "up front", as compared to the many indirect taxes which are "hidden" in the price of the various articles of consumption, thereby allowing the citizen to be more aware of government spending.

As stated earlier, Congress has not imposed a direct tax since the days of the Civil War. Today, many people erroneously believe that the "Victory Tax" of 1942 was a direct tax on wages, but it was only an additional amount added to that indirect excise tax called the "income tax", which is only properly applied to revenue taxable events or activities. On the surface it seemed quite lawful and will be attempted again, my friends, if the need arises--and "they" will see to it the need arises if you allow of it.

Had Congress used its power of direct taxation to pay the bills as you have gone along, there would be no federal debt today. Also, Congress might well have spent more wisely and created fewer bills each year, or the people may have elected some new congressmen. This is truly the essence of no taxation without representation, and the reason for which the rule of apportionment required for all direct taxes was adopted. **YOU CAN DO IT IF YOU WANT TO!**

If direct taxes were imposed on real estate by the federal government, the property holders, of course, would then want answers from their congressmen as to where all the tax money was to be spent. The congressmen, in turn, would be forced to have some pretty good answers. To the extent the cost of direct taxes on real estate is passed on to tenants, even the tenants would have an interest in the spending habits of their congressmen. Under this type of tax collection, the individuals are able to exert better control over the spending habits of their congressmen and thusly surfaces the reasons it is NOT being done in this manner.

Also, under this type of tax collection, the property holder does not waive his Fourth Amendment right to privacy of papers, or his Fifth Amendment right not to witness against himself under penalty of perjury as happens when a "taxpayer" completes a 1040 form for the so-called "income tax".

Dharma it has been a long day of work so we will sign off and take up the subject of State Income Taxes when we sit in the morrow. Thank you, chela, and good-day.

Hatonn to stand-by, please.

CHAPTER 6

REC #2 HATONN

TUESDAY, JUNE 19, 1990 11:13 A.M. YEAR 3 DAY 307

STATE INCOME TAXES

People believe that state "income taxes" are in the class of "direct" taxes upon the money received as income. Let us dispense with this erroneous assumption immediately.

State income taxes are modeled part and parcel after federal income taxes. They are copied in both form and substance, and are therefore indirect taxes also, which apply to revenue taxable activities. Does this sound repetitious? Good--it shows you were paying attention before now. However, these indirect taxes are also being applied and enforced AS IF most individuals are engaged in revenue taxable activities or events, just as does the federal government, when in fact most people are merely exercising their God-given and constitutionally secured right to exist, which is an activity that is not taxable for revenue purposes. Ho Hum-m-m. Please tell me that thought forms are taking shape!

The state public school systems teach the students how to fill out tax forms AS IF they are ALL going to be engaged in activities or events that cannot be pursued as a matter of constitutional right. The students are forced to graduate in ignorance and perpetuate the lie--many go on to become lawyers, doctors, merchants and chiefs as well as butchers, bakers and candle stick makers and all simply go forth and practice the lie as fed to them as outlaid by the conspiracy to destroy the Constitution.

Students go forth without having the slightest idea that there is a difference between a revenue taxable activity as opposed to the free exercise of the constitutionally secure right to sustain one's self and to acquire property (income or other compensation).

Why don't some of you daring teachers and parents give a copy of these Journals on the Constitution and the 16 Amendment to your young people and see if they don't light up like light bulbs. You undersell your children--they know the facade of society for that which it is--a lie. Why don't you really give your children a legacy of hope and freedom and allow them to learn truth and they will stop the vulgar, obscene attentions to drug and Satanic groups and bring you back into freedom. The youth only awaits its purpose; they refuse to longer be gun fodder. Show them the way and allow them truth and they will act in honor, respect and unity and you won't have to worry about flag burners, my dear friends.

They are given no input as to the fact that they can lawfully contract their talents and labors in innocent and harmless activities for lawful compensation without penalties and robbery from the criminals you have sent to your houses of government. It isn't

your fault for you, too, were in ignorance--BUT NO MORE! NO LONGER ARE YOU IN IGNORANCE IF YOU HAVE READ THIS FAR IN THIS JOURNAL --YOU NO LONGER HAVE HONEST COP-OUT. IF YOU CHOOSE TO CONTINUE IN THE LIE--FACE IT; IT IS YOUR CHOICE AND SIMPLY TELL YOUR CHILDREN YOU WERE AFRAID TO PURSUE TRUTH. DOES THAT PROSPECT APPEAL TO YOU AS PARENTS CLAIMING TO WANT THE BEST FOR YOUR FUTURE GENERATIONS? YOUR FUTURE GENERATIONS AT THIS POINT ARE SELLING DRUGS TO BURY THEIR FUTURE FOR THEY INNATELY KNOW HOW BAD IT REALLY HAS BECOME.

There are several ways to demonstrate that state income taxes are not being applied as if they are direct taxes on the money received as income. Compare the property tax on real estate, which is a direct tax, to the state income tax. Property taxes are measured on the basis of the value of the property which an Individual holds at any one period of time. Few people have all of the money on hand at any one period of time which they earn during the year. Yet, income taxes are measured by the amount of income derived during a year regardless of how much of this income is on hand at any one period of time. This demonstrates loudly and clearly that the income tax is not on the money that one holds, but is on the revenue taxable activity and is merely measured by the amount of income derived from that activity during a year--therefore, the tax itself is constitutionally UNLAWFUL.

Additionally, consider that property taxes on a particular home, for instance, are the same amount regardless if the home owner is single, married, has no dependents or has 20 dependents. If the amount of tax on like dwellings were higher for the single person with no dependents than for a married person with 20 dependants, it would amount to unequal protection under the law! The law can allow much more latitude in regard to the application of taxes on revenue taxable activities, because the nature of a revenue taxable activity is such that it cannot be pursued as a matter of constitutional right. There is simply no way to construe income taxes to be LAWFUL under the Constitution no matter how we might twist and fidget with the writings. Therefore it boils down to man tampering with the Law within the Constitution just as he has tampered with God's laws within the Holy Books--to suit his own power and greed hungry status.

UNEMPLOYMENT AND DISABILITY INSURANCE TAXES

Yes, incidentally, the so-called "state unemployment taxes" and the so-called "state disability insurance taxes" ARE ALSO INDIRECT TAXES AND THEREFORE UNLAWFUL ACCORDING TO THE CONSTITUTION. The only persons who are subject to these taxes, therefore, are those who are engaged in revenue taxable activities and we will enlarge on this when we get to the dissection and smashing of Social Security. Does it begin to seep into your minds that you have been acting against the very laws of the Constitution for some time now? Well, what are you going to do about it? Complain, moan and groan about Hatonn's doom and gloom revelations? That is entirely up to you. The very ones who are in the criminal element

of actions are benefiting from your gifting of hunks of your rightful, constitutional property--using a weapon to boot, to take it from you!

By the way--they plan to get all your weapons from you and have a built in police force, all armed and written into the "New" Constitution to insure you have no protection whatsoever. A mentally deranged man (who listens constantly to Satanic mental brain-manipulations) goes forth and shoots sonic people and you ones line up to DEMAND that the government take your guns. ARE YOU PLANNING TO SHOOT A BUNCH OF PEOPLE? I THOUGHT NOT! YOU ARE NOT GOING TO GET THE WEAPONS AWAY FROM THE CRIMINALS--ALL YOU ARE GOING TO DO IS DISARM THE VERY ONES WHO MIGHT IMPACT YOUR SECURITY. SO BE IT, THAT IS ANOTHER SUBJECT WHICH I SHALL MOST SURELY COVER IN ANOTHER JOURNAL. IT IS A CONSTITUTIONAL RIGHT AND YOU HAD BETTER BE LOOKING MOST CAREFULLY AT YOUR CONSTITUTION FOR YOU ARE ABOUT TO "VOTE" IT GONE!

With a reasonable amount of knowledge and sound reasoning, one can see that the so-called income taxes are correctly operating as indirect taxes. However, one can also see that they are being misapplied to individuals who are not involved in any revenue taxable activity and are therefore not subject to these so-called income taxes or other revenue taxes, and are not within the purview of such tax laws.

The main point of this little chapter is to enforce the truth of the situation which flows from state to federal and back to state and never even bothers to become lawful in the process.

The main message is that the "income tax" has been judicially determined long ago to be an indirect tax in the nature of an excise, and is actually imposed upon revenue taxable events, occasions, incidents, or activities which cannot be pursued as a matter of constitutional right, and the individual who is merely exercising his constitutionally guaranteed right to lawfully acquire property (income or other compensation) by lawfully contracting his own labor to engage in innocent and harmless activities for lawful compensation is not subject to such a tax. The receipt of income, in and of itself, DOES NOT DETERMINE TAX LIABILITY. It is the nature of the activity that determines liability, and the income derived from the activity is used only to measure the amount of the tax imposed upon the revenue taxable event, occasion, incident or activity. The so-called "income tax" CANNOT BE LEGALLY ENFORCED AS IF IT WERE A DIRECT TAX ON THE MONEY RECEIVED, NOR CAN IT BE LEGALLY APPLIED TO AN INDIVIDUAL *WHO IS NOT ENGAGED IN ANY REVENUE TAXABLE EVENTS, OCCASIONS, INCIDENTS, OR ACTIVITIES.*

WAIT A MINUTE, PLEASE

Now, lots of you are fully up in arms at this point and you are thinking of "doing" something even if it's wrong. Just hold on another few hours and then do something --but do it RIGHT! I am going to give you some sources of information to insure you

handle things properly. They won't, however, have the most useful information to keep you leaders out of the courts in the first place.

Unless you are eager to get into the system and be shot at, "legalized" to poverty, etc., you take upfront measures to begin properly. First, if you have assets tucked here and there and assets that show all over the place--**THINK CAREFULLY!** You have half a year before they will come with the guns and you can do unimagined wonder in six short months. See if it is applicable to set up a corporation or two and shift your assets --you have nothing to lose except attention and the IRS police force.

Again, I tell you to go through Nevada--even if you spend extra to allow business to be done in your home state in almost all instances. It is the **ONLY** state in your Union which has no state income tax and no reciprocity with the Federal Government and/or IRS. Avoid open confrontation in the courts until you know what you are doing--if you "show" no worthwhile assets, there is not point in harassing you to any great extent as long as the law of the Constitution is on your side. I tell you now, that millions of your brothers and neighbors pay no income taxes and nobody bothers them about it. The big show of power is to terrorize you into submission and cause you to **ASSUME** that that which they tell you and do unto you is legal. What worthwhile activity or property could you acquire if you were able to keep your property and money for your own use or guide your contribution to the governmental system to suit truth and your needs?

I hope you think very carefully upon these things. It is urgent indeed. The door is open wide to change it all before your blinking eyes and then it will be too late for action.

IF YOU ALLOW THIS THING TO COME UPON YOU--DO NOT BLAME GOD! GOD HAS NOW SENT THESE ONES TO BRING TRUTH UNTO YOU, SO KEEP RESPONSIBILITY FOR INACTION TO SOURCE. THERE IS A LIBRARY FILLED WITH PROOF OF THIS TRUTH. IT IS UP TO YOU TO BRING IT INTO THE OPEN LIGHT OF INFORMATION FOR THE MASSES.

THE WELFARE RECIPIENTS (OF WHICH THERE ARE MORE THAN YOU CAN POSSIBLY IMAGINE) WILL AT FIRST BE AGAINST YOU. THEY SEEM TO FEEL THE WELL SHALL NEVER BE DRY. IT WILL RUN DRY AS SOON AS THE CONTROL IS SHIFTED IN TOTAL TO THE DICTATORIAL GOVERNMENT WITH THE NEW CONSTITUTION. WELFARE, AS YOU LOVELY RECIPIENTS NOW RECOGNIZE IT, WILL BE ENDED AND THE OPPRESSION WILL BE BEYOND YOUR DREAMS. THE WELFARE SYSTEM AS UTILIZED AT PRESENT IS STRUCTURED TO ENSURE YOUR ENSLAVEMENT WITHIN IT AND IT REQUIRES THAT A PERSON IN NEED OF HELP BECOME ENSLAVED.

All your governmental systems are based upon foundationless assumptions which have no bases in fact. They are conjured systems for your entrapment and to render you helpless. It will only come to be if you sit and allow of it to happen to you. Take back control of the government by the people, for the people and of the people--you have

simply forgotten the truth of the path laid forth for your journey.

Allow us to have a bit of respite and we will cover the W-4 Form for I am deluged with projections of queries. If we might, please, let us give extra time to this Journal and see if we can get it to the public quickly. People can follow up with their own research as they come into attention of the possibilities. We must also cover the full ramifications of the gun control lobby as to your protection and Constitutional rights and time grows so short for action through knowledge. If man fails to act after we have brought forth truth; 'tis his responsibility--we will have carried forth our mission, chelas. We have many other things to do and build, but this is our mission first and foremost--to bring truth unto a floundering, transitioning world in service unto Creator/Creation. May we ever press forward that we not regret in having tarried too long in our work. We must be most careful to keep priorities in proper sequence.

Make sure that Charles and John are given the information sent from Patrick Gage for you will need all that information regarding shelters, etc.

Something to ponder in point regarding shelters. Is it not strange that the very ones in your government who insist upon the security and lack of need for shelters--continue to update yearly all facets of shelters and survival? **COULD IT BE THAT YOU THE PUBLIC ARE THE EXPENDABLES AFTER ALL? IT REQUIRES NO SPACE CADET TO SEE WHAT IS GOING ON ABOUT YOU. THE TRUTH IS KEPT FROM YOU AND IT IS TIME YOU STOP ALLOWING OF IT FOR THERE ARE PLACES TO GLEAN TRUTH IN SPITE OF THE CONTROLLERS. YOU SEE, THERE ARE ONLY A VERY SELECTED FEW WHO ARE REALLY AND ACTUALLY A PART OF THE PLANNED SURVIVORS IN THE NEW ORDER --THE ONES WHO ALLOW THEMSELVES TO BE TOOLS AND BELIEVE THEY ARE GETTING THEIR PLACE IN SAFETY HAD BETTER WAKE AND SMELL THE COFFEE. THEY WILL BE THE FIRST SEVERED AND LEFT TO CONTINUE THE LIE. REMEMBER, THE ONES WHO START AND DECLARE WAR ARE NOT THE BODIES WHO STAND WITH THE GUNS ON THE BATTLEFIELD! PONDER IT.**

Hatonn to clear.

CHAPTER 7

REC #4 HATONN

TUESDAY, JUNE 19, 1990 2:50 P.M. YEAR 3 DAY 307

ON THIS VERY DAY ON THE NEWS A BULLETIN WAS FLASHED AT EVERY EARLY MORNING BROADCAST OF THE NEWS. IT SAID IN PARAPHRASE., THAT THE GOVERNMENT IS INCREASING ENFORCEMENT PERSONNEL TO GET THE "TAX CHEATERS" AND ETC., ETC., TO "SHAPE UP THE TAXPAYERS" BECAUSE REVENUES ARE DRASTICALLY REDUCED. **HALLELUJAH, HALLELUJAH!!!** AMEN AND AHO! SOMEONES ARE LISTENING! WATCH NOW FOR INCREASED PRESSURE FOR THE CONVENTION. BE ALERT AND WARY FOR THE FOX IS ON THE PROWL AND REMEMBER--HE IS RUNNING FOR HIS SUPPER TICKET; YOU ARE RUNNING FOR YOUR LIFE!

THE W-4 FORM

Employers must learn full well that the revenue laws apply only to those who are engaged in revenue taxable activities. The employers must know full well that W-4 forms apply only to an individual, who: 1. as their employee, is engaged in a revenue taxable activity, AND 2. such employee is claiming some degree of statutory exemption; either partially or totally exempt.

The employers must know full well that any W-4 form, signed by an individual who is not engaged in a revenue taxable activity, IS NULL AND VOID!

The employers should already know these things and you must, furthermore, assume that they know these things. How do you know that they can know these things? Because the employers, through their attorneys as well as the taxing agencies, have access to the top legal minds of the nation. Of course they know. Ignorance of the law is no excuse for employers. Ignorance of the law is certainly not considered excuse for citizens and/or employees.

Nevertheless, almost all employers have exerted undue influence and coercion on their employees, whose jobs do not involve any revenue taxable activity, to fill out and sign W-4 forms and to provide Social Security numbers, when such employees are not subject to any income tax or any other revenue tax.

In almost all cases the employers have led their employees to believe that everybody is required by law to furnish a signed W-4 form relating to his employment. Also, almost all employers have made the signing of the W-4 form a condition of employment; causing double jeopardy and liability.

REQUIREMENTS FOR W-4 FORMS

Is everybody required to furnish a W-4 form as a condition of their employment? Is ANYBODY required to furnish a W-4 form as a condition of their employment? THE FACT IS, *NOBODY IS REQUIRED BY LAW TO FURNISH A W-4 FORM AS A CONDITION OF THEIR EMPLOYMENT AND FORCING SUCH IS ILLEGAL AND UNLAWFUL AND DISCRIMINATORY IN NATURE OF EQUAL EMPLOYMENT RIGHTS UNDER THE LAW.*

Because of the widespread misrepresentations by employers, the following information is provided. Let us PROVE (you ones love Proof!) the following statements:

1. The laws do not require anybody to furnish an employer with a W-4 form as a condition of employment.
2. W-4 forms apply only to an individual who, as an employee, is engaged in a revenue taxable activity, and such employee is claiming some degree of exemption or allowance which is specifically authorized by statute.
3. The employer is not required to send any W-4 form to the IRS if the individual who submitted the form is not subject to the tax. (The law actually forbids the employer from sending such forms to the IRS).
4. There can be no voluntary agreement to withhold taxes unless the individual is subject to the law.

AHO!

PROOF!

In prior chapters we have utilized Supreme Court decisions to prove that an income tax is an indirect tax in nature of an excise. Also, these decisions were used to show that indirect taxes, including excise taxes, are taxes imposed upon the happening of events or activities which are taxable for revenue purposes, and most importantly, to show that the free exercise of the constitutionally guaranteed rights to exist and to sustain one's self, and to acquire property by lawful means, cannot be taxed for revenue purposes.

Probably the first and foremost issue that should be discussed with an employer is whether the job description involves a revenue taxable activity. Is there something about the job activity that does not warrant constitutional protection, or that creates a liability to the public? If not, the employer has no valid reason to expect an individual to complete a W-4 form; a form that applies only to a person who makes himself liable by engaging in revenue taxable activities. Of course the employer is expected to know that the revenue laws relate only to "taxpayer(s)" as defined, and not to "NONTAXPAYERS". Certainly the employer knows that he cannot withhold a tax

from someone who is not even subject to the tax. But what about the individual who IS subject to the tax? Is he required to furnish a W-4 form as a condition of employment?

Even in the case of the employee who is engaged in a "revenue taxable activity", which almost none of you are, and even though such activity is subject to withholding, such an employee is still NOT REQUIRED by law to furnish a W-4 form when he obtains his employment (you have just 'ASSUMED' it to be required and followed blindly along with the show!).

You will see that there are even provisions in the Internal Revenue Code for the withholding of taxes in the event there is no W-4 form furnished by such "taxpayer" employee, but these provisions can only be legally applied to an individual who, as the employee, is engaged in a revenue taxable activity, for which almost none of you qualify, and if you do, you had better look again at that job. Now why would there be a law written as to what to do if there is not a form unless there is actually no law that requires it in the first place? Start watching the small print between the lines and you will save absolutely bundles of income.

If such an employee wants to claim some degree of exemption from withholding, he can do so by furnishing a W-4 form. (Note: if such a "taxpayer" employee has previously furnished a W-4 form, he can under certain circumstances be penalized by the government for failing to furnish a new W-4 form). Dear ones, why do you think the infamous Al Capone was convicted on income tax evasion when nothing of the criminal nature could capture-- BECAUSE HE WAS AN AUTHENTIC, DASTARDLY AND QUALIFIED "TAXPAYER" UNDER THE DEFINITION OF THE LAW!!

If such an employee is claiming some degree of statutory exemption, such exemption is to be claimed by furnishing a W-4 form to the employer. If such an employee is not claiming some degree of statutory exemption, there is no need for any W-4 form. Even a "taxpayer" employee cannot be required to apply for exemptions. The employers know that the Internal Revenue Code provides direction in case the employee, who, in the course of his employment is engaged in a revenue taxable activity, fails to furnish a W-4 form. The employer is simply to withhold on the basis of single with zero exemptions--now, how about that?

The employers also know (or better know) that there is no place in the code that requires employers to refuse to hire an individual who does not furnish a W-4 form. Nor is there any place in the code that requires the employer to dismiss or punish in any manner an employee who refuses or fails to apply for exemptions (or allowances) via a W-4 form.

Keeping in mind the fact that the revenue laws relate only to "TAXPAYERS" and not to NONTAXPAYERS, let's see how the law applies to a "taxpayer" employee; that is, an employee who is engaged in a revenue taxable activity (which almost NONE of you are). The Internal Revenue Code sections are cited only to demonstrate how the

revenue laws have been misapplied, and most importantly to show that the employer cannot, as a condition of employment, require their employees to furnish any W-4 form. 26 U.S.C. 3402(f)(2)(A) reads:

Sec. 3402(f) Withholding exemptions

(2) Exemption certificates

(A) On commencement of employment

On or before the date of the commencement of employment with an employer, the employee shall furnish the employer with a signed withholding ex-emption certificate relating to the NUMBER of withholding exemptions which he claims, which shall in no event exceed the number to which he is entitled. 26 U.S.C. 2402(f)(2)(A)"

Since he shall furnish a W-4 form relating to (showing) the number of exemptions claimed, if he claims no exemptions there is no requirement for him to furnish a W-4 form in the first place. He is merely entitled to furnish a W-4 form, if he so chooses. But what is the employer to do if such employee does not furnish a W-4 form? 26 U.S.C. 3402(§) reads in part as follows:

Sec. 3402(§) Determination and disclosure of marital status.

(1) Determination of status by employer

For purposes of applying the tables in subsections (a) and (c) to a payment of wages, the employer shall treat the employee as a single person unless there is in effect with respect to such payment of wages a withholding exemption certificate furnished to the employer by the employee after the date of the enactment of this subsection indicating that the employee is married.

(2) Disclosure of status by employee

An employee shall be entitled to furnish the employer with a withholding exemption certificate indicating he is married....

The "taxpayer" employee doesn't even have to indicate he is married. If he doesn't, the employer is to treat him as if he were single. But if the "taxpayer" employee wants to indicate he is married, he is entitled to do so by way of a W-4 form according to 26 U.S.C. 3402 (§).

Furthermore, the "taxpayer" employee doesn't even have to claim any exemptions. Sub-section 340I(e) provides:

Sec. 3401(c) Number of withholding exemptions claimed

For purposes of this chapter, the term "number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under section 3402(f), or in effect under the corresponding section of prior law, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero. 26 U.S.C. 3401(e).

If the employee is engaged in a revenue taxable activity and fails to furnish his employer with a W-4 form, the above subsections provide direction for the employer to withhold on the basis of single, with zero "number of exemptions claimed". But, before the employer decides to withhold anything, he had better know that the employee, in respect to his employment, is engaged in a revenue taxable activity and thus subject to withholding.

Sec. 3402(§)(1) clearly states "For the purposes of applying the tables...", and Sec. 3401(e) clearly states "For purposes of this chapter. . ." The tax tables and all chapters of the code apply only to those who are subject to a revenue tax (which almost NONE of you are). Your employer can certainly be expected to know whether or not he has hired someone to engage in a revenue taxable activity.

Unless the "taxpayer" employee has previously furnished a W-4 form and his status changes so that he is no longer entitled to the number of exemptions or exempt status originally claimed, there is NO REQUIREMENT for ANYBODY to furnish a W-4 form.

If, however, an individual is employed in a revenue taxable activity and has previously furnished his employer with a W-4 form and his status changes so that he qualifies for less than the number of exemptions previously claimed, he is now required by law to furnish a new W-4 form to indicate his new and correct status.

26 U.S.C. 3402(f)(2)(B) provides:

(B) Change of status

If, on any day during the calendar year, the number of withholding exemptions to which the employee is entitled is less than the number of withholding exemptions claimed by the employee on the withholding exemption certificate then in effect with respect to him, the employee shall within 10 days thereafter furnish the employer with a new withholding exemption certificate relating to the number of withholding exemptions which the employee then claims, which shall in no event exceed the number to which he is entitled on such day. (In part)

You see, they surely don't encourage you to add exemptions if you have them pop up. It surely doesn't read "more"; it definitely reads "less".

Have you actually been told by your employer that the law required you to furnish a W-4 form or was it ASSUMED? Did you question the procedure? Did you disclaim

desire to fill out the form? Well, I ask that you carefully take a look at the last sentence of the following Treasury regulation. In part, Treasury Regulation 31.3402(f)(2)-1(a) reads:

(a) On commencement of employment...

The employer is required to request a withholding exemption certificate from each employee, but if the employee fails to furnish such certificate, such employee shall be considered as a single person claiming no withholding exemptions.

Now, don't go crazy. Settle down and you will begin to see what you can do--correctly. You do want to get those taxes back which they have unlawfully withheld, don't you? Then be patient and do it right! Oh, you aren't a lawyer? Well, if you have a job that could even be half-way considered to erroneously make you a "taxpayer" (which almost NONE of you are)--then you can COPY NUMBERS, CAN'T YOU? One step at a time and you will learn to walk very well indeed without stumbling over inept feet. Further, you will also keep thine feet from out thine mouth!

Can anything be more clearly stated than the above quote? The employer is only required to request a W-4 form. Of course, even this regulation applies only to those employees who are subject to that indirect excise tax which is called an "income tax" and is set up for "taxpayers" (which almost NONE of you are).

There is simply NO EXCUSE to refuse to hire someone on the ground that he/she refuses to furnish a signed W-4 form. This is especially true when the revenue laws, rules and regulations apply only to those dastardly behaving "taxpayer(s)" as defined. **NONTAXPAYERS** are without the scope of such laws, rules and regulations (and THIS is where almost ALL of you fit).

THE DASTARDLY "\$500.00 PENALTY"

This leads us to the \$500.00 penalty which payroll offices have so willingly deducted from their workers pay because of a "Notice of Levy" for the so-called false or fraudulent W-4 forms. Who was it that sent that danged fool W-4 form to the IRS in the first place? Who had the responsibility of knowing which employees, if any, were engaged in revenue taxable activities? Who was it that insisted W-4 forms be furnished by the employee when he first obtained the job?

On a wholesale basis many employers send the IRS the W-4 "Exempt" forms, regardless of whether the individuals are subject to revenue taxation or not. This triggers the administrative machinery and the IRS treats all of these individuals as if they are "taxpayers" as defined by the internal revenue laws (not the laws--just the IR laws). Those who have furnished W-4 forms with EXEMPT written on them will well remember the letters and forms from the IRS requesting that the individual show why he is exempt. The IRS is merely an administrative agency. The IRS simply has been

sent a W-4 form (which applies only to "taxpayers"), and the IRS is simply saying, "As a 'taxpayer', prove that you qualify for this exempt status." Remember, the IRS letters are addressed to "Dear Taxpayer" (which almost NONE of you are). The NONTAXPAYER now finds himself in a "catch 22" situation, all because the employer has made misrepresentations to the taxing agency indicating the employee was deriving income from a revenue taxable activity and was therefore a "taxpayer" as defined.

NOW, 26 U.S.C. 6682(A) SWEEPS INTO EFFECT BECAUSE THE IRS "THINKS" THEY ARE DEALING WITH A "TAXPAYER" (WHICH ALMOST NONE OF YOU ARE) AS DEFINED.

Sec. 6682. False information with respect to withholding

(A) Civil penalty

In addition to any criminal penalty provided by law, if---

- (1) any individual makes a statement under section 3402 which results in a decrease in the amounts deducted and withheld under chapter 24, and
- (2) as of the time such statement was made, there was no reasonable basis for such statement, such individual shall pay a penalty of \$500 for such statement.

Well, this section, as well as the rest of the Internal Revenue Code, simply *DOES NOT APPLY TO NONTAXPAYERS* (WHICH ALMOST ALL OF YOU ARE). A NONTAXPAYER cannot have a decrease in amounts of taxes deducted and withheld. A nontaxpayer cannot have any taxes withheld. The employer started this problem when he led the taxing agency to believe that the NONTAXPAYER was a "taxpayer". The employer is thus responsible for any losses to the nontaxpayer which are the result of the misrepresentation.

EMPLOYER CLAIMS--SO BE IT

Yet, employers claim they are required to send all W-4 Exempt forms to the IRS. Don't you believe it, little chela NONTAXPAYERS. Don't let anyone tell you that because you filled out the form, the employer was therefore required to send the form to the IRS. The signing of the form does NOT change a non-taxable activity into a taxable activity, and also, the law absolutely prohibits the employer from sending a W-4 Exempt form to the IRS if it does not involve wages earned by one who is subject to the tax (which fits almost ALL of you). This prohibition is clearly and succinctly stated in the 'EXCEPTION' clause two (2) of Treasury Regulation 31.3402(f)(2)-1(g) which reads:

- (g) Submission of certain withholding certificates--(1) General rule. An employer shall submit, in accordance with paragraph (g)(3) of this section, a copy of any

withholding exemption certificate, together with a copy of any written statement received from the employee in support of the claims made on the certificate, which is received from the employee during the reporting period (even if not in effect at the end of the quarter) if the employee is employed by the employer on the last day of the reporting period and **IF--**

(i) The total number of withholding exemptions (within the meaning of section 3402 (f)(1) and the regulations thereunder) claimed on the certificate exceeds 14, or

(ii) The certificate indicates that the employee claims a status exempting the employee from withholding, and the exception provided by paragraph (g)(2) of this section does not apply.

(2) **Exception.** A copy of the certificate *shall not* be submitted under paragraph (g)(1)(ii) of this section if the employer reasonably expects, at the time the certificate is received, that the employee's wages (under chapter 24 of the Code) from that employer shall not then usually exceed \$200 per week.

Chapter 24 and the rest of the Code apply only to those who are engaged in revenue taxable activities (which almost NONE of you are). The employer has absolutely no reason to expect an employee to earn \$200 per week from revenue taxable activities when the employee wasn't even hired to engage in revenue taxable activities. The employer does indeed have a choice, but all too often the employers choose to falsify public records at the expense of the individual who is merely exercising his natural and constitutionally guaranteed right to exist.

Dharma, allow us to leave this for a while. I would request that each of you readers fully understand each segment as we move along--thoroughly and completely. To handle this tedious matter ineptly can be costly indeed in many ways. **KNOW THAT WHICH YOU DO AND THAT WONDROUS CONSTITUTION WILL SHIELD YOU--BLUNDER AND YOU SHALL DEARLY PAY THE CONSEQUENCES. IF I GIVE ADVICE IN ANY MANNER--IT IS TO PAY ATTENTION AND KNOW THAT WHICH YOU DO!**

I shall move to stand-by. Hatonn to clear.

CHAPTER 8

REC #2 HATONN

WEDNESDAY, JUNE 20, 1990 8:08 A.M. YEAR 3 DAY 308

CORPORATE CAPACITY NOT A NATURAL RIGHT

This discussion is not to mislead you into thinking you need now worry your heads about corporations. We are pointing out some variances which need consideration and nothing more. Actually, the birth of a corporation is very little different from birthing a human--it is impacted by the laws of the state in which it is born. We will speak of corporations later--we are now speaking of "you" the person.

The activity of doing business in a corporate capacity is not a "natural" right. The activities of pushing drugs, practicing law, or issuing bank notes also are not "natural" rights. These must be performed by "people" just as a corporation can only function through "people". These activities are indeed taxable for revenue purposes, and can be and are taxed oppressively, unto actual destruction. This is why it is important in which state you take up birth-rights.

The federal government will allow breaks for corporations for as long as it stands the way it is because the cartel conspirators own corporations, banking corporations, etc. You will find that these corporations are birthed in Nevada mostly and only do business in other work states. They are also, in great numbers, birthed in Delaware where the laws were wondrous for corporations until recent years. They will also be found--as with the Cartels--to be birthed abroad, in Panama and so on. This is why the "Panama Invasion"--to gain absolute control of the corporate foundations and the banks. You see, it had nothing to do with Noriega who is a blood brother of the U.S. government or to free "those the people". It was solely for the conspirators to gain absolute control of the drug funds and banks--the competition was getting too hot to handle. It was, further, a Christmas present to the American people to show "how hard they were trying" to save your world from drugs. AND WORSE, YOU BOUGHT IT! Street drugs are more plentiful than ever before in history. Ask Bo Gritz about heroin in the Golden Triangle and who runs the drug trade! Surprise! Sickening, terrible surprise!! Ask Col. Gritz about the U.S./British/Mossad connection. Ask him about U.S. Assistant Secretary of State for East Asia, Richard Armetage. Ask about French Commander in Chief, General Raoul Salan and the Saigon connection--and Col. Edward Lansdale, U.S.A. Then ask him about the Kissinger connection and the refusal of Bush to even look at the proof when it was produced for him. Get your confirmation from someone human who has walked the path and stop doubting Hatonn--I am only "fill-in" until the real thing comes along, brothers. Then make sure that as many as possible get the Sutton letter. You are fed nothing but a stew of subterfuge and cover-up distractors, known as planted lies, cultivated and fertilized by every kook on the trail of distraction and deceit, ignorance and foolishness.

I apologize for I always get most passionate about this subject and become distracted myself. Back to corporations, etc. As regards the above subject of corporations please use these references for verification: Springer v. U.S., 102 U.S. 586; Pollock v. Farmers' Loan & Trust Co., 157 U.S. 429, at 578-579; McCulloch v. Maryland, 4 Wheat. 316; and Veazie Bank v. Fenno, 8 Wall 533, 548. (No, I will not list them all for you--I will check the references made available to me for the best input in general --YOU will do the rest if you care enough. No attempt will be made to list all revenue taxable activities).

Revenue taxable activities are any activities which are UNLAWFUL, NON-INNOCENT and HARMFUL! NONTAXABLE income is anything LAWFUL, INNOCENT and HARMLESS.

However, the free exercise and enjoyment of the constitutionally guaranteed right to lawfully acquire property or compensatory income, by lawfully contracting one's own labor in innocent and harmless activities for lawful compensation, cannot be, and therefore has not been, taxed for revenue purposes. The employers are expected to know this.

Even if a company clerk accepted a W-4 form by mistake, someone within the employing organization is expected to know which, IF ANY, of their employees are engaged in revenue taxable activities, and to know that any "taxpayer" form completed by a nontaxpayer is NULL and VOID!

IF ANYONE WITHIN MY TROOPS BREAKS THESE LAWS I FULLY INTEND TO CUT YOUR WAGES! LET'S SEE NOW, NOTHING FROM NOTHING-- WELL, PERHAPS I SHALL THINK OF OTHER PUNISHMENT FITTING THE OFFENSE.

With the above facts in mind, let's review the so-called "criminal penalties" for the so-called "false or fraudulent" W-4 forms. 26 U.S.C. 7205 reads:

Sec. 7205. Fraudulent withholding exemption certificate for failure to supply information.

Any individual required to supply information to his employer under section 3402 who willfully supplies false or fraudulent information, or who willfully fails to supply information thereunder which would require an increase in the tax to be withheld under section 3402, shall in lieu of any other penalty provided by law (except the penalty provided by section 6682), upon conviction thereof, be fined not more than \$1000, or imprisoned not more than 1 year, or both (26 U.S.C. 7205). Jolly good of them, eh what?

So, who is required to furnish information on a W-4 from? It is only the employee who:

1. Is employed in a revenue taxable activity (which almost NONE of you are), and also,
2. Has previously furnished a W-4 form claiming some degree of EXEMPTION to which he is no longer entitled to claim. (If you have done this, you better get it undone for you became a criminal when you first did it)!

Any employee who is engaged in a revenue taxable activity (which almost none of you are) is subject to withholding. If such employee, when required to supply information, proceeds to willfully supply false and fraudulent information (which, if you are not eligible as a "taxpayer" would be), he obviously is going to be subject to the penalties of 26 U.S.C. 7205: \$1000, prison and/or both.

Who do these penalties apply to? The individual who, as an employee, has not been engaged in a revenue taxable activity? *OF COURSE NOT!* If his activity is not taxable, he is not subject to the tax, and is not subject to the internal revenue laws in any manner whatsoever, and therefore he is not a "taxpayer" as defined. *HE IS A NON TAXPAYER!*

“The revenue laws are a code or system in regulation of tax assessment and collection. THEY RELATE TO TAXPAYERS, AND NOT TO NONTAXPAYERS. The latter are without their scope. NO PROCEDURE IS PRESCRIBED FOR NONTAXPAYERS, and NO attempt is made to ANNUL any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the SUBJECT nor of the OBJECT of the revenue laws”.

Long v. Rasmussen, 281 F. 236, 238. (1922); also, Economy Plumbing and Heating v. U.S., 740 F. 2d 585, 589. (1972) [Ah, a fairly new one for you skeptics!]

As you can see, nobody is required to furnish a W-4 form as a condition of employment, but only when relating to (showing) the number of exemptions claimed, if any. Of course, W-4 forms only apply to those who make themselves liable by engaging in revenue taxable activities (which almost NONE of you do). Furthermore, W-4 forms shall not be submitted to the IRS if the individual is "neither of the subject nor of the object of the revenue tax" (and you employers better understand this clearly!). (See the "Exception" clause two (2) of Treasury Regulation 31.3402(f)(2)-1(g); and also the Economy Case, supra.

VOLUNTARY WITHHOLDING *??*

Can there be a voluntary agreement to withhold a tax IF THE INDIVIDUAL IS NOT SUBJECT TO THE TAX? In error, many of you have viewed Internal Revenue Code Section 3402(p) as a means of voluntarily paying a "tax" which was not owed in any manner whatsoever--you just wanted to be "one of the crowd" of volunteer contributors to the efficient and altruistic government manager criminals (who would

qualify nicely as "taxpayers").

However, a closer inspection with sounder reasoning, reveals this is not the case. 3402(p) reads in part:

"Sec. 3402(p): Voluntary withholding agreements

The Secretary is authorized by regulations to provide for withholding--[what if you have no secretary?]

(1) from remuneration for services performed by an employee for his employer which (without regard to this subsection) does not constitute wages, and

(2) from any other type of payment with respect to which the Secretary finds that withholding would be appropriate under the provisions of this chapter...."
(In part)

Regardless of what does, or does not, constitute wages within the meaning of the internal revenue laws, let us look at that regulation to see what type of payment the Secretary finds appropriate [what if she/he is a really underpaid, stupid fink?], or better yet, let's see what the Secretary of the Treasury finds is not appropriate. [Oh Golly; they must have meant the Secretary of the Treasury; couldn't they just say so?]
Treasury Regulation 31.3402(p)-1(a) reads in part:

"Sec. 31.3402(p)-1 Voluntary withholding agreements.

(a) In general. An employee and his employer may enter into an agreement under section 3402(b) to provide for the withholding of income tax upon payments of amounts described in paragraph (b)(1) of 31.340(a)-3, made after December 31, 1970 [Whew, Economy Plumbing just made it under the wire in 1972]. An agreement may be entered into under this section ONLY WITH RESPECT TO AMOUNTS WHICH ARE INCLUDABLE IN THE GROSS INCOME OF THE EMPLOYEE UNDER SECTION 61, AND MUST BE APPLICABLE TO ALL SUCH AMOUNTS PAID BY THE EMPLOYER TO THE EMPLOYEE".

The point? YOU CANNOT ENTER INTO ANY VOLUNTARY WITHHOLDING AGREEMENT UNLESS IT IS IN RESPECT TO AMOUNTS WHICH ARE INCLUDABLE IN THE "GROSS INCOME" UNDER SECTION 61 WHICH IS UNDER "INCOME TAX" OF THE INTERNAL REVENUE CODE (WHICH ALMOST NONE OF YOU ARE QUALIFIED), WHICH IS AN EXCISE TAX WHICH IS A TAX IMPOSED ONLY UPON REVENUE TAXABLE ACTIVITIES (*NOT PEOPLE OR PROPERTY*), AND OF COURSE IS NOT IMPOSED UPON FREE EXERCISE OF THE CONSTITUTIONALLY GUARANTEED RIGHT TO EARN YOUR LIVING IN INNOCENT AND HARMLESS ACTIVITIES.

Everything reverts right back to the term "taxpayer" as defined in the internal revenue

laws. It is the very front door of the Internal Revenue Code. Only by engaging in revenue taxable activities or events (which almost NONE of you do) does one become liable for and subject to the internal revenue laws.

Employers are acting in a fiduciary capacity. They hold positions of trust. It is not the employee's job to teach the employer the law. The employers, as a matter of law, are expected to KNOW THE LAW as it applies to the withholding of taxes and the proper payment of contracted wages. Yet, it seems most employers have contumaciously refused to recognize the U.S. Supreme Court rulings in regard to the true nature of a so-called "income tax" and they continue ad nauseam to withhold illegally, under the guise, pretext, sham and subterfuge of withholding taxes!

How many times have the employers been advised that the individuals were merely exercising their constitutional right to work and were not subject to the income tax???

How many times, do you suppose, have the employers been advised that the income tax is an *indirect tax*, and in its nature an *excise*???

How many times have the employers been advised of cases such as Pollock, Flint, Brushaber and Stanton???

How many times have they had the opportunity to obtain knowledge about the true nature of the income tax???

"*Culpable ignorance* is that which results from a failure to exercise ordinary care to acquire knowledge, and knowledge which could be acquired by the exercise of ordinary care is by law imputed to the person and he is held to have constructive knowledge. Luck v. Buffalo Utke, Tex.Civ.App., 144 S.W.2d 672, 676". BLACK'S LAW DICTIONARY, 5th Ed., page 672....!!!!

Can the employers now say, "Oh gosh, we didn't know"? If the employers had any doubts, they should have submitted the job descriptions of their various employees to a KNOWLEDGEABLE professional so that an official opinion could have been obtained to determine whether the nature of the job actually involved any activity that is taxable for revenue purposes. NOTE: I DID NOT SAY "LAWYER" FOR LAWYERS KNOW ZILCH, VOID, ZERO AND WORSE, ABOUT THE LAW! THEY ARE IN THE BUSINESS WHICH WOULD ALSO QUALIFY MOST EFFECTIVELY AS "TAXPAYERS" FOR THE PRACTICE OF UNLAWFUL, NON-INNOCENT AND HARMFUL ACTIVITIES. I SHALL TAKE THAT UP WITH EUSTACE MULLINS JUST AS SOON AS WE FIND THE TIME TO CONVICT THE "RAPERS OF JUSTICE", AIDED AND ABEFFED BY THE LEGISLATURES, CONGRESS AND THE COURT UNJUSTICES AT ALL LEVELS OF SLAUGHTER OF JUSTICE.

Instead of the above, employers arbitrarily and unlawfully submit the names of all of their employees as if they are all engaged in revenue taxable activities (which almost

NONE of you are).

If any employers believe they have been deceived by an attorney, a CPA, or someone within the taxing agencies (oh God forbid), then their action is properly against the individual(s) they believe deceived them. However, the employers are still responsible for any damages and restitution they have created for the nontaxpayer. **THEY ARE STILL LIABLE!**

Yes, I AM going to give you a sample letter--later. This, so that you do not bungle the job. I also take the "hold-harmless" stance of the rest of your justice system qualifiers --I do not practice law, take this at your own risk, I shall hold my name, rank and serial number in secret and leave you to dangle on the hangman's noose all alone. Well, "someone" went forth "to prepare a place for you". So be it.

Well, why don't you just "dare" a little! If you set yourself up properly in advance, what would you have to lose? Get that house **OUT OF YOUR NAME AND INTO A CORPORATION BIRTHED IN NEVADA ALONG WITH THE REST OF YOUR ASSETS AND GO FOR IT! DO IT RIGHT!** You may be labeled "crackpot", "gone bonkers", "troublemaker", "nerd" and "rat fink". So what, you will have your money that you always bitch, moan and groan over every April 15th or so. Which do you want? Your money and win? or--your ego and no attention sheep-nik? You decide and when you do, we'll move on.

YOU WHO HAVE NO INTENTION OF DOING A DAMNED THING ABOUT YOUR MESS--GET OFF HERE! YOU WILL PROBABLY NOT HAVE ANOTHER CHANCE FOR "THEY" PLAN TO CLOSE THE LAWS AROUND YOU -- THIS YEAR AND CERTAINLY NO LATER THAN "GLOBAL PLAN YEAR 2000"! The "assumed" law shackles will tighten and tighten until you won't even know the difference, my friends. The noose is already gagging you into unconsciousness, or at least, something is keeping you unconscious. Can't you throw the money changers out of YOUR TEMPLE--THE MASTER DID! HIT THESE SUCKERS IN THE JUGULAR WHERE THE LIFE FLOW WILL STOP SUSTAINING THEM! BUT, YOU MUST HOLD YOUR CONSTITUTION UNALTERED AND YOU MUST BEGIN FULL ACTION--NOW!

Dharma, allow for a break please. We will enter into the wondrous but unholy world of the Social Security which you will find are equally unlawful as just more indirect taxes, for which almost NONE of you are qualified in which to participate.

May we have a wondrous day in friendship and may we awaken unto the grand and glorious experience of which this journey of experience represents. You all are bored out of your minds that you can only watch Trump and baseball--let's play some REAL games and get some life into your nation--some patriotism back into your blood streams. Let us save this nation, indivisible, under God---**YOU CAN DO IT IF YOU WANT TO!**

SALU, HATONN TO CLEAR, PLEASE. THANK YOU.

CHAPTER 9

REC #2 HATONN

THURSDAY, JUNE 21, 1990 8:57 A.M. YEAR 3 DAY 309

SOCIAL SECURITY

Do not expect to find the following information matching that which you are told. It will be contrary to the beliefs which almost all people hold in regard to Social Security. Unfortunately, many people wrongly believe that the money which they have paid into Social Security has gone into a special account, and that they have a right to draw out this money at some later date, as if they had purchased some sort of insurance or savings program. Not so.

As discussions of confusion comes forth from your government spokesmen, it becomes even more difficult to see that which has been done with the program. That is such a lengthy subject that we will not deal so much with the corruption after your money has been stolen as that which pertains to YOU and the fact that Social Security is actually just one more "*indirect*" tax.

The money "so-called lawfully" collected under the Social Security Act is nothing more than the collection of a variety of indirect taxes, which, as we have discussed in previous chapters, are taxes imposed on the happening of a taxable event or activity. The only persons who are subject to any of these taxes are those who are involved in revenue taxable activities and we have repeatedly reminded you that almost NONE of you are in that category. The taxes collected under the Social Security Act are paid directly into the general Treasury of the United States, and are not earmarked in any way whatsoever. Go back and read that sentence again. **THE FUNDS GO INTO THE GENERAL TREASURY AND ARE NOT EARMARKED IN ANY WAY WHATSOEVER**! You will also note that the payments or expenditures under the Social Security Act are considered to be provided under general welfare. Does that seem in any manner "logical" to you? After all, that is your hard earned property which you thought you were setting aside for your later years' security--welfare?

Many people also wrongly believe that the employee pays one-half of the Social Security and the employer pays the other half. You will see, however, that the tax paid by the "taxpayer" employee is an entirely different tax than the tax paid by the employer. The two taxes "just happen" to be at the same rate.

In other words, many people wrongly believe they are paying for some kind of insurance which entitles them to receive the benefits of that insurance at a future date. It does not work that way at all. You will see, the person who is subject to the tax, and subsequently pays the tax, has no standing to question where or how the money is to be spent--he just pours it in to the general fund.

This rule is relaxed by the courts only when the tax moneys have been earmarked for specific purpose.

Creators of the Social Security Act made sure that the taxes collected under the act were not earmarked for any specific purpose. Writers of the Social Security Act also made certain that the taxes collected under the Social Security Act were truly indirect taxes (not insurance premium payments), and that they were paid directly into the federal Treasury and not into any special fund for the use and benefit of any particular individual or group of Individuals. Many people will have a difficult time believing what they have just read. Therefore, U.S. Supreme Court cases will need to be utilized to substantiate the above statements and prove to you that we deliver "truth".

Let us look at what is written about the SSA. The SSA (August 14, 1935, Chap. 531, 49 Stat. 620.) was divided into eleven different titles. Some of the titles provided for the appropriation of public funds for general welfare. Other titles of the act provided for certain indirect taxes to be paid directly into the U.S. Treasury as are all other taxes, totally unrestricted, not earmarked in any way, and available for the general support of the government. None of these titles guaranteed the "taxpayer" any return for the money paid.

Let us example: Title II provided for the appropriation of public funds for old-age retirement (where most of you feel you have contributed). Title III provided for the appropriation of public funds for purposes of unemployment. Title VIII imposed a so-called Social Security tax in the form of an EXCISE to be paid by employers, as well as a different tax to be paid by the "taxpayer" employees, although at the same rate as the tax paid by the employers. Title IX imposed another EXCISE tax to be paid by employers of eight or more, which is collected under the name of "unemployment taxes". Regardless of the label used, none of these taxes are earmarked for any specific purpose, but instead all go directly into the Federal Treasury to be used for any purpose whatsoever decided by your honest, hardworking public servants in your government. And boy, have they used them! The entire funds have been squandered and perhaps that is the reason that you "NONTAXPAYERS" have so diligently and loyally contributed, voluntarily, your own funds into the system--I can see no other reason. Funny that you can't deduct those contributions as welfare charity. Oh well, you all seem to think you know what you are doing because you line up to pay the dastardly duds you put into office to control and mutilate you. So be it!

A separability clause was embodied in the act (§1103) so that there would be no direct relationship between the taxes paid into the Federal Treasury and the purpose for which the public funds were to be spent. Another reason for the separability clause was so that if any of the eleven titles of the Social Security Act were considered by the courts to be invalid it would not cause the other titles to be invalid. In this chapter, we are mainly concerned with Title VIII which imposed one tax on the "taxpayer" employee (where you all seemed to have believed you fitted) and another tax at the same rate on the employers. We are only incidentally concerned with Titles II, III and IX at this writing. One step at a time will get us there safely and knowledgeably.

Two landmark cases which involved challenges to the Social Security Act are *Steward Machine Co. v. Davis*, 301 U.S. 548, and *Helvering v. Davis*, 301 U.S. 619. Both of these cases were decided on the same day, May 24, 1937.

In order to lay a good foundation and to demonstrate the U.S. Supreme Court's approach to the Social Security Act, we will first discuss the *Steward Case*. *Steward Machine Co.* was an Alabama corporation which sued a Mr. Harwell G. Davis, individually and as Collector of Internal Revenue for the District of Alabama, for the recovery of funds paid under Title IX which imposed the excise tax to be paid by employers of eight or more. It is interesting to note that the amount of money involved in this case was only \$46.14. Golly, were they ever picky in those "good old days". You pour thousands and hundreds of thousands of dollars into the barrel and never seem to take notice of it.

The corporation challenged the validity of the excise tax imposed by Title IX of the act, and also the validity of Title III which provided for the appropriation of funds from the Federal Treasury for purposes of unemployment. The corporation argued that the money collected under Title IX was to be used for the specific purposes of unemployment under Title III. In part, the corporation argued:

"Certainly the imposition of an excise tax is constitutional. But here the motive is not concealed. It stands out, starkly revealing the taxing power as a mere pretext.

"What reasonable relationship to the taxing power of Congress can this measure be said to sustain? It is not intended that one dollar of the payroll taxes shall be used for the general purposes of government".

Argument for Petitioner in *Steward*, *supra*, at 551.

The government, on the other hand, argued that the tax imposed under Title IX was an indirect tax imposed upon the corporation in respect to the employing of people, the tax avails were to be for the general support of the government and that they were not earmarked for any specific purpose. The U.S. Supreme Court upheld the government's argument.

The U.S. Supreme Court said:

"The Social Security Act (Act of August 14, 1935, C. 531, 49 Stat. 620, 42 U.S.C, c. 7 (Supp.)) is divided into eleven separate titles, of which only Titles IX and III are so related to this case as to stand in need of summary.

"The caption of Title IX is 'Tax on Employers of Eight or More'. Every employer (with stated exceptions) is to pay for each calendar year, 'an excise tax with respect to having individuals in his employ', the tax to be measured by prescribed percentages of the total wages payable by the employer during the calendar year

with respect to such employment. 901. One is not, however, an 'employer' within the meaning of the act unless he employs eight persons or more.....The proceeds, when collected, go into the Treasury of the United States like internal-revenue collections generally. 905(a). They are not earmarked in any way". Steward, supra, at 574.

"Title III, which is also challenged as invalid, has the caption, 'Grants to States for Unemployment Compensation Administration'. Under this title, certain sums of money are 'authorized to be appropriated' for the purpose of assisting the states in the administration of their unemployment compensation laws.....All that the title does is to authorize future appropriations.....The appropriations when made were not specifically out of the proceeds of the employment tax, but out of any moneys in the Treasury". Steward, supra, at 577-578.

These sections cited from the Steward Case demonstrate that the so-called "unemployment taxes" paid by employers are in fact excise taxes which are not earmarked for any particular use, and most certainly are not earmarked specifically for unemployment benefits, but rather are paid into the Treasury like any other internal revenue tax. Had this tax gone directly into a special fund for the benefit of unemployed workers, it would have amounted to taking of private property without just compensation, and therefore unconstitutional. This case also demonstrates that, being an excise, the tax is not imposed on the wages or any other form of property, but rather the wages paid by the employer are used only to measure the amount of tax imposed upon the corporation's activity of employing people.

The provisions for the assessment and collection of the excise tax which is merely called the "unemployment tax" are now found in Subtitle C, Chapter 23 of the Internal Revenue Code. Chapter 23 has the title of "Federal Unemployment Tax Act", but this title is used merely because Congress enacted a statute which allowed this title to be used. Section 3311 of the Internal Revenue Code reads:

Sec. 3311. Short title

This chapter may be cited as the "Federal Unemployment Tax Act." 26 U.S.C. 3311

This title is actually misleading because, as you can see from the prior page regarding the Steward Case, the proceeds from the excise tax ("with respect to having individuals in his employ") are not earmarked in any way, and especially are not earmarked for unemployment purposes. It is important to note that chapter titles and section headings do not constitute part of the law. The average layman would have no reason at all to know this, but the employers, by way of their attorneys and instructions for doing business, are expected to know.

Before addressing Title VIII, which is the main concern, we will get one more out of the way to obviate further distraction. The following citation from the Steward Case is provided to demonstrate two facts. First, the continued recognition by the courts in

1937 of the constitutional rule of apportionment applied to direct taxes as well as the rule of uniformity applied to indirect taxes. Second, the fact that the courts do not consider the name of the tax important.

“The subject matter of taxation open to the power of the Congress is as comprehensive as that open to the power of the states, though the method of apportionment may at times be different. 'The Congress shall have power to lay and collect taxes, duties, imposts and excises'. Art. I, 8. If the tax is a direct one, it shall be apportioned according to the census or enumeration. If it is a duty, impost, or excise, it shall be uniform throughout the United States. Together, these classes include every form of tax appropriate to sovereignty (citat. omitted). Whether the tax is to be classified as an 'excise' is in truth not the critical importance. If not that, it is an 'impost' (citat. omitted), or a 'duty' (citat. omitted). A capitation or other 'direct' tax it certainly is NOT”. Steward, *supra*, at 581-582.

None of the taxes imposed by the Social Security Act are apportioned among the states as would be required for direct taxes. It is obvious that they are not direct taxes which are taxes imposed upon the people or property, but rather they are indirect taxes which are taxes imposed upon the happening of taxable events, as distinguished from the tangible fruits. (You would be wise to refer back to the discussion of the Tyler Case) The U.S. Supreme Court shows that it doesn't really matter whether an indirect tax is called a duty, impost, excise, income tax or whatever, as long as it does not fall into the category of a direct tax which would have to be apportioned among the states.

On the other hand, understanding the difference between direct taxes and indirect taxes is of critical importance in order to understand any of the taxes imposed by the Social Security Act--so get it thoroughly defined in your mind.

Let us allow the Steward Case to set the background of the Social Security Act, and to re-state some of the fundamental principles of constitutional taxation, we can now readily address another case entered as the Helvering Case with the main concern, Title VIII. Note that the "Mr. Davis" in the Steward Case is a different Mr. Davis than the one in the Helvering Case, for those of you who research these cases.

A suit was brought by Mr. George P. Davis, as a shareholder in the Edison Electric Illuminating Co. of Boston, to restrain that corporation from making payments and deductions called for by Title VIII of the Social Security Act. (See *Davis v. Edison Electric Illuminating Co. of Boston, et al*, 89 F.2d 393.) Mr. Davis claimed that both of the taxing provisions of Title VIII were unconstitutional and void. He also claimed that Title II was unconstitutional and void because the old-age benefits provided under Title II were to be used for a specific group of people and not for the general welfare of the United States. In addition, Mr. Davis claimed that the two titles dovetailed in such a way that Congress would have been unwilling to pass one without the other. (Note, please, that Mr. Davis also sued the Boston and Main R.R. Co., 89 F2d 368, because of the provisions of Titles IX and III.) (I enjoy and appreciate Mr. Davis almost as much as I appreciate Eustace Mullins, Howard Freeman and a few other

"trouble-makers" unto the established "lie-yers" and "politifful fabricators"). Davis v. Boston has no real bearing on this case of Helvering v. Davis so we will not address it further herein.

Before the case got to the U.S. Supreme Court, the First Circuit Court of Appeals agreed with Mr. Davis and held that Title II was void as an invasion of powers reserved to the states or to the people by the Tenth Amendment, and with Title II collapsing, it also carried Title VIII right along with it.

Guy Helvering, by the way, who was Commissioner of Internal Revenue and the Collector for the District of Massachusetts, intervened and brought the issues to the U.S. Supreme Court *which overturned the rulings of the First Circuit Court of Appeals*. Well, this is what you good little "nontaxpayers" are up against for you have allowed the nitwits to "get away" with this behavior.

Look at the arguments presented by the petitioners (Holvering, et al, who represented the government). They are quite contrary to the beliefs which most people hold regarding Social Security. A little portion of the argument reads as follows:

“Since the employer is merely a withholding agent with respect to the employee tax, neither corporation nor stockholder may ask relief from it.

“Both the employee tax (a special income tax) (citation omitted) and the employer tax (an excise) comply with the requirement of uniformity.

“These are true taxes, their purpose being simply to raise revenue. No compliance with any scheme of federal regulation is involved. The proceeds are paid unrestricted into the Treasury as internal revenue collections, available for the general support of the Government. [Well, they certainly told the truth in that statement.] Although Congress may have anticipated that over a period of years the taxes would roughly offset the drain upon the Treasury to be occasioned by the wholly independent appropriations authorized under Title II, such rough budgetary equivalence is not sufficient to deprive Title VIII of its quality as a true taxing measure.

“The Circuit Court of Appeals erred in undertaking to pass upon the validity of Title II. (citations omitted) A taxpayer has no standing to question the propriety of any expenditures from the Federal Treasury. That rule has been relaxed only where the tax avails are earmarked for a specific purpose. [If you are not getting nauseated by this point, I am sorely disappointed.]

“The employee tax is a withholding at the source, the employer being a collecting agent or stakeholder. The withholding provisions themselves are not challenged, nor could they be successfully attacked. (citations omitted)

“The corporation can complain only of the infringement of its own constitutional

immunity. (citations omitted) No employee is complaining. (citations omitted) [Ah, is this seeping in as to probabilities?] The standing of the stockholder cannot be any better than that of his corporation. [DO IT RIGHT, CHELAS! ONE BLUNDER AND THEY WILL THROW OUT THE BABE WITH THE WATER AND MAKE YOU MOP UP THE MESS.]

“The power to appropriate for the general welfare granted by Art. I, 8, cl. 1, is not limited by or to the other enumerated powers of Congress. (citation omitted) Whether any particular expenditure is for the general welfare is a matter completely within the determination of Congress. (citation omitted) The decision of Congress is not reviewable by the courts if by any 'reasonable possibility it is for general welfare'. (citation omitted)” Helvering's argument in *Helvering v. Davis*, 301 U.S. 619, at 621-622.

The U.S. Supreme Court ruled in favor of the government, thus overturning the lower court's decision. The U.S. Supreme Court said:

“The Social Security Act (Act of August 14, 1935, c. 531, 49 Stat. 620, 42 U.S.C., c. 7, (Supp.)) is challenged once again.

“In *Steward Machine Co. v. Davis*, decided this day, ante, p. 548, we have upheld the validity of Title IX of the act imposing an excise upon employers of eight or more. In this case Titles VIII and II are the subject of attack. Title VIII lays another excise upon employers in addition to the one imposed by Title IX (though with different exemptions). It lays a special income tax upon employees to be deducted from their wages and paid by the employers. Title II provides for the payment of Old Age Benefits, and supplies the motive and occasion, in the view of the assailants of the statute, for the levy of the taxes imposed by Title VIII. The plan of the two titles will now be summarized more fully.

“Title VIII, as we have said, lays two different types of tax, an 'income tax on employees,' and 'an excise tax on employers.' The income tax on employees is measured by wages paid during the calendar year. 801. The excise tax on the employer is to be paid 'with respect to hav- ing individuals in his employ, and, like the tax on the employees, is measured by wages. 804 The two taxes are at the same rate.

801, 804 The proceeds of both taxes are to be paid into the Treasury like internal-revenue taxes generally, and are not earmarked in any way. 807(a)”. *Helvering*, supra, 6344-365.

Certainly, as you can see, neither of the two taxes imposed by Title VIII are paid into any special account, but rather into the Treasury like any other tax. You can also see that the tax is not on wages, but measured BY the wages. If it were a direct tax it would have to be apportioned among the states. It is not a direct tax, but an indirect tax upon the happening of an event or activity which must be taxable for revenue purposes (in which almost NONE of you participate), with the income, in the form of wages,

being used merely to measure the tax. Therefore, it would go without saying, that the ONLY employee who would be subject to this "special income tax", which is merely called "Social Security Tax", IS AN EMPLOYEE WHO IS EMPLOYED IN A REVENUE TAXABLE ACTIVITY (which leaves almost ALL of you out). Further, you can also see that the employer does not pay one-half of the Social Security, but rather pays a different tax on the activity which is "in respect to having individuals in his employ", and the rate of this different tax "just happens" to be at the same rate as the tax on the employee who is employed in a revenue taxable activity (which almost NONE of you are). In addition, what happened to the "eight or more" employees? Boy, did that one ever also go down the tubes. But, if you are smart and fear that the "Judge" might some day rule against you--DO NOT EVER HAVE MORE THAN EIGHT EMPLOYEES IN ANY CORPORATION. BETTER, DO NOT HAVE ANY EMPLOYEES AS SUCH! CHECK INTO CORPORATION MANAGEMENT AND OTHER POSSIBILITIES. WHAT IS YOUR SAYING? "MORE THAN ONE WAY TO SKIN A CAT"? WELL CHELAS, YOU HAVE TO BE AS CREATIVE AS THE PRISON-MASTERS.

While the U.S. Supreme Court, and let us interrupt herein--Where do you get your Supreme Court? Am I not correct in that the Justices are "appointed by" the PRESIDENT OF THE U.S. and simply "approved by" your representatives, etc.???? Are they not appointed to fill the position for life or self-choice of retirement???? Would they not "sort of *lean*" in the direction of ruling in favor of that which pays their life-line salaries and retirement programs if they decide on early retirement? Don't expect the Supreme Court to be on YOUR side if there is any way in Hell to rule against you regarding money. That, beloved ones, is Satan's barter! That, along with control, ego, position and POWER! YOU ones will simply have to play the game better and be consistently persistent until the masses can overrule by sheer numbers!

Do you realize that you are willingly allowing ones who commit felony offences against you the people to go right on and retire from "rip-off of you-non-service" with full retirement pay and full privileges under these legal manipulations!! Even if the pay is initially taken away to make a point with you citizenry, it is later reinstated when you are not looking because of some other distraction created so you won't notice. It is a dirty game being waged against you bill-payers. Why don't you just walk a few doors down to your neighbor--or the local merchant, and throw your money on the table and pay his bills? Further, why don't you just set up a retirement fund for him so he never has to do a lick of work again in all his remaining lifetime and beyond--for that retirement goes right on with the spouse after his death. Good boy! Isn't it nice of you guys; you even pay for protection of ex-officials--SUCH AS HENRY KISSINGER who demands and continues to have furnished body guards and secret service protectors. There is simply no limit to the good nature of you contributors to your own poverty. YOU PROTECT ONES LIKE THAT WHILE THEY HAVE THEIR OWN ACQUIRED CRIMINAL RICHES TO PUT CONTRACTS OUT ON THE VERY LIVES OF YOU BLIND LAMBS. SO BE IT, SO BE IT.

Digress back to the U.S. Supreme Court (as well as Helvering) which said that Title

VIII lays two different types of tax (an income tax upon employees, and an excise upon employers); the court also said that whether the tax is classified as an excise is in truth not of critical importance. It is also not of critical importance if a tax is called an "income tax". Both taxes comply with the rule of uniformity and are only entitled to be enforced as indirect taxes. Now you can see that he who carries the power of Admiralty Law and dictatorial control can make his own rules and regulations as he goes along and they become "legal" simply because of the gun to the head circumstance.

The question of critical importance to you herein, for an employee, is whether or not his job involves any activity that is taxable for revenue purposes so don't get distracted from the point. If not, he is without the scope of the revenue laws, including those which involve the so-called Social Security Taxes. Furthermore, the employers, by way of their attorneys, are expected to **KNOW THIS!**

Dharma, allow us a break at this point. A mouthful at a time is easier to digest. We will finish off the Social Security lecture this afternoon. Thank you for your service and time, we really need to allow additional writings to make this Journal available in timely manner to at least be listed as available at the July meeting. You are going to get that day off any year now, so remember the wondrous gift you are offering your brethren--at least a minimum of 20% increase in their take home "property" salaries for which they have full right to exist and gain free and clear reward for their lawful, innocent and harmless production! Perhaps some of them will send you a bouquet of roses occasionally or better yet, perhaps mankind shall see his own shackles and cast them off! SALU!

CHAPTER 10

REC #3 HATONN

THURSDAY, JUNE 21, 1990 12:32 P.M. YEAR 3 DAY 309

SOCIAL SECURITY; MORE REVELATIONS

While there has been a multitude of different acts of legislation which have made many changes in the Internal Revenue Code since 1935, the principles of constitutional taxation remain exactly the same and you must hold this ever uppermost in your attention. The constitutional principles upon which the U.S. Supreme Court decided the validity of the particular titles of the Social Security Act also remain the same. The progenies of Title VIII can be found in Subtitle C, Chapter 21 of the Internal Revenue Code. Chapter 21 has the title of "Federal Insurance Contributions Act". This title was not part of the Social Security Act in 1935. Congress simply enacted a statute which allowed this title to be used.

Section 3126 of the code reads as follows:

Sec. 3126. Short title

This chapter may be cited as the "Federal Insurance Contributions Act." 26 U.S.C. 3126

This title is also misleading because, as you can see from the Helvering Case, the taxes collected are true taxes which go into the general treasury and are not earmarked for any specific purpose. The taxes collected under Chapter 21 are now broken down into two groups for the "taxpayer" employee and two groups for the employer. Keep in mind that chapter titles, section headings and captions do not constitute part of the law. The applicable sections read as follows:

Subchapter A--Tax on Employees

Sec. 3101. Rate of tax

(a) Old-age, survivors, and disability insurance

In addition to other taxes, there is hereby imposed on the income of every individual a tax equal to the following percentage of the wages (as defined in section 3121(a)) received by him in respect to employment (as defined in section 3121 (b))--

(1) with respect to wages received during the calendar years 1974 through 1977, the rate shall be 4.95 percent;

(2) with respect to wages received during the calendar year 1978, the rate shall be 5.05 percent;

(3) with respect to wages received during the calendar years 1979-1980, the rate shall be 5.08 percent;

(4) with respect to wages received during the calendar year 1981, the rate shall be 5.35 percent;

(5) with respect to wages received during the calendar years 1982 through 1984, the rate shall be 5.40 percent;

(6) with respect to wages received during the calendar years 1985 through 1989, the rate shall be 5.70 percent; and

(7) with respect to wages received after December 31, 1989, the rate shall be 6.20 percent. 26 U.S.C. 3101(a). [Do you actually believe this will truly last forever-after? Well, perhaps after the scallywags realize who are the "eligible" "qualifying" "taxpayers", it will drop rapidly in amount. As long as "they" believe you qualify as the "taxpayers", it will continue to grow and grow and grow.]

The next amounts to be withheld from the wages of the "taxpayer" employee are shown in Section 3101(b)

(b) Hospital insurance

In addition to the tax imposed by the preceding subsection, there is hereby imposed on the income of every individual a tax equal to the following percentages of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b))--

(1) with respect to wages received during the calendar years 1974 through 1977, the rate shall be 0.90 percent;

(2) with respect to wages received during the calendar year 1978, the rate shall be 1.00 percent;

(3) with respect to wages received during the calendar years 1979 and 1980, the rate shall be 1.05 percent;

(4) with respect to wages received during the calendar years 1981 through 1984, the rate shall be 1.30 percent;

(5) with respect to wages received during the calendar year 1985, the rate shall be 1.35 percent; and

(6) with respect to wages received after December 31, 1985, the rate shall be 1.45 percent. 26 U.S.C. 3101(b)

The tax which is to be paid by the employer is shown in Subchapter B of Chapter 21.

Subchapter B--Tax on Employers

Sec. 3111. Rate of tax

(a) Old -age, survivors, and disability insurance

In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the following percentages of the wages (as defined in section 3121(a) and (t)) paid by him with respect to employment (as defined in section 3121 (b))--

(1) with respect to wages paid during the calendar years 1974 through 1977, the rate shall be 4.95 percent;

(2) with respect to wages paid during the calendar year 1978, the rate shall be 5.05 percent;

(3) with respect to wages paid during the calendar years 1979 and 1980, the rate shall be 5.08 percent;

(4) with respect to wages paid during the calendar year 1981, the rate shall be 5.35 percent;

(5) with respect to wages paid during the calendar years 1982 through 1984, the rate shall be 5.40 percent;

(6) with respect to wages paid during the calendar years 1985 through 1989, the rate shall be 5.70 percent; and

(7) with respect to wages paid after December 31, 1989, the rate shall be 6.20 percent. 26 U.S.C. 3111(a)

I am listing all these amounts in percentages so that you can REALLY GET THE "FEEL" for the magnitude of the "unlawful" rip-off of your property. The next amounts to be paid by the employer are shown in Section 3111(b), which reads as follows:

(b) Hospital Insurance

In addition to the tax imposed by the preceding subsection, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ,

equal to the following percentage of the wages (as defined in section 3121(a) and (t)) paid by him with respect to employment (as defined in section (3121(b))--

(1) with respect to wages paid during the calendar years 1974 through 1977, the rate shall be 0.90 percent;

(2) with respect to wages paid during the calendar year 1978, the rate shall be 1.00 percent;

(3) with respect to wages paid during the calendar years 1979 and 1980, the rate shall be 1.05 percent;

(4) with respect to wages paid during the calendar years 1981 through 1984, the rate shall be 1.30 percent;

(5) with respect to wages paid during the calendar year 1985, the rate shall be 1.35 percent; and

(6) with respect to wages paid after December 31, 1985, the rate shall be 1.45 percent. 26 U.S.C. 3111(b)

There are some important facts that must be pointed out in regard to the Internal Revenue Code Sections 3101(a), 3101 b), 3111(a) and 3111(b). First, the captions "OLD-AGE, SURVIVORS, AN DISABILITY INSURANCE" and the captions "HOSPITAL INSURANCE" are indeed misleading. The taxes imposed by these sections have absolutely nothing to do with insurance of any type. As you can see from the Helvering Case, the government stated that they were true excise and the proceeds are paid unrestricted into the treasury, available for the general support of the government. Furthermore, the U.S. Supreme Court agreed!

An additional fact of importance that must be pointed out is that where the sections of the code state "every individual" or "every employer", it can only be referring to those persons **who are engaged in activities which are taxable for revenue purposes OF WHICH ALMOST NONE OF YOU ARE**.

REMEMBER,

“A state may not impose a charge for the enjoyment of a right granted by the Federal Constitution”.

Murdock v. Pennsylvania, 319 U.S. 105, page 113 (1943)

AND,

“The individual, unlike the corporation, cannot be taxed for the mere privilege of existing. The corporation is an artificial entity which owes its existence and charter powers to the state; but the individuals' rights to live and own property are natural

rights for the enjoyment of which an EXCISE **CANNOT BE IMPOSED**".
Redfield v. Fisher, 292 P. 813, page 819 (1930)

AND,

"The revenue laws are a code or system in regulation of tax assessment and collection. THEY RELATE TO TAXPAYERS AND NOT TO NONTAXPAYERS. The latter are without their scope. NO PROCEDURE IS PRESCRIBED FOR NONTAXPAYERS, and NO attempt is made to ANNUL any of their RIGHTS and REMEDIES *IN DUE COURSE OF LAW*. With them Congress does not assume to deal, and they are neither of the SUBJECT nor of the OBJECT of the revenue laws".

Long v. Rasmussen, 281 F. 236, at page 238 (1922);

Economy Plumbing and Heating v. U.S., 470 F.2d 585, at page 589 (1972)
(Emphasis added)

Remember, also, that in the Brushaber Case (at pages 16-17) the U.S. Supreme Court stated the FACT that taxation on income was in its nature an excise entitled to be enforced as such. All of the so-called "income taxes" and the so-called "Social Security taxes" are being enforced as indirect taxes (excises, duties or imposts), but are being (MIS)applied to individuals who are not engaged in any revenue taxable activities (which includes almost ALL of you).

It must also be pointed out that in both the Steward Case and the Helvering Case the challenges came in respect to the tax on the particular corporations. Corporations, of course, are creatures birthed of the state, and as such, have no natural rights--but, my dear friends, they certainly DO HAVE RIGHTS AND PROTECTIONS BY THAT WONDROUS STATE IN WHICH THEY ARE BIRTHED!

In the Flint Case it was held that Congress has the power to tax the activities of private corporations. The Flint Case clearly instructs that indirect taxes are NEVER DIRECTLY on property but only on revenue taxable activities.

Neither the corporation nor the stockholder had standing to challenge the tax on the employees, and there was no question raised as to which employees, if any, of the particular corporations were engaged in revenue taxable activities. Once again, it stands obvious that the only employees, as well as the only employers, who are subject to any of these indirect taxes **are those who are ENGAGED IN ACTIVITIES WHICH CANNOT BE PURSUED AS A MATTER OF CONSTITUTIONAL RIGHT!**

SOCIAL SECURITY NUMBER

Let us briefly discuss the issue of the employee providing a Social Security number to the employer. We must take a practical and constitutional approach to this issue. What possible reason could there be for the employer to require the NONTAXPAYER

employee to furnish a Social Security number? The average payroll clerk would claim the number was needed so the employer would withhold Social Security taxes, undoubtedly. But if the employee's job description does not involve any revenue taxable activity, he is not subject to any of these indirect taxes under any circumstances. The right to lawfully contract one's own labor to engage in innocent and harmless activities for lawful compensation cannot be (and therefore has not been) taxed for revenue purposes. Surely, the free exercise of such a constitutionally secured right cannot be limited only to those individuals who furnish a number. Surely there can be no act of Congress which would require such a number to be furnished by a NONTAXPAYER.

"Where rights secured by the Constitution are involved, there can be no rule making or legislation which would abrogate them".
Miranda v. Arizona, 384 U.S. 436, 491.

The Internal Revenue Code does indeed contain sections requiring a Social Security number from those who ARE subject to an internal revenue tax, but the NONTAXPAYER is without the scope of the revenue laws. (See Economy Case, supra.)

Many people in the "freedom movement" have tried to obtain jobs without giving a Social Security number, only to have the employer quote a section from the Internal Revenue Code. This of course is not a valid reason in the case of a nontaxpayer because the revenue laws relate only to "taxpayer(s)" as defined. If an employer believes there is requirement for a nontaxpayer to furnish a Social Security number, the burden of proof rests with the employer--not the NONTAXPAYER. The employer will have a difficult time here because the number **can only be required from those subject to the tax (WHICH ALMOST NONE OF YOU ARE!)**.

Even if the employee provided a number to the employer, it still does not make the employee subject to the tax. *The furnishing of a number does not change a non-taxable activity into a taxable activity. It is the nature of the activity that creates the liability.*

Let us look back to the Helvering Case now. After discussing Title VIII in the Helvering Case, the U.S. Supreme Court next discusses Title II of the act.

"Title II has the caption 'Federal Old-Age Benefits'. The benefits are of two types, first, monthly pensions, and second, lump sum payments, the payments of the second class being relatively few and unimportant.

"The first section of this title creates an account in the United States Treasury Account. _ 201. No present appropriation, however, is made to that account. All that the statute does is to authorize appropriations annually thereafter....Not a dollar goes into the Account by force of the challenged act alone, unaided by acts to follow". Helvering, supra, at 635-636.

It is now obvious, none of the money collected from the so-called Social Security taxes goes directly into any special account. The only way money gets into the above mentioned account is when Congress appropriates money from the general Treasury. When the public is told that the Social Security account is depleted, it is only because Congress has not appropriated sufficient funds from the general Treasury to keep the account solvent.

Money collected in so-called Social Security taxes goes into the general Treasury fund and, no longer being identifiable, is spent along with the rest of the moneys collected. Pay attention to the arguments from the politicians regarding the status of the Social Security System and REALLY hear what it is they are quarreling about. If Congress chooses to appropriate funds for Social Security benefits, it can. However, if Congress chooses not to appropriate funds for Social Security benefits, there is no legal claim that can be made upon the funds by the "taxpayer(s)" (as defined) who have paid the so-called Social Security taxes. Now, aren't you beginning to be glad you are NON-TAXPAYERS (as defined)? The payment of taxes into the general Treasury is completely separable from Congress' choice in how and where public funds are to be spent.

Congress may impose taxes on all legitimate subjects of taxation. If it is a direct tax, it shall be apportioned. If it is an indirect tax (duty, impost or excise), it shall be uniform. (See Steward, supra, at 581-582.) *HOWEVER*, and here is another one I bet you didn't think of: ***CONGRESS CAN LAWFULLY ONLY SPEND MONEY FOR PURPOSES AUTHORIZED BY THE U.S. CONSTITUTION!!!!***

* * * * *

"The Congress shall have Power to Lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States".

U.S. Constitution, Article 1, sec. 8, cl. 1.

* * * * *

Providing the spending is deemed to be for the common defense and/or the general welfare of the nation, such spending is within the bounds of the Constitution. On the other hand, if the spending is deemed to be for the welfare of specific persons, as opposed to the general welfare of the nation, then the spending is not within the bounds of the Constitution, and therefore the spending is unconstitutional.

If such spending of public funds for the so-called Social Security benefits is deemed to be for the general welfare of the nation, then such spending is within the bounds of the Constitution. The recipients are entitled to the benefits provided by congressional appropriations, regardless of the source of revenue from which the general Treasury

obtained the taxes.

The tax paid into the Treasury is exactly that; a tax. Monies appropriated from the general Treasury and subsequently spent on general welfare is exactly that; general welfare. The point being that it is frivolous for a person to say that because he paid so-called Social Security taxes, he has the right to Social Security benefits. The two are separable, which was one of the main purposes of the separability clause in the Social Security Act at _ 1103.

Unfortunately, the common misunderstanding of Social Security by the American working men and women is of such magnitude that there will be many who will not believe what they have read in this book and will not want to believe it even if they go to a law library and get copies of the court cases cited. I KNOW this because this information has already been available for your use in this manner, since at least 1986. Further, for a much longer time it has been available in other formats which work from a different standpoint, but nonetheless do work. **YOU ARE CONTROLLED BY LIES AND FEAR--NOT BY THE CONSTITUTIONAL LAWS OF YOUR LAND.** There will, however, be Americans who are researching the court cases in an attempt to get to the bottom of the "taxing" problems and lies facing the American working men and women and one in understanding and acting accordingly added to another acting in understanding, there will be truth and return to Constitutional Laws and Rights. Will it not be wondrous when the day of profound lies and enactment through force will be put behind you as a nation and people?

The U.S. Tax Court said in the Penn Mutual Case, what is needed here is an understanding of fundamental principles. With this in mind, let us pause to provide some more food for thought. If you can regain control to the extent of recovering truth in your "JUSTICE" SYSTEM, you will have passed the greatest hurdle to success in your journey again into freedom and Constitutional Rights and Equality under the Law. You will recover your government by the people, for the people and of the people. **IT IS ALL RIGHT THERE IN THE WRITINGS OF YOUR CONSTITUTION OF THE UNITED STATES OF AMERICA, ONE NATION, UNDER GOD, INDIVISIBLE--WITH FREEDOM AND JUSTICE FOR ALL. A DREAM? NOT IF YOU WANT TO REPAIR OF IT! YOU CAN DO IT IF YOU WANT TO!**

Before appropriating any public funds, Congress is to judge if the spending is for the general welfare of the nation. As you read the various court cases, you will find that the courts will not interfere with Congress' judgment if by any reasonable possibility the spending is for general welfare.

If providing Social Security checks every month to retired millionaires is deemed to be for the general welfare of the nation, then such spending is indeed lawful and constitutional. If, on the other hand, such spending is deemed not to be for the general welfare of the nation, then such spending is an unlawful and unconstitutional conversion of public funds, and, most surely constitutes criminal behavior. But then,

didn't the millionaire also probably contribute to that account? Can anyone in the possession of even a portion of their proper faculties honestly contend that this type of spending is for the general welfare of the nation?

If using public funds to pay for the expense of aborting (murdering) unborn babies is deemed to be in the general welfare of the nation, then such spending IS lawful and constitutional! If, on the other hand, such spending is deemed not to be for the general welfare of the nation, then such spending is also unlawful and unconstitutional. Whether or not a woman has a "right" to murder her own baby is one issue which is not in point herein. Whether or not public funds can lawfully be used for this purpose is quite a different issue.

It would appear, however, that the questions as to the constitutionality of the spending of public funds for the particular purposes are NOT being directly raised before Congress or in the courts. When the fundamental principles of constitutional taxation and constitutional spending are better understood by the American working men and women, these issues will then, and only then, be properly raised by the citizens to Congress in addition to being raised profoundly in the courts.

Great numbers of people want to do away with Social Security because they see that it is wrong, badly managed and the ones presently paying the costs will likely not have benefits later. Others, of course, want to keep the programs because of their well justified fear that many of the elderly and poor would not otherwise have any resources of funds with which to sustain themselves. Look carefully, though, for you can see from the Supreme Court cases, the taxing provisions are completely separate from the provisions for appropriating public funds for general welfare.

Stated differently, Congress can lawfully appropriate funds for the general welfare of the nation if they so choose--and have done so constantly without your even taking note. It also can tax all lawful subjects of taxation--and you who are not subject to the taxation have somehow convinced yourselves to donate (voluntarily contribute) according to the rates provided plus penalties for not donating enough.

Congress can even utilize its power to direct taxation, **which it has not implemented in over 100 years**, I suppose because all of you NONTAXPAYERS keep donating and contributing so freely according to their needs and rates. I can find no other reason for sending your money and filling out forms, etc., for actually you do so most unlawfully when you are not even "eligible" as a "taxpayer".

While it is obvious that millions of working folks are having money withheld from their wages under the guise, pretext, sham and subterfuge of withholding, so-called Social Security taxes, this unlawful, unconstitutional deprivation of property can come to an abrupt halt without jeopardizing the welfare of the truly needy. **Congress will still have the power to obtain sufficient revenue from the lawful subjects of taxation and the needs of the nation can still be met quite constitutionally and you the people can keep total tabs on it.**

It is glaringly apparent that you must take action for all of the programs which are for general welfare, along with those where spending is done under the mere guise of general welfare, need to be fully reconsidered and the programs totally overhauled. However, the American people will not be able to give clear and meaningful instructions to their public servants in Congress until the American people themselves have an understanding of the constitutional principles of taxation and the constitutional principles which apply to the use of "public" funds.

IF YOU ALLOW YOUR CONSTITUTION TO BE REWRITTEN, OR CHANGED AS ALREADY REWRITTEN AND ASSUMED ENFORCEMENT ALREADY TAKING PLACE, YOU MAY AS WELL CONTINUE IN YOUR SLUMBER FOR IT WILL BE TOO LATE!

MEANWHILE

Much needs to be done to stop the illegal acts of those employers who are willfully, *knowingly*, corruptly and unlawfully withholding part of their employees' wages under the guise, pretext, sham and subterfuge of "withholding taxes" in the cases where the employees' job descriptions do not involve any revenue taxable activity (which is the category within which almost ALL of you belong).

The employers must know that the revenue laws only apply to those who are engaged in revenue taxable activities; i.e.: unlawful, harmful and non-innocent. They must know that the withholding of funds under the guise of taxation from those who are NONTAXPAYERS and are not subject to the tax is totally and blatantly illegal. It is only because of lack of knowledge on the part of the working men and women that this crime continues on and on and on, unabated.

I might point out another point of interest to those employers: **THEY WILL FIND QUITE EMPHATICALLY THAT THE INTERNAL REVENUE SERVICE WILL NOT COME TO THEIR AID WHEN THEY ARE SUED BY THE DAMAGED NONTAXPAYER EMPLOYEE**; providing such non-taxpayer presents himself as a nontaxpayer as described in the Economy Case, and not as a "taxpayer" as defined in the Internal Revenue Code.

The internal revenue laws authorize the employers to withhold taxes from their employees whose job descriptions involve revenue taxable activities. The laws do not authorize the employers to violate an individual's constitutional rights or to commit fraud and extortion against the employee who is merely exercising his God-given, constitutionally secured right to lawfully acquire property by lawfully contracting his own labor to engage in innocent and harmless activities for lawful compensation.

Let us conclude this chapter with some words of wisdom from two of your Founding Fathers (I know, because I was there!).

"LIBERTY CANNOT BE PRESERVED WITHOUT A GENERAL KNOWLEDGE AMONG THE PEOPLE." John Adams

"IF A NATION EXPECTS TO BE IGNORANT AND FREE IT EXPECTS SOMETHING THAT CANNOT BE." Thomas Jefferson

And please, just a few more thoughts for food:

Freedom is not something that anybody can be given; freedom is something people take and people are as free as they want to be.

Freedom suppressed and again regained bites with keener fangs than freedom never endangered. (I suggest you ponder this one most carefully for you are at this point right now--you can go either way, beloved friends).

The American feels so rich in his perceived opportunities for the illusion of freedom of expression and experience that he often no longer knows of why it is he thinks himself free; he no longer recognizes his native autocrats when he sees them--he has become numb and dumb in his cocoon of woven lies and deceptions which scatter all about him. He has too long depended upon the projections of the self-touted experts and authorities that he has lost of his way and of his truth--in other words he has lost of his freedom and too late he shall awaken and find it gone.

A man is either free or he is not. There cannot be any apprenticeship for freedom.

Freedom is the will to be responsible to yourselves.

Is it not better to die on your feet than to live forever on your knees?

You all remember the wondrous prayer of "grace", which asks of God to grant you the ability to change those things which you can; accept those things which you cannot change--AND THE GRACE AND ABILITY, WISDOM AND GUIDANCE TO RECOGNIZE THE DIFFERENCE!

RECOGNIZE THE DIFFERENCE, CHELAS, FOR YOU ARE GRANTED THROUGH GRACE, TO HAVE OPPORTUNITY TO KNOW THE DIFFERENCE AND CHANGE YOUR DESTINY!

Beloved secretary--allow us to close this portion for fatigue is heavy. We have yet much to cover and little time indeed but we shall take it as we can. For now, take rest and we shall determine if we can do more this day. I am gratefully indebted unto you, chela.

Good afternoon, Hatonn

CHAPTER 11

REC #4 HATONN

THURSDAY, JUNE 21, 1990 6:07 P.M. YEAR 3 DAY 309 FLAG

FLAG BURNING AMENDMENT (6/21/90)

You still have a few--very few--intelligent Senators. Is it possible that some are beginning to see that they, too, shall pay the consequences of a new constitution and Global One World Destruction? We will not press too far, but at least the proposed amendment to stop flag burning did not make it through the Senate this day. It is not dead as an issue; but extremely wounded.

There is additional hope, for the Zionists of Israel are overpressing their stance and are getting some very dark marks and demerits for their continued blatant lack of cooperation toward any semblance of peace.

And then, let us give prayers to the great numbers who have physically perished in Iran this day. It is only a forerunner of greater to come but we must have compassion as the old is changed and Mother turns and shakes in her toils. Beware the tremblings within your own state this day for yours is not long in the coming, either. California trembles in response for you cannot have such pain in one place without all being touched by the mighty shifting. Cling closely to the Father that you can be shown the way.

VICTORY TAX (1942)

There are a couple of additional taxes which are often spoken of and we will refer to them briefly. Neither are as they appear and are good examples of double talk and enforcement of "assumed" laws.

On October 21, 1942, Congress passed the "Revenue Act of 1942", Chapter 619, 56 Stat.798. Part of this statute included the so-called "Victory Tax" which was nothing more than another indirect tax added to the "income taxes" which were already established at that time.

The "Victory Tax" seems to be as misunderstood as the 16th Amendment. It is amazing how many people erroneously believe the "Victory Tax" authorized a direct tax on the wages of the individual. We will go through this discussion for it will reinforce all that we have given you to date. IF THE "INCOME TAX" IS NOT FOR YOU AS NONTAXPAYER, THEN NEITHER CAN THE VICTORY TAX HAVE APPLIED TO YOU THEN--OR EVER.

This erroneous belief started, of course, during World War II when Americans were under the stress of war. The hard working men and women of America have always been patriotic, and they did not object to the withholding. It would have been considered un-American to object. After all, you did have a war to win and the war effort did need to be financed. At that time you had no way to know that the war was set up, staged and financed by powerful ones in your own elite "tower of power" structure, sanctioned by your top politicians.

The misconception in regard to the Victory Tax, combined with the misconceptions in regard to Social Security, provided the building blocks for the greatest extortion racket ever perpetrated on a nation of hard working people. The sad part is that Congress has sufficient lawful taxing power to provide all the money it requires, and there was no legitimate need, even during war, to extort money from people under the guise of collecting taxes. I shall repeat: evil will always choose the forceful and deceitful method even if truth and established laws would serve much better.

You see, by taking the forceful approach and having it pushed through without contradiction, the motion is flowing to press ever more upon you for you then assume a thing to be lawful and that it is necessary to comply within the law. The law then becomes fact without any contradiction--after all, who would knowingly do-in their own country and citizens?

While the Revenue Act of 1942 was "lawful" since it applied only to those who were subject to the tax, it was the unlawful misapplication of the law which started the problems you face today.

I suppose we should demonstrate that the Victory Tax was not a direct tax on wages, but simply more indirect tax added to the "income taxes" which were already established. We do this boring thing to allow you to cement within your minds that **YOU ARE MOST LIKELY NOT A "TAXPAYER" IN ANY CATEGORY THEY CAN CONJURE UP TO CLAIM UPON YOU.** Let us consider a few of the provisions of the Revenue Tax Act of 1942:

Look to the lower portion of page 801, under Sec. 801, subsection (b), the Act provides that when an amendment refers to a chapter, subchapter, title, subtitle, etc., the reference is made to that particular part of the Internal Revenue Code. Just below subsection (b), subsection (c) states that the terms used in this Act shall have the same meaning as when used in the Internal Revenue Code. Any time the Act refers to a part of the code which is under the income tax, or uses a term in reference to income tax, it goes without stating that it applies *only to those who are subject to this indirect tax because of their revenue taxable activities.*

Unless a person understands the taxing provisions of the original Constitution and has knowledge of the proper interpretation of the 16th Amendment, he will never have a correct understanding of a taxing statute.

Page 884 of this Act reads, in part:

SEC. 172. TEMPORARY TAX ON INDIVIDUALS.

(a) The Internal Revenue Code is amended by inserting at the end of Chapter 1 the following new subchapter:

SUBCHAPTER D--VICTORY TAX ON INDIVIDUALS

Part I--Rate and Computation of Tax

SEC. 450. IMPOSITION OF TAX.

There shall be levied, collected, and paid for each taxable year beginning after December 31, 1942, a victory tax of 5 per centum upon the victory tax net income of every individual.....

To the person who is not knowledgeable of the constitutional principles of taxation, Section 450 would appear to apply to every individual whether the individual was involved in revenue taxable activities or not. However, because the term "victory tax net income" has its own definition, you will see that it all reverts right back to that old indirect tax called the "income tax" which applies only to those who are involved in revenue taxable events or activities. Section 451, at page 884, reads in part:

SEC. 451. VICTORY TAX NET INCOME.

(a) Definition. The term 'victory tax net income' in the case of any taxable year means.....the gross income for such year

At page 888, Section 466 reads in part:

SEC. 466. TAX COLLECTED AT THE SOURCE.

(a) Requirement of Withholding. There shall be withheld, collected, and paid upon all wages of every person, to the extent that such wages are includable in gross income, a tax equal to 5 per centum of the excess of each payment of such wages over the withholding deduction allowable under this part.

Since the term "gross income" is defined under Chapter 1 of the Internal Revenue Code and applies only to "taxpayer(s)" as defined in the code, it is the "to the extent that such wages are includable in gross income" language that restricts the application of the withholding provisions of the statute to only those persons who are subject to the so-called "income tax" *because of their revenue taxable activities*.

To further demonstrate that the Victory Tax was simply more indirect income tax, let us read from Section 456 at page 887 of the Act.

SEC. 456. LIMITATION ON TAX.

The tax imposed by section 450 (Victory Tax), computed without regard to the credits provided in sections 453, 454, and 466(e), shall not exceed the excess of 90 per centum of the net income of the taxpayer for the taxable year over the tax imposed by sections 11 (normal tax) and 12 (surtax), computed without regard to the credits provided in sections 31, 32, and 466(e).

All of the so-called "income taxes" apply only to those who are "taxpayer(s)" as defined because of their revenue taxable activities or events. Had the public school systems done a proper job in educating the students as to the constitutional principles of taxation and of civil rights, the hard working American men and women would have never been deceived into believing that the employer was "required" to withhold from the wages they earn by contracting their labor and talents to engage in lawful, innocent and harmless activities.

The Victory Tax was repealed, but was essentially replaced by the "Current Tax Payment Act of 1943", Chapter 120, 57 Stat. 126. The "Current Tax Payment Act of 1943" is still in effect today and provides the authority for the collection of "income tax" at the source on wages. This collection of "income taxes" can lawfully be applied , however, only to those who are subject to the tax because of their revenue taxable activities.

It is easy to understand why people did not object to the withholding at time of war. America is a great and wondrous country. Five percent of a pay check is not much to "donate" when others are giving their lives to protect the freedoms which are secured by the U.S. Constitution. But how this sham, this extortion racket, could have been perpetrated on Americans by their fellow Americans for over 40 years since WW II, is simply beyond any comprehension.

Let us clear up another misconception before moving on to another subject. Many people, including people in the patriot groups, wrongly believe that Congress can impose a direct tax without apportionment at time of war. NO, THEY CANNOT CONSTITUTIONALLY DO SUCH A THING! Part of the misconception, however, stems from a misinterpretation of Article 1, Section 8, Clause 12 of the U.S. Constitution which provides:

“The Congress shall have power To raise and support armies, but no appropriation of money to that use shall be for longer term than two years”. U.S. Constitution, Art 1, Sec. 8, Cl. 12.

This provision of the Constitution does not change the rule that all direct taxes MUST BE APPORTIONED. It only authorizes Congress to appropriate money from the general treasury to raise and support armies, but not for a period longer than two years! This appropriation provision is the same in war as in peace, and the power of Congress

to tax is the same in war as in peace. While some articles have been written claiming Congress can impose a direct tax without apportionment during time of war, there simply is no foundation in law for this conclusion.

While the unlawful and arbitrary application of the revenue laws have been applied by many employers for many years against individuals whose employment does not occasion any event or activity that is taxable for revenue purposes, this unlawful withholding of funds under the guise of collecting taxes on real estate as was done during the Civil War. The fact that it has been going on for a half century or so does NOT make it any more lawful.

"No person shall be.....deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation".
U.S. Constitution, 5th Amendment (in part)

The 9th Circuit Court of Appeals said:

" a practice condemned by the Constitution cannot be saved by historical acceptance and present convenience". U.S. v. Woodley, 726 F.2d 1328, 1338.

Don't you think it is time to stop the unlawful practices and acts of those employers who are withholding wages under the guise, pretext, sham and subterfuge of collecting taxes?

It is great wisdom to realize you can fool too many of the people too much of the time to keep truth in perception. One deceit needs many others, and so the whole house is built in the air and must soon come to the ground--and so it is, my friends, so it is.

CHAPTER 12

REC #1 HATONN

FRIDAY, JUNE 22, 1990 9:21 A.M. YEAR 3 DAY 310

THE CONSTITUTION/THOMAS JEFFERSON:

Though written constitutions may be violated in moments of passion and delusion, yet they furnish a text to which those who are watchful may again rally and recall the people; they fix, too, for the people the principles of their political creed.

* * * * *

What is your political creed? It WAS: ONE NATION, UNDER GOD, INDIVISIBLE
--WITH LIBERTY AND JUSTICE FOR ALL!

In your efforts to "offend" no man and meet the selfish desires of all ones, good or evil, have you forgotten your path? Have you allowed men of no conscience and greedy intent to rule the world, desecrate and destroy that which is fundamental to your existence?

As we walk through these days of remembering, will enough heed the cry of the Phoenix in her agony, to "rally and recall the people"?

We can remind you of the way as some of your own brother Americans have been efforting to do in these trying times with the clock running out. Will you hear and heed? We shall see!

There are only two things you "have to" do in life. No, one of them is NOT taxes and that is the purpose of this Journal--to show you a better way and in the changing you will recall your people unto the Constitution rights of Life, Liberty and the (Free) pursuit of Happiness. You can regain control of your government BY THE PEOPLE, FOR THE PEOPLE AND OF THE PEOPLE. So, what are the two things?

You "have to" die, and you "have to" LIVE UNTIL YOU DIE. YOU MAKE UP ALL THE REST. So, how shall it be, brothers? We can help you but you must "live until you die"--you will choose how that life shall be!

Remember that while you complain of how it "ought to be" and how "I can't do anything about it, I am just one--and not very smart or strong", remember: GOD DOES NOT MAKE FAULTY PRODUCTS! Stop the nonsense about your lack of perfection for you are a product of God. You will most surely lose that thing which you do not use--and your freedom and Constitution is all but lost. Ponder it most diligently.

Back to our "taxing" work, please.

PUBLIC SALARY TAX ACT

We will consider one more tax which troubles some of you in concept simply because it is "there". Then we will move on to practical descriptions of actions of various kinds. I have efforted to tell you how it "ultimately" IS. You can check out the references for proof or take my input as valid, or whatever. However, there are other less drastic measures than telling them to go shove it. I advise you to NEVER be less than gracious, cooperative and sickeningly friendly and nice to the dastards who will come to hang you.

Further, you are already "in the mess" so it may be the better part of intelligence to ease your way out of it. The man with the gun will always win the skirmish; if you are diligent, persistent and do it right--YOU will win the war. NEVER ALLOW IT TO SLIP THE FOREMOST ATTENTION OF YOUR MIND WHEN DEALING WITH THE GOVERNMENT AND THEIR HENCHMEN: *WHAT THEY DO IS ALWAYS LEGAL! EVEN IF IT IS UNLAWFUL, ANY ACTION THEY PLACE "INTO THE RULEBOOK" BECOMES *LEGAL**! That is why you play the game properly, carefully and in sweet innocent truth. You are NOT out to overthrow a government in any manner whatsoever--YOU ARE SIMPLY RECALLING THE LAWS WITHIN YOUR CONSTITUTION TO RESTORE YOUR NATION UNDER THOSE LAWS AS LAID FORTH IN YOUR CONSTITUTION. NO MORE AND NO LESS. YOU CAN MAKE A REVOLUTION WITHOUT BEING REVOLTING!

The Public Salary Tax is misunderstood by almost everyone. You have been led to believe that the PSTA imposed a tax on public employees. A closer look, and sound reasoning, will reveal the erroneous conclusion.

The Public Salary Tax Act didn't impose a tax on anyone, but was an act of legislation by which Congress merely consented to the taxation of compensation of certain public employees.

As you have learned from the court cases cited herein, taxation "on" income is in the category of an indirect tax and in its nature, an excise. You have also learned from these court cases that an excise is NEVER upon property, money or otherwise, but upon activities or events which are taxable for revenue purposes. Therefore, it goes without saying that the only public employees who would remotely be subject to such a tax are those whose activities cannot be pursued as a matter of constitutional right. If, on the other hand, the activity is lawful, innocent and harmless, it cannot be taxed for revenue purposes, no matter where it is performed.

It also remains true that the Public Salary Tax Act of 1939 did not impose a direct tax on that compensation, because, as has been repeatedly held by the U.S. Supreme Court, all direct taxes must be apportioned in accordance with the U.S. Constitution. To additionally demonstrate that this act applies to that indirect tax, which is called the "income tax", Section 1 of Title I of the act reads as follows:

Section 1. Section 22(a) of the Internal Revenue Code (relating to the definition of "gross income") is amended by inserting after the words "compensation for personal service" the following: ("including personal service as an officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing").

Section 22(a) of the Internal Revenue Code of 1939 provided the definition of "gross income" for "income tax" purposes which is now found in Section 61(a) of the Internal Revenue Code of 1954. Of course, the code relates only to those whose activities are taxable for revenue purposes.

Let us go back and look at the example used earlier (John Doe, the janitor). John has a God-given and constitutionally secured right to lawfully contract his labor to engage in innocent and harmless activities. Whether John is sweeping floors for the corner grocery, or for the city water works, or for the IRS or the FRB, FBI or KGB, the activity is just as lawful in one place as it is in another. The same principle can be applied to any other occupation such as that of a secretary, or of a filing clerk, or of a fireman, or any other Occupation that an individual can pursue as a matter of natural right.

Since any activity which cannot be pursued as a matter of constitutional right can be taxed for revenue purposes, what was the reason for the Public Salary Tax Act of 1939? Wouldn't such activities be taxable under the previous income tax statutes? You will notice that in Section 4 of Title I of the act, the consent to tax such compensation is conditional; that is, if such taxation does not discriminate against such officer or employee because of the source of such compensation".

Earlier in the history of your nation, the courts had held that under the Constitution the states were without power to tax instrumentalities of the United States and you might look up, *McCullock v. Maryland*, 4 Wheat. 316 (1819)), and that the United States was without power to tax the salary of a state officer (see *Collector v. Day*, 11 Wall. 113 (1871)). Also, in 1931 the U.S. Supreme Court said:

"It is an established principle of our constitutional system of dual government that the instrumentalities, means and operations whereby the United States exercises its governmental powers are exempt from taxation by the States, and that the instrumentalities, means and operations whereby the States exert the governmental powers belonging to them are equally exempt from taxation by the United States. This principle is implied from the independence of the national and state governments within their respective spheres and from the provisions of the Constitution which look to the maintenance of the dual system".

Indian Motorcycle Co. v. U. S., 238 U.S. 570, 575 (1931)

The reason for these rulings is that if either of the governments were to tax a specific

function of the other, it would impede the function of the one taxed. As held in *McCulloch v. Maryland*, the power to tax is the power to destroy. It is implied by the Constitution that one government does not have the power to destroy a necessary function of the other.

However, as time went on, the U.S. Supreme Court took a closer look at the situation in a number of cases. The court considered that if the tax were nondiscriminatory so that it would apply equally whether the function was performed in the private sector or for a government, it would not impede the operation of the government. There is no need to review these cases in detail, because it goes without need to say that if the activity IS NOT taxable for revenue purposes, the activity is no more taxable if performed for a government than it would be if performed in the private sector. If you would care to research this issue, you might begin with *Helvering v. Garhardt*, 304 U.S. 405, *Helvering v. Terrell*, 303 U.S. 218, and *Graves v. N.Y. Ex Rel. O'Keef*, 306 U.S. 466.

There are a large number of public employees who are also trying to stand up for their God-given and constitutionally secured rights. Once it is understood that a so-called "income tax" is an indirect tax in the nature of an excise and that an excise is never upon property, money or otherwise, but only on activities which are lawful subjects of revenue taxation, the public employee's course is clearly the same as it would be if he were performing the same job in the private sector. The legal criterion or standard by which an employee is to be determined as to whether or not he is employed in a revenue taxable activity has absolutely nothing whatsoever to do with how much wages or money he earns, but instead, is determined exclusively by the factual description and precise nature of his employment in terms of what he does or did and whether or not it involves any kind of activity which cannot be pursued as a matter of constitutional right. A revenue tax liability is not incurred by the free exercise of a constitutionally guaranteed right.

It cannot be proper to say that the public employee has a government granted privilege to work for the government. Congress, as well as the state legislatures, are without power to declare as a privilege and tax for revenue purposes occupations of natural or common-law right which are rights secured by the Constitution.

"Where rights secured by the Constitution are involved, there can be no rule making or legislation which would abrogate them". *Miranda v. Arizona*, 384 U.S. 436, 491.

Regarding this subject you will once again be faced with only one of two choices--you are a "taxpayer" or a "nontaxpayer" and the definitions are in no manner changed. Do not enter a frivolous argument about it and waste time and advantage. Do not go forth with another frivolous argument such as "I am not subject to withholding because I am not an employee as defined in the Internal Revenue Code". This is foolish indeed, and a total waste of time. **IF YOU ARE ENGAGED IN A REVENUE TAXABLE ACTIVITY, YOU HAVE CREATED A TAX LIABILITY BECAUSE OF THAT ACTIVITY. IF YOU ARE NOT, AND HAVE NOT BEEN ENGAGED IN A REVENUE**

*TAXABLE ACTIVITY, YOU ARE WITHOUT THE SCOPE OF THE REVENUE
LAWS: YOU ARE A NONTAXPAYER, PUBLIC EMPLOYEE OR NOT!*

I am a bit torn in indecision at this particular point in this Journal because I do not want you to rush off and do foolish things without adequate information; however, since thus far in the Journal has been discussed the fact that you are a "nontaxpayer" --instructions for actions utilizing this approach should be placed next in sequence. If I refer you to the appendix for the information you can as easily skip the next segments, therefore I shall herein place a "LETTER TO THE EMPLOYER", as example, and petition you to analyze it and do nothing until you complete the Journal or you may very well miss a far better approach to an individual situation.

You must understand, I am going to next tell you that you are NOT a United States Citizen--you are a CITIZEN of the United States or rewritten; United States' Citizen. You are THE by the people, for the people and of the people. Is this a "trick" definition? No, but then the United States Government is a "trick" government and it will ask you this "trick" question very often and you better learn how to respond. Are you a United States Citizen? Be most careful, my friends.

Check your Constitution and then put the question in perspective. Let's use a simple example: "the car of Mr. Jones". We can rewrite it, "Mr. Jones' car". Do you note the apostrophe? In most words you'd add both an apostrophe and an "s", but when a word ends in "s" you needn't add another. Yes, you do remember that grammar rule, don't you? Then a Citizen of the United States could, as I just said, be rewritten as United States' Citizen, BUT NEVER United States Citizen! It makes an incredibly important difference. Enough so, that I shall repeat it when we get to the subject. Meanwhile we will discuss a sample letter to suit the prior Journal portions and trust that you will not jump in front of the train in your eagerness to cross the tracks.

Let us take a brief rest and we will continue later, Dharma. Thank you for your service.

Hatonn to clear, please. Thank you.

CHAPTER 13

REC #2 HATONN

FRIDAY, JUNE 22, 1990 1:29 P.M. YEAR 3 DAY 310

LETTER TO THE EMPLOYER

We are here to serve you in the best possible manner; however, to protect the writers, publishers, printers and all involved or who will have any portion in the publication of this document, we disclaim any responsibility or liability for any loss incurred as a consequence of the use and application, either directly or indirectly, of any portion of this book including any portion of the following letter to an employer. We are coming forth to bring you the facts. You live in a world of corrupt conspirators against your freedom and constitutional rights. If you handle your affairs with aptitude for perfection and understand that which you do, you will be fine.

The following sample letter is designed as a basic outline for the individual who is not a "taxpayer" as defined in the Internal Revenue book; it is not designed to provide any legal advice because legal advice can only be obtained from a knowledgeable professional in the practice of law who has a license to practice law. This is a massive protection of the lawyers of the world and who am I to override any such protectionism of rights to rid you of your money through injustice? I doubt you will find many who will know a thing about the subject.

We have found, within this very group, that the mention of the Constitution or any constitutional rights as even regards a right to a hearing is laughed at and that contempt of court is threatened or sanctioned by the judges and lawyers involved in the business of separating you from your assets and putting them into their pockets. When we get to the Journal dealing more with "Justice" we shall give a breakdown of the litigations involved right here in this place. Until you experience the system in all its full blown gore, you cannot truly appreciate the deterioration of anything remotely presumed to be "law".

I don't really know HOW you would go about suing me, at any rate, and my scribe is completely judgment proof. In addition, I am giving you nothing which is not already printed and public in some place. I honor with great gratitude ones who have not only written on these subjects but have most graciously allowed use of material. One such splendid friend is Howard Freeman who said, "Please, just use anything and everything I have--but please don't give my address for I am over my ears in cases and can handle no more". We will list some most dedicated and honored ones and I shall honor privacy.

We have carefully studied hundreds of volumes of information on this subject--we have chosen only valid, workable methods and information. Some authors have covered varying aspects of the subject material and others have connected some

actions to others--we found NONE which presented it in fullness, so please understand WHY we could not simply send you to a library to obtain a given book. For instance, NO ONE outlays the use of corporations to "lose yourself". I have spoken of it at length in a separate Journal and following the July meeting in Las Vegas we shall link the chain together but we do not have access to choosing the proper speakers for the meeting and ones simply are not going to have the picture in total nor quite correctly put together--but we must begin somewhere. Further, we find if we pass 200 pages at the most, in a Journal--the readers are bogged and will not fully study the information. Bear with us through the months ahead and we will give you information and instructions for as long as we can function.

This sample letter is given in a small book called THE BEST KEPT SECRET, by Otto Skinner. It can be obtained through Liberty Library, or if you inquire, perhaps America West can make it available to you. I can only remind you that you must give credit and support to these authors who have researched and done the work in a most physically human manner, and it is only through physical confirmation will you ones come to accept the possibilities at hand. Ours is to integrate information and assist you in ways of proceeding with action which can allow you to regain your national stability. Ours is the privilege of "seeing both ends of the road"--we can advise you and we can assist you--YOU MUST DO IT!

Mr. Skinner has a very good suggestion. If you have any questions in your mind as to whether or not your job activities involve any revenue taxable activity, we suggest you obtain advice from a KNOWLEDGEABLE attorney. But make sure he is availed of all of this information for almost none of the lawyers practicing law today care a tinker's damn about the Constitution. Most come out of the cookie molds of legal academies and know only that which has been "told them to enforce" and how "to control the client and keep the time clock meter running". Be cautious indeed or you will lose more than you expected and still not have the truth of the constitutional law. IF HE BELIEVES THAT YOUR PARTICULAR ACTIVITY IS TAXABLE FOR REVENUE PURPOSES, HAVE HIM STATE WHICH AUTHORITY DETERMINED THAT PARTICULAR ACTIVITY TO BE TAXABLE FOR REVENUE PURPOSES.

For example, some cases have been determined by the U.S. Supreme Court, as in Flint v. Stone Tracy Co., that the business activities of private corporations were taxable for revenue purposes. That may or may not be factual or even lawful, but remember, at this point we are NOT dealing with corporations for they have ever so much better protection under current legal manipulations than do you as a private citizen.

Insist on that lawyer telling you WHICH, if any, of your activities are taxable for revenue purposes under the Constitution. Remember always, that the nature of a revenue taxable activity is such that it cannot be undertaken as a matter of constitutional right. Doesn't leave much except criminal activities does it?

Unfortunately, you will likely find very nearly all attorneys have not even read, let

alone studied, the important landmark decisions in regard to taxation--especially THE TAX attorneys. They are there to get your money and taxes any way they can or seek shelters and other nonsense and miss the point entirely. Beware the so-called "tax" attorney.

Unless an attorney is thoroughly familiar with the court cases cited and many other related cases, he could hardly be considered competent to give advice on revenue taxable activities, and certainly not competent to give advice to an individual who has not been engaged in any revenue taxable activity.

By studying the court cases cited, you will be in a much better position to determine whether any particular attorney is really competent to give you advice and assistance of counsel in this particular field. It is also best that you get copies of these cases from a law library and do your own study and research. Even competent counsel would have a difficult time assisting an individual who doesn't even know the difference between a direct tax and an indirect tax.

In view of the fact that one must be engaged in a revenue taxable activity before one is subject to any revenue tax, the employers will not have a legal leg to stand on when they try to justify the withholding of money from any individual who is not engaged in any identifiable revenue taxable activity, providing the issues are properly presented.

Do not let the employer off the hook, and you who are employers--you do not deserve to be off the hook until you understand the "law". The employer carries the burden of knowing whether or not you have been hired to engage in any revenue taxable activities. It is the employer who directs the activities of the employee. The employer holds a position of trust. It is assumed, as a matter of law, that the employer knows what he is doing.

Protecting and defending your constitutional rights is serious business and the only way "you the people" will regain control over your out of control government and your destiny. So be it and may you step out in front and lead the way for your less daring brothers--God and the Constitution are on YOUR side, my friends.

Mr. Skinner has placed this notation in his book: "Purchasers of this book may use any part or all of this letter for their own personal use". I urge you to support this man in his work so please honor that notation--and purchase his book. Research, writing, publishing and printing are expensive indeed and what any average citizen who follows these instructions will add to his private money supply is all but incredible. You do the arithmetic and then order his book, please. I would believe that the book would be about \$10 and to preserve privacy I shall just ask you to go through America West who will instruct you or make the title available to you.

The following will be quoted but I shall save space by not showing it as "quotes".

* * * * *

Your name
Address
City, State & Zip

Date_____
Cert. Mail #_____

NOTICE

Director of Personnel
Your company's name
Address
City, State, Zip

Re:

DEMAND FOR FULL PAYMENT OF WAGES AND DEMAND EMPLOYER
CEASE AND DESIST WITHHOLDING OF WAGES UNDER THE GUISE,
PRETEXT, SHAM AND SUBTERFUGE OF WITHHOLDING TAXES FROM
EMPLOYEE WHO IS NOT SUBJECT TO INCOME OR OTHER REVENUE
TAXES, AND PAYMENT OF ALL MONEYS UNLAWFULLY WITHHELD.

Dear_____:

Please take notice that I, (your name), hereby demand full payment of my contracted wages and demand that you cease and desist withholding any of my wages under the guise, pretext, sham and subterfuge of withholding taxes.

You know full well that my job description does not involve any revenue taxable activity, event or incident, and you know that, as your employee, I have not incurred any tax liability, and therefore I am not subject to any revenue tax or tax withholding.

You know full well that the free exercise and enjoyment of the God-given and constitutionally secured right to lawfully acquire property or compensatory income, by lawfully contracting one's own labor in innocent and harmless activities, for lawful compensation, cannot be (and therefore has not been) taxed for revenue purposes.

You know that a constitutionally secured right is the antithesis of and must never be confused with revenue taxable activities such as doing business in a corporate capacity or the pursuing of certain occupations for profit or gain such as the practice of law.

You know full well that the Internal Revenue Code does not concern any person who is not involved in any revenue taxable activity, and therefore the code makes absolutely no reference and has no application of any kind whatsoever to anyone, except only those persons who are subject to revenue taxation as a result of their revenue taxable activities. You know that the United States courts have ruled:

"The revenue laws are a code or system in regulation of tax assessment and collection. THEY RELATE TO TAXPAYERS AND NOT TO NONTAXPAYERS. The latter are without their scope. NO PROCEDURE IS PRESCRIBED FOR NONTAXPAYERS, and NO attempt is made to annul any of their RIGHTS and remedies in due course of law".

Long v. Rasmussen, 281 F. 236, at 238. (1922)

Economy Plumbing and Heating v. U.S., 470 F.2d 585, at 589. (1972) (Emphasis added)

You know that the legal term "taxpayer" is very narrowly defined in the Internal Revenue Code at sections 1313(b) and 7701(a)(14).

(b) Notwithstanding section 7701(a)(14), the term "taxpayer" means any person subject to a tax under the applicable revenue law.

26 U.S.C. 13130z) (Emphasis added)

and,

(a) When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof--

(14) Taxpayer.--The term "taxpayer" means any person subject to any internal revenue tax.

26 U.S.C.7701(a)(14) (Emphasis added)

You know that the term "taxpayer" clearly applies only to those persons who are subject to a tax under the applicable revenue law.

You know that the "income tax" is an indirect, and not a direct, tax on incomes. You know, of course, that the U.S. Constitution makes a clear distinction between direct taxes and indirect taxes.

"In the matter of taxation, the Constitution recognizes THE TWO great classes of direct and indirect taxes, and lays down two rules by which their imposition MUST be governed, namely: The rule of apportionment as to direct taxes, and the rule of uniformity as to duties, imposts and excises".

Pollock v. Farmers' Loan & Trust Co.,

157 U.S. 429, at 557. (1895); and

Brushaber v. Union Pacific R.R. Co.,

240 U.S. 1, at 13. (1916)

(Emphasis added)

You know, of course, that the Sixteenth Amendment was placed in our U.S. Constitution in 1913. The Sixteenth Amendment states:

“The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration”. Sixteenth Amendment, Constitution, United States

of America. (1913)

You know that the only class of tax that can be laid on incomes without apportionment among the several states, and without regard to any census or enumeration, is an indirect tax. You know that it is the "without apportionment" language that confines an "income tax" to the class of indirect taxes.

You know, of course, that in the cases of *Brushaber v. Union Pacific R.R.*, 240 U.S. 1, and *Stanton v. Baltic Mining Co.*, 240 U.S. 103, the U.S. Supreme Court (1916) ruled the Sixteenth Amendment and the income tax act passed under it are constitutional because they only concern indirect taxes, and because the Amendment does NOT authorize the direct taxation of incomes or even confer any new power of taxation, nor does it in any way alter, change, enlarge or affect the taxing power originally conferred upon Congress by Article 1, Section 8 of the Constitution.

"(T)he contention that the Amendment treats a tax on income as a direct tax...is...wholly without foundation...."

Brushaber v. Union Pacific R.R. Co., 240 u.s. 1, AT PAGE 18. (1916) (Emphasis added)

"(T)he Sixteenth Amendment conferred NO NEW POWER of taxation but simply prohibited the previous complete and plenary power of income taxation possessed by Congress FROM THE BEGINNING from being taken out of the category of indirect taxation to which it inherently belonged...."

Stanton v. Baltic Mining Co., 240 U.S. 103, at page 112. (1916) (Emphasis added)

"(T)he conclusion reached in the Pollock Case did not in any degree involve holding that income taxes generically and necessarily came within the class of direct taxes on property, but on the CONTRARY recognized the FACT that taxation on income was in its nature an EXCISE entitled to be enforced as such...."

Brushaber, supra, at pages 16017.

(Emphasis added)

You know that the income tax, being in its nature an excise tax, is not actually on income as property, but on revenue taxable events, incidents or activities, from which the income is merely used for measuring the tax. Hence, the name "income tax". It is according to the income, and not upon the income itself. The class of taxes which are *indirect* include duties, imposts and excises, and such taxes are never upon any kind of property, but only upon revenue taxable activities, which include, but not limited to, the exercise of certain procured privileges, such as doing of business in a corporate capacity, where the measure of the amount of tax is typically income, sales, inventory, etc.

You know that in 1916, when the U.S. Supreme Court ruled on the constitutionality of the Sixteenth Amendment and the nature of an income tax, the court relied on the earlier ruling it had made in 1911 in the case of *Flint v. Stone Tracy Co.*, 220 U.S. 107.

The U.S. Supreme Court held in Flint that a tax measured by the income of corporations or insurance companies is not a tax directly on income as property, but an indirect, or excise, tax upon the business activity of corporations which is a lawful subject of taxation. The U.S. Supreme Court said:

"Within the category of indirect taxation, as we shall have further occasion to show, is embraced a tax upon business done in a corporate capacity...."

Flint v. Stone Tracy Co., 220 U.S.
107, at 150. (1911) (Emphasis added)

and,

"We must remember, too, that the revenues of the United States must be obtained in the same territory, from the same people, and excise taxes must be collected from the same activities, as are also reached by the States in order to support their local government".

Flint, supra, at 154.
(Emphasis added)

and,

"Conceding the power of Congress to tax the business activities of a private corporation ... the tax must be measured by some standard...".

Flint, supra, at 165. (Emphasis added)

and,

"It is therefore well settled by the decisions of this court that 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 taxation is found in the income....".

Flint, supra, at 165
(Emphasis added)

You know very well that the free exercise of a constitutionally secured right is not a legitimate subject of taxation. You know that the U.S. Supreme Court ruled:

"A state may not impose a charge for the enjoyment of a right granted by the Federal Constitution".

Murdock v. Pennsylvania, 319 U.S. 105, at 113. (1943)

You know that the federal government and the state governments cannot, and therefore have not, taxed the free exercise of constitutionally secured rights.

You know that one who lawfully contracts his own labor to engage in innocent and harmless activities in exchange for lawful compensation cannot be taxed for revenue

purposes, and therefore is not a "taxpayer" as defined by statute, and is therefore a NONTAXPAYER and is entitled to ALL the fruits of his labor.

“The right to labor and to its protection from unlawful interference is a constitutional as well as a common-law right. Every man has a natural right to the fruits of his own industry”.

U48 Am Jur 2d, Section 2, page 80.

(Emphasis added)

You know that an indirect tax is never a tax upon the tangible fruit, but rather upon the taxable event or activity.

"A tax laid upon the happening of an event, as distinguished from its tangible fruits, is an indirect tax....".

Tyler v. U.S., 281 U.S. 497, at 502.

(1930) (Emphasis added)

Knowing that the so-called income tax is an indirect tax and in its nature an excise, you know that an excise tax cannot be (and therefore has not been) imposed upon any individual or upon an individual's free exercise of a natural right secured by the U.S. Constitution.

“The individual, unlike the corporation, cannot be taxed for the mere privilege of existing. The corporation is an artificial entity which owes its existence and charter powers to the state; but the individuals' rights to live and own property are natural rights for the enjoyment of which an EXCISE cannot be imposed”.

Redfield v. Fisher, 292 P. 813,

at 819. (1930) (Emphasis added)

You also know that in the landmark cases of *Steward Machine Co. v. Davis*, 301 U.S. 548, (1937), and *Helvering v. Davis*, 301 U.S. 619, (1937), the Supreme Court ruled that the Social Security taxes are also indirect taxes, and that the Social Security Act lays a "special income tax upon employees". In *Helvering v. Davis* the court described title VIII of the Social Security Act as follows:

“Title VIII, as we have said, lays two different types of tax, an 'income tax on employees,' and 'an excise tax on employers'. The income tax on employees is measured by wages paid during the calendar year. 801. The excise tax on employer is to be paid 'with respect to having individuals in his employ', and, like the tax on the employees, is measured by wages. _ 804... . The two taxes are at the same rate. 801, 804. . . . The proceeds of both taxes are to be paid into the Treasury like internal revenue taxes generally, and are not earmarked in any way. 807(a)”.

Helvering v. Davis, 301 U.S. 619 at 635.

(Emphasis added)

You know full well that the Internal Revenue Code sections 3102(a) and 3402(a)

provide:

The tax imposed by section 3101 shall be collected by the employer of the taxpayer, by deducting the amount of the tax from the wages as and when paid.

26 U.S.C. 3102(a) (In part)

and,

Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax...

26 U.S.C. 3402(a)(I) (In part)

refer only to the wages of persons (employees) who are "taxpayer(s)", that is, those who are subject to a tax under the applicable revenue laws as a result of the revenue taxable activities.

You know full well that the legal criterion or standard by which your employees are to be determined as to whether or not they are employed in a revenue taxable activity has absolutely nothing whatsoever to do with how much wages or money they earn, but instead, is determined exclusively by the factual description and precise nature of their employment in terms of what they actually do or did and whether or not it involves any kind of activity which cannot be pursued as a matter of constitutional right. A revenue tax liability is not incurred by the free exercise of a constitutionally guaranteed right, and therefore unlimited income derived from such activity is not taxable for revenue purposes. You know full well that a revenue tax has nothing whatsoever to do with the amount of wages earned by the free exercise of constitutionally guaranteed rights.

You know full well that one incurs a tax liability in the same way any other kind of liability is incurred, that is, by doing something that affects the rights of others, or of the public, and as a result of which a duty arises to answer for damages. One answers according to the same duty which a witness has before a grand jury to answer, upon being granted immunity from criminal prosecution. (See *Garner v. U.S.*, 424 U.S. 648, at 652.) In other words, you will not be criminally prosecuted for being involved in a revenue taxable activity, provided you truthfully and timely report, or make a return, regarding your income from that activity, and computing the tax thereon. The amount of income which you have procured from that taxable activity is not directly taxable as such, but it is confiscable or seizable as a product of that taxable activity, and under the revenue law's taxing schedules or tables it is the basis for measuring or computing the amount of tax on such activities.

You also know that the legal status of your employees who are not subject to income taxation, which includes the Social Security tax, does not involve the declaring of exemptions or an exempt status on a W-4 form, since that form can only be legally used by those who are subject to the tax because of their revenue taxable activities, and who are legally defined in the Internal Revenue Code as "taxpayer(s)", and yet you

have willfully and corruptly exerted undue influence and pressure upon your employees, who are not subject to revenue taxation, to fill out and sign W-4 forms, and to provide you with Social Security numbers.

You know that you cannot, as a condition of employment, compel or require an employee, especially one who is not employed in a revenue taxable activity, to submit a W-4 form. You know that a W-4 form, when signed by anyone who is not engaged in a revenue taxable activity, is NULL and VOID.

You also know that the law, namely Treasury Regulation 31.3402(f)(2)-1(g)(2) which has full force and effect of law, absolutely forbids an employer from sending any W-4 form to the Internal Revenue Service if such form has been signed by an individual who is not subject to any revenue tax.

“31.3402(f)(2)-1(g)(2) Exception. A copy of the certificate shall not be submitted under paragraph (g)(1)(ii) of this section if the employer reasonably expects, at the time the certificate is received, that the employee's wages (under chapter 24 of the Code) from that employer shall not then usually exceed \$200 per week”.

Treas. Reg. 31.3402 (f)(2)-1(g)(2) (In part)
(Emphasis added)

You know full well that Chapter 24 of the Internal Revenue Code applies only to those who are engaged in revenue taxable activities. You know full well that you have no reason to expect me to earn \$200 per week from revenue taxable activities when I was not even hired to engage in any revenue taxable activity. You know full well that you cannot withhold a tax from one who is not subject to the tax. Only a "taxpayer" can have taxes withheld. The withholding of funds under the guise, pretext, sham and subterfuge of collecting a tax is criminal conversion, extortion, an abuse of corporate privilege, and is depriving that individual of property without due process of law.

Knowing full well that the state and federal taxing agencies rely and depend upon employers, such as yourself, to know which, if any, of their employees are employed in revenue taxable activities and to truthfully identify and report the names of such employees, if any, to said taxing agencies for processing under the appropriate revenue laws, you have willfully and corruptly submitted my name as a misrepresentation of tax status to the Internal Revenue Service and to the Franchise Tax Board, as if I were employed in a revenue taxable activity and therefore subject to revenue taxation and tax withholding, which you knew and know to be false, regarding the true nature of my employment by you, and which you knew and know is not of a revenue taxable nature. You have at all times known that I would not, as a result of my employment, incur any revenue tax liability or become subject to any tax under any revenue law.

You know that by submitting to the federal and state tax collecting agencies the W-4 forms and Social Security numbers of your employees who are not subject to income taxation, you have willfully and corruptly made factual misrepresentation to said agencies, all in the furtherance of the unlawful scheme of procuring from said agencies

fictitiously contrived and legally void tax withholding "orders" as your false color and pretense of legal authority for unlawfully depriving said employees of their full contracted wages.

It is assumed, as a matter of law, that you, acting in a fiduciary capacity, knew, and know, the above stated facts.

Despite your knowledge of the foregoing facts you, nevertheless, have corruptly and falsely represented to the federal and state taxing agencies that I am and was employed by you in a revenue taxable activity, and thereby incurred a revenue tax liability and became subject to the income tax. As a direct and proximate result of said misrepresentations, you willfully, corruptly and unlawfully procured false orders and instructions from said agencies to unlawfully withhold my wages as if I were employed in a revenue taxable activity and as if my job involved some revenue taxable event or incident and, as if I were therefore subject to a tax under a revenue law.

The fact that I supplied you with a Social Security number and the fact that I signed a W-4 form does not indemnify you from liability. The furnishing of numbers or the signing of forms does not change a non-taxable activity into a taxable activity. It is assumed, as a matter of law, that you know which, if any, of your employees are employed to engage in revenue taxable activities.

By your unlawful acts, you have violated our contract and you have violated my constitutional rights. I therefore demand of you the following:

1. Cease and desist withholding of wages under the sham, guise, pretext and subterfuge of withholding taxes, and
2. Make immediate payment to me of all moneys which you have unlawfully withheld from me, and
3. Pay to me an additional and reasonable amount of money, which will be determined either by negotiation between us or by adjudication in a court, to compensate me for the damages which you have done which are in the nature of exemplary, punitive, and other damages.

Sincerely,

your signature)
your name typewritten)

VERIFICATION

I declare under penalty of perjury that I have read the foregoing letter and know its contents, and to the best of my knowledge the statements therein are true and correct, except as to those matters upon which I rely on information and/or belief, and as to

those matters I do believe them to be true and correct.

Dated:

/s/

(NOTARY PUBLIC'S JURAT)

* * * * *

Well, now you are all worked up and either want to do something or too full of fear to do anything. Worse, how can you ever get such a long letter typed, etc., etc. Perhaps I can get America West to make available blank copies of the letter so that all you have to do is order some and fill in the appropriate blanks. We will do anything we can to get you off your assets and into action.

Oh, well you are just too terrified? Let me give you a little backbone in the form of a case citation which has a very practical application of principles. Again, I am indebted to Mr. Skinner. In fact, to make sure you get his book, I am going to give you this information and for further information and photocopies of actual cases, references, documents, etc. you will have to get his book--and yes, you should have the backup information. You must go to the batting box with the bat in hand or you can expect to strike out.

THE SANOCKI CASE

Throughout this Journal, emphasis has been laid upon the fact that "income" taxes are restricted to the classification of indirect taxes, and upon the fact that indirect taxes are never upon any kind of property, money or otherwise, but only upon taxable activities in which the resulting income is merely used to measure the tax on those revenue taxable activities.

Additionally, emphasis has been laid upon the fact that anyone who has not engaged in any revenue taxable activity or event is not within the scope and purview of the revenue laws.

The Sanocki Case provides the reader with a demonstration in the practical application of these principles. Mr. Skinner has an Exhibit G in his book and it provides copies of selected pages from public records of the criminal case of U.S. v. Sanocki, CR 81-364, which were obtained from the clerk's office of the United States District Court, Central District of California, located at 312 N. Spring Street, Los Angeles, California. (Better get the book!)

In this case, the "defendant" had been indicted on four charges of violation of 26 U.S.C. 7201 (Willful Attempt To Evade Income Taxes), and four charges of violation of 26 U.S.C. 7203 (Willful Failure To File Income Tax Returns).

The selected pages from "defendant's" document titled:

NOTICE OF MOTION AND MOTION TO:

- 1) RECONSIDER, SET ASIDE AND VACATE ORDERS FOR PSYCHIATRIC EVALUATION;
- 2) REPLACE COURT APPOINTED ADVISOR, MR. JOSEPH WALSH WITH COUNSEL WHO WILL GIVE DEFENDANT MEANINGFUL AND EFFECTIVE ASSISTANCE;
- 3) STAY ENFORCEMENT OF ORDER FOR PSYCHIATRIC EVALUATION PENDING HEARING ON MOTION TO RECONSIDER, SET ASIDE AND VACATE SAME.

will be found in Exhibit G of THE BEST KEPT SECRET, by Otto Skinner.

Some of the pages of the document have been purposely omitted from the exhibit in order to direct attention to "defendant's" jurisdictional challenge that the court lacked subject matter jurisdiction because the indictment does not charge an offense and because she is not a person within the purview of the Internal Revenue Code.

Your attention is directed mainly to item 4 starting on page 10 of the document. Especially for the Patriot who has been searching for answers, it is suggested that item 4 be studied thoroughly. In this case, the "defendant" essentially challenged the opposition on the fact that the indictment did not state sufficient facts which would indicate that she had been involved in any revenue taxable activity or event. In absence of such showing, the court has no subject matter jurisdiction to hold anyone for trial.

Earlier, you were questioned. What do you believe will happen when people start demanding hearings to produce finding of facts and conclusions of law by the courts to determine whether or not they were actually involved in any revenue taxable activity or event? The Sanocki Case provides the answer. The "defendant" in this case was not about to let the "government" get by with their own mere conclusions of law that she had "gross income" or "taxable income", or was "obligated to pay", or was "required by law". Instead, she raised the issue that she was "entitled to a hearing" which would require the "government" to produce facts which would support their legal conclusions. In absence of a showing of such facts, the court had no subject matter jurisdiction to hold her for trial. The issue of jurisdiction, however, must be raised, which this "defendant" did.

It should be pointed out that the court's jurisdiction over the person must be challenged prior to trial, but the court's subject matter jurisdiction can be challenged at any time, because the court's subject matter jurisdiction cannot be waived by anyone. (See U.S. v. Kahl, 583 F.2d 1351, at 1356; Lott v. U.S., 280 F.2d 24; and U.S. v. Andreas, 458 F.2d 491. Also, in regard to a court's lack of subject matter jurisdiction, see Giordenello v. U.S., 357 U.S. 480).

Notice how directly "defendant" Sanocki addressed the correct issues. The "defendant" did not present any complicated or frivolous arguments. An individual is either subject to this indirect tax which is in the nature of an excise imposed upon some activity or event which is taxable for revenue purposes, or he is not. An individual is either within the scope and purview of the revenue laws because of his revenue taxable activities, or he has not occasioned any revenue taxable activity or event and therefore is not within the scope and purview of the revenue laws. It is that simple.

As you read the Sanocki Case, you will see that some people, including some attorneys, will consider an individual "crazy" when the individual stands up for his God-given and constitutionally secured rights. However, you will also notice that some people in high places recognize the correct arguments. The "defendant's" document was filed in Los Angeles on Friday, December 11, 1981, and the DISMISSAL AND ORDER shown in that Exhibit G was filed in Los Angeles on Tuesday, December 29, 1981. This was all during the Christmas holiday period. Considering that the major decisions in these so-called "income tax" cases are made in Washington, D.C., and assuming that copies of the "defendants" documents were mailed to Washington, D.C. for review, it seems quite safe to say that the charges in this case were dropped like the proverbial "hot potato".

It is important to note that Sanocki and thousands of other American Patriots who are trying to stand up for their constitutionally secured rights are not "tax protestors" as they are often accused of being. It is one thing to protest a tax. It is entirely another thing to protest extortion which is committed under the guise, pretext, sham and subterfuge of collecting taxes.

Now what will you do? I hope you are encouraged, as hard working Americans, to learn to stand up for and protect your God-given and constitutionally secured rights to lawfully acquire property (income or other compensation) by lawfully contracting your own labor to engage in lawful, innocent and harmless activities for lawful compensation, and to recognize the fact that such activities cannot be, and therefore have not been, taxed for revenue purposes.

I still urge you to hold off just a minute before acting without thinking. You can go on and carry this off if you please, but we are going to give you some more approaches to handle the IRS when they start writing you letters, etc. Because, obviously as a NONTAXPAYER, you will stop filling out forms of any sort dealing with "taxpayers".

You have reached serious problems in your government and police state and it will not be easy to regain your rights. However, you can if you will act in care, lawfully and above all--get off your assets, save your assets and get the assets back that they have stolen from you.

Samuel Adams, 1772:

"If men, through fear, fraud, or mistake, should in terms renounce or give up any natural right, the eternal law of reason and the grand end of society would absolutely vacate such renunciation. The right to freedom being the gift of Almighty God, it is not in the power of man to alienate this gift and voluntarily become a slave".

AMEN

CHAPTER 14

REC #1 HATONN

SATURDAY, JUNE 23, 1990 5:00 P.M. YEAR 3 DAY 311

UNLIMITED SHOCK

If you are not yet in total shock or stopped breathing; let us give you some more options. There is no need for you to feel foolish over not knowing these things regarding your government or the IRS--such as: the IRS is a PRIVATE CORPORATION just like the FEDERAL RESERVE. And to make you feel less alone, some 30 million people are not paying taxes this year and thus; the heat will be on for that Constitutional Convention whereby the government can legalize, by mandate, the police force harassment and remove your other freedoms. I am most serious indeed--you are within a hair's breadth of losing it all!

ARE YOU A UNITED STATES CITIZEN?

NO! You are a Citizen of the United States.

Now for more grammar examination: try the term "United States". Is it singular (one thing) or plural (more than one thing)? By the Constitution it is plural. You know that because the terms "their" and "them" were used as pronouns referring to the United States, i.e.: Treason against the "United States" is "adhering to their enemies"; "levying war against them". You probably memorized the names of the United States in fifth grade or so and how boring it was to have to remember ALL those names of states.

But the term "United States" is also used in the singular sense. It is one nation. A nation is a natural thin. Yours exists because of the boundaries of the states. It is never defined in other terms. The term "United States" is a geographical name--one thing, one nation. The United States are *one "union"*; the United States is one nation. Confused? No, you isn't? I are!

Because "United States" is a noun ending in "s" it can be either singular or plural. "Jones" car could mean the car of one person (Mr. Jones) or many persons (Mr. and Mrs. Jones and the 20 kids.) But in either case, as you learned in about the fourth grade, the apostrophe must follow the "s".

Were you born in the United States? The preposition "in" shows that "United States" in that question is a place, a geographical place named "United States" and is singular and it refers to a natural place, a nation--a land.

When "United States" is plural it refers to the "union" of the states. Unions are things "Un-natural", and they are *things*, not *places*. Unions, as WE the People said, need to

be perfected, nations can't be perfected. Unions, all unions, exist by *agreement*. *Nations exist naturally*. Oh yes, indeed, it makes a great difference so learn the definitions NOW and you'll make sense of it as we move on.

The only requisite for citizenship is "place" of birth. Every person is a natural citizen of some nation. Nature is so important to citizenship that persons wishing to change citizenship must be NATURALized. For those who appreciate 2000 year old terms, "naturalized" means born again. For instance, all of you who refer to yourselves as "born again" this or that, such as Christian--are simply "naturalized" Christians. But that is not so important except as definition and reference. Just remember that original citizenship exists because of places, not agreements.

If you were born in the United States (singular) you are automatically a citizen of the United States, the United States, one place, one nation. Would you also like to join the "Union", the United States (plural), "them"? Sorry, only states can join this Union, not "people".

AT LEAST THAT WAS THE WAY IT WAS TO BE

In 1867, "United States": was either the name of a geographical place or the name of a union of states. In 1868 a new meaning was created--a third meaning. The fourteenth (14th) amendment accomplished this feat. It begins like this: *"All persons born...in the United States and subject to the jurisdiction thereof, are citizens of the United States"*.

The problem is that the amendment used the term "United States", first in the singular, geographic, national sense (in the United States) and then in the plural, union agreement sense (jurisdiction thereof). BUT, it didn't make the word "jurisdiction" plural. It should have read "jurisdiction's' thereof". But that would have been quite illogical, for places don't possess jurisdiction. The Union had jurisdiction over the states, but not over people and WE THE PEOPLE had jurisdiction over the Union--or so you said. Under 1867 definitions of the term "United States", the amendment made no sense.

Rather than admit to the foolishness of the amendment, a new meaning was given to the "United States". IT BECAME A TITLE. This meaning was unimagined by the Founders of the original constitution. They took great care in it to grant NO TITLE to the government. The constitution merely describes the government of the united states (states united). It used NO titles. The best example of that fact is that the "supreme" Court is described with a small "s". The constitution "entitled" nothing. "WE the People" is the only title used in the document! WE the People had had a fill of Kings and nobles of Kings and titles in general. You were going to be the only nobility of your nation. YOUR TITLE WAS YOUR BIRTHRIGHT, it was not granted by the government. It was not a privilege--IT WAS A RIGHT!

The foolish creation of this "title" did not eliminate or change the prior meanings of the term "United States" as it was used in the original constitution. Hence, since 1868

the term "United States" has three meanings: 1) *the geographical name of a nation*, 2) *the name of a union of states, which in turn define the nation*, and, 3) *a title of nobility. The first is singular and natural; the second, plural and created by agreement; the third, singular and granted.*

But wait. *The government may grant no title of nobility! True? TRUE. The government of the United States may NOT, BUT YOU CAN!*

As a nobleman you can grant title, only you. Plus you can abdicate your title; you can trade it for a new one. But you can only trade downward, the title you're born with is the highest. You can trade your high title for a low one; that's a right you possess. It's easy to do. Too easy.

All you do is claim that your new title is "United States Citizen" (no apostrophe (')). Do that and you'll instantly show that you are a person "subject to the jurisdiction" of the United States. You will use "United States" as a title preceding the word "citizen" and prove that you believe that the "United States" is something (someone) other than a geographical description, or the name of a union of states. In claiming that it has jurisdiction greater than your own, you grant it TITLE. A "person" who holds the highest title of a nation and subjects people to his jurisdiction is a KING.

Have you ever claimed the title "United States Citizen"? Do you have a Social Security card? YOU did it. How about a passport? Same title. Passports and social security are entitlements (en-TITLE-ments). They are granted by the "high noble", to the lesser nobles. Entitlements are granted by the "United States Citizens" (no apostrophe). This government is a government of title. It exists side-by-side with the constitutionally described "government of the united states (United States)".

Oh, so you want proof? Take a good look at anything possessed by this government. On the object you find a label or sign. It says: property of United States Government. It owns more property than any feudal king ever dreamed of possessing, but then it has more subjects than any feudal king.

As a person of low title under the United States Government, you are bound to obey, not only law, but a code as well. *Remember how feudal knights had to obey a code--a code of chivalry?* Well, the "code" a United States Citizen is bound to is called (entitled) "United States Code" (no apostrophe). Originally this was called "Code of Law of the United States (united stated. But it was quickly filled with so much non-law that the name was changed, so that persons claiming low title would know that it was for them to obey and NOT YOU WHO RETAINED YOUR ORIGINAL BIRTHRIGHT TITLE. Didn't you realize this? Well, perhaps you don't deserve such a wondrous and glorious title!

At the same time another problem arose. The courts described in the constitution had jurisdiction (judicial power) in matters arising under the Constitution, treaties and laws of the United States, made under THEIR authority. Plural. "Union." If violators of the

code were to be punished by the courts, or if the courts were to hear any matter under the "code", a new court system needed to be established. A court system for persons of low title; these would be Courts of Title.

The titles of the Courts? "United States District Court"; "United States Court of Appeals". The courts described by the constitution would be "district Courts of the united states (United States)"; "appeals Courts of the united states (United States)"; "supreme Court of the united states (United States)". It would appear, that since both titled courts and constitutional courts must now exist, the judges must sit in either. They hold two jobs.

You determine which court by addressing your petition to one or the other. You pick. The titled courts are no place for a freeman, a citizen of the United States. The courts have a zillion rules (published in the "code"), right down to the kind of paper and the style of typewriter you must use. The courts of the united states are quite the opposite, having no published rules. *These courts are OF LAW, FOR JUSTICE.* Trivial things like paper and type style and fancy labels and front pages of certain face forms have no bearing on either.

If you are a United States Citizen you'll have to appear before a court of TITLE, at least in civil matters under the code. Jurisdiction in criminal matters is properly still left to "district Courts of the united states". Lucky the criminals, who can get into one of these courts that still assume their structure from the constitution. Thusly, counterfeiters and pirates fare far better than persons of low title! Well they should, for their court follows Law and Justice, while a United States District Court follows only "code".

Titled courts are harsh in their administration of the code, for they are bound to nothing else. These courts will gladly take the word of a United States Attorney over the word of a petty United States Citizen. **IN COURTS OF TITLE--RANK CERTAINLY HAS ITS PRIVILEGES, MY FRIENDS. THESE COURTS OWE NO ALLEGIANCE TO THE CONSTITUTION,** they need not rule by the Laws of the United States. They follow a Code, they obey their master, the United States Government. These courts function exactly as did the infamous Crown Courts of England, that you fought a revolution to rid yourselves of in the first place.

This "dual Court" system is probably the only reason for what, at first glance, appears to be a contradictory "case law". While a reasonable mind can understand the potential for divergent court holdings from state to state, the contradictions in "federal" court holding should be most troubling to you good citizens. Have you ever wondered how the "Supreme" Court can overturn itself? It very likely does not. But one can quickly see that the decisions of courts of title or "United States Courts", would oft times conflict with the rulings made by constitutional "courts of the united states". One would hear only matters brought by titled Citizens, the other by freemen. Since the decisions are published in one volume, with no distinction made between the courts, case law seems to contradict itself.

Should you find this "dual court" concept a bit far fetched, examine the Internal Revenue Code. Sections 7402(b) and 7604(a). You'll find these sections grant the authority to two different courts to enforce summons. The sections are identical, word-for-word in every respect--EXCEPT ONE: One gives the authority to "United States District Courts", the other to "district courts of the united states".

BACK TO THE INCOME EXCISE TAXES!

Why both? Ah ha! *Income taxes are excise taxes. They are an excise/occupation tax on a "privilege". The privilege is your TITLE, United States Citizen. A "first party" summons is made upon a titled person. But a "third party" summons might be made upon anyone, titled or not.* Thus, one court must enforce the one; the other court must enforce the other. Do you still think "they" don't know exactly what "they" are doing?

Since a titled individual is required by code to keep books, records and papers, the court of title can demand the delivery of those documents, without particularly describing them, without describing the place to be searched, without the presentment of accusation by a party under oath or affirmation. Should a titled person fail to deliver up such documents he'll find himself in jail for contempt--NOT FOR CONTEMPT OF COURT--contempt of code. A court of title may jail him for failing to produce records which no one has even claimed exist! He'll be released from jail when he "creates" the documents which a titled person is required to possess.

DUAL COURT MOST APPARENT IN TAX MATTERS

No where is the dual court/dual government system more apparent than in tax matters. *At common law, titled individuals (BUT NOT THE KING) are bound by an oath of allegiance in order to be entitled.* Thus, income tax forms must be signed only by persons under oath. You see, the form is to be signed by "United States Citizen".

HENCE, A SIGNED TAX FORM IS ALWAYS INTRODUCED AS EVIDENCE IN A "CRIMINAL" TAX PROSECUTION TO SHOW THAT THE DEFENDANT HAS CLAIMED A TITLE!

Perhaps you've heard that tax deductions are granted by the "grace" of the United States Government. It is true. Grace is a favor or privilege. Kings dispense grace. Kings deny grace. What is given in grace, may be denied. IRS will often deny tax deductions. Look as we might, it is impossible to discover where in the constitution the government was authorized to dispense or deny "grace".

But the government of the united states (United States) doesn't dispense and deny grace, the United States Government does. It dispenses and denies grace to its subjects (remember the subject to), the United States Citizens. This king wears no crown, for it has no head. It can't be killed; it can't be harmed. It can't even be sued, unless it first "grants" its permission or grace. It's hardly the same government which you demanded

would always allow you to petition for redress of grievances!

This government-king has existed for over a century. At first it was quite innocuous while all of you dozed and napped, for it had very few subjects. But when it tricked THE PEOPLE into signing away your birthright via reams of non-understandable forms, its powers became immense and WE THE PEOPLE just ASSUMED - - ! Today this government of title is so powerful that the original, constitutional government of the united states has become totally "lost" in its shadow just as 'they' planned it to work.

There are still two governments. One asks that you should serve it; the other only seeks to serve you. The government of title will entice you with promises of grants and entitlements: welfare, social security, low interest loans, grants of exemption, grants of deductions. But it is like Satan--it cannot "give" you anything. It exists only by YOUR authority. It can't give you anything that you didn't already possess. Try as it might to deceive you, it exists by your grace--not the other way around!

YOU COULD DO YOURSELF AND YOUR FELLOW CITIZENS A GREAT FAVOR; WITHDRAW AND DENY YOUR GRACE. BE A CITIZEN OF THE UNITED STATES AGAIN. Stop trying to serve two masters; you can't do it. Stop pretending that you are subject to the jurisdiction of the United States. You won't be unless you choose to be. Even the greatest king is only a king by the consent of his subjects. Stop being a subject. Be a free man!

Refuse to claim that you are a "United States Citizen". Deny jurisdiction to titled courts. And by all means, stop calling this king by his title--"United States Government".

IS THE IRS A FOREIGN CORPORATION?

Further, how is it that the budget for the operation of the IRS (which IS a private corporation and NOT A GOVERNMENTAL BRANCH) is included in the budget of the U.S. Government which is voted into existence by Congress?

Furthermore, it is the extravagant spending by Congress in excess of revenue received which is the primary cause of inflation, not some esoteric convolution of the IRS.

Yes, Congress does fund the "Internal Revenue Service". The FIRST occurred in 1954. Until then there was no mention in statutes of "IRS". Until the 1940s the term 'internal revenue' was reserved to taxes paid on commodities, paid via stamp. Until 1954, "IRS" was a semi-slang term describing, NOT DEFINING, persons who collected EXCISE taxes. "IRS" was a term like "G-man" or "T-man". While oft used by the public, it had no function whatsoever at law.

In 1954, with the FIRST use of the term, Congress showed that IRS had become an entity. Who is IRS? That remains unanswered, for Congress has yet to address the

matter in positive terms. It can be speculated that IRS may be a foreign corporation or federation. *One cannot speculate that IRS is an agency for that would be a matter of public record--a matter at law. Speculation would be quite unnecessary in that instance.*

In 1982 Congress enacted a codified version of Title 31. This title begins with a list of Treasury agencies. From the House Report which accompanied the bill and the encoder's notes in U.S.C., YOU WILL FIND THIS LIST IS COMPLETE, both the Report and the encoder thrice calling it such.

IRS IS NOT IN THIS COMPLETE LIST! So, while Congress has failed to tell you what is IRS, they have clearly told you what the IRS is NOT. IRS is *NOT* a Treasury agency. Title 26 says that taxes *may* be collected ONLY BY TREASURY OFFICERS, EMPLOYEES AND AGENCIES. Too bad; IRS may *NOT* collect tax.

A few years ago Congress simply said, "The Emperor has NO clothes". Yes, they are still paying the swindlers (a deal is a deal). Surely they take great consolation in knowing that the money comes from people like you, people who defy logic, viewing their king as robed in the finest attire--a fabric of such noble weave that even Congressmen are unable to discern its substance! Or, perhaps the three-martini lunches have blurred vision. Perhaps what Congress does see is best left unspoken at law; your king, lacking a mother's advice, has worn the same underwear for 30 plus years. Look again and laugh lest the last laugh truly be on you for they, in Congress, laugh at you hysterically every day of the year while they squander your hard-earned property in every heinous manner conceivable unto man.

The U.S. Code does NOT contain an enabling act which established the IRS; therefore, it is quite proper that the finding was noted that the new Title 31, chapter 3, contains a "complete list" of all Treasury agencies, and this "complete list" has nothing in reference to the establishment of the IRS.

I PROMISE YOU THAT IF YOU ALLOW THE CONSTITUTIONAL CONVENTION TO TAKE PLACE THAT LITTLE ERROR WILL BE REMEDIED. IT IS UP TO YOU WHETHER YOU ALLOW OF IT TO HAPPEN OR DO NOT.

It is clearly obvious that the IRS is not governmental, but private. If you study a biography of the infamous PHILANDER KNOX (Secretary of State when the 16th Amendment was fraudulently declared ratified), you can learn that he conducted foreign affairs via a doctrine known as "dollar diplomacy". *KNOX WAS DEEPLY INVOLVED IN LOANS BEING MADE BY THE BIG NEW YORK BANKS TO PANAMA AND CHINA. THE BANKS, TO SECURE THESE LOANS, RECEIVED ASSIGNMENTS OF TAX REVENUES, AND EVEN WENT SO FAR AS TO ESTABLISH AN AGENCY IN PANAMA TO COLLECT THIS DEBT.*

*OH BY GOLLY---***---I FINALLY GOT YOUR ATTENTION!!! AND WHO DO YOU THINK OWNED, THEN AND NOW, THOSE BANKS AND WHY MIGHT IT BE NICE*

TO "INVADE PANAMA" TO GET TOTAL CONTROL OF THAT MESS?

There are many other proofs that private companies collect the national revenue. It certainly is not a novel idea that a national tax collecting service could be a private organization--in fact, for the money greedy grubbers it is highly likely!

OK, little lambs, take note: The INTERNAL REVENUE TAX & AUDIT SERVICE, INC. was birthed as a corporation in the State of Delaware. The incorporation took place on July 12 1933...Three minutes on the telephone with the Secretary of State's office in Delaware can inform you (with giggles of humor from their end of the line) that yes, the Articles of Incorporation were filed on July 12, 1933, and then they were voided on April 6, 1936 for *failure to pay State Franchise Taxes!* Oh OH! Watch it! Worse--that corporation was a corporation set up as an equivalent to what is now recognized about your lands (especially in April) as H.& R. BLOCK! But why would such a service even be under consideration at that time? One of the best ways to "lose a trail" in incorporations is to move a viable company out of the country and allow the original to go defunct.

Chelas, I realize this is all mind boggling to you. You feel the fool; duped; raped, pillaged, ravaged and plundered. So be it, for it is all a working, smoothly laid plan for the World Order to take control by year 2000 at the latest. "Global Plan 2000" is right on schedule and you sleep on. Oh yes, there is everything that you can do about it and we'll give you more at the next writing.

We have a very weary scribe and you must remember, she too, is in a state of aggravated and furious shock. So be it, and I now leave you to ponder it. Until next time, this is your friendly tattle-tale signing off - - - -

Hatonn

CHAPTER 15

REC #3 HATONN

TUESDAY, JANUARY 23, 1990 11:00 A.M. YEAR 3, DAY 160

ANOTHER MAJOR VIEW FROM THE MOUNTAIN

This upcoming information is another aspect and a followup approach to use separately or in conjunction with that which you have been given to this point.

This takes into consideration that whereby you have mostly all believed that you live and function within and as "one" United States of America, NO, you do not. There are more than one and therein lies your recovery hope and direction. You must remember that if you live in any of the 50 states making up the Union of the United States, you are a Citizen of the united states of America. You are NOT a United States citizen. The difference is so incredible that it will change your stance from powerless hopelessness into a powerful positive position. You the citizens can have the last word if you get off your assets and move!

Most of this information will be repeated mid-year as we move into a comprehensive informative Journal which will deal with the entire matter of "income taxes" and the illegality of same.

I honor one known as H. Freeman for the information which follows. He asks that we utilize his materials to the fullest extent possible but requests that we not give statistical information regarding his person for privacy and security reasons.

The following few chapters will be mostly taken from lecture material and we will basically leave it unchanged. It is given in descriptive manner and I believe the readers can relate very well to the concepts given forth. Names and story-lines may be changed somewhat but the information and conceptualization are absolutely verified. The citizens of the world are greatly indebted to ones such as H. Freeman and one day soon these wonderful patriots shall be able to come forward for honor without fear for their very lives.

You on the planet known as Earth, are hostage to a few world bankers--a Cartel set forth on a path of Global domination and ownership. They have accomplished the task, for the world is bankrupt and all assets are held by these few. However, the game is not over, my friends, for the intent is to call a Constitutional Convention and replace your Constitution with the one we have referred to--and then it will be over--they will own the world.

If however, you ones open your eyes, take the instructions coming forth and move into action and stand firmly upon that rock which IS your Constitution, you can reverse it and reverse it really quite rapidly. Mr. Freeman, and ones working with him, have

supplied us with back-up documentation which can eventually be made available to you. We will not, however, hold the Journal from publication awaiting all the copies and clearances, etc., for the additional material for you will always be able to get additional information from America West and you will have enough within the Journal to begin nicely and adequately. Study until you understand the concepts given forth in each lesson and method and you will be in knowledge of approaches and carry-through. Your backbone will grow in strength as you grow in truth.

GET SOME FREEDOM

Your Bible tells you that you shall know the truth and the truth shall set you free. Now that does not mean that you allow someone else to know truth and you tag along with it--it says that you shall learn the truth and then you shall be free. We can present the guidelines but if you run in and botch it up then you have been most foolish indeed. If you wish to play the game to perfection and win, you will accept that some others know more than do you and if you wish to utilize that knowledge--fine; if not, we are not interested in your ongoing arguments. If you are convinced these things are not valid and will not work--they won't--and you will make the others have a much harder path. We are not interested in any "Master of Debate"--if you have something to add of positive nature--salu, if not, please remove your input.

We are bringing you some Master professors and if you perceive you already know it all--so be it; spare us the misery of wasted time. What you do with these Journals or the information contained therein is your individual business and it is none of our business what you think of them. I do suggest that you know your facts as to whether or not a thing is valid until after it has been tried or your face may well be splattered with egg--our verifications of truth are usually quite accurate.

BACKGROUND INFORMATION

There is some background information which you must understand. You are dealing with a situation that exists but, at all costs, the ones that have created the situation don't want it to be made known as to just what is the situation.

The point is that America is considered a bankrupt nation. It is owned by its creditors, The International Banking Houses. Further, if it is owned by its creditors, then the creditors own the legislative bodies--both the national congress, the state legislature, all executive officers, all of your courts and **YOU ARE THEIR SLAVES**. And therefore, they have to have their own legislatures pass "public policy statutes" in the interest of the nation's creditors.

The judges all take silent judicial notice that America is a bankrupt nation and that is exactly what the situation is. As we explain things you will see how things come down and what you can do about it. Now understand--and I repeat; they are not yet ready to admit that this is true. At this moment the international bankers, as a group, have the entire world bankrupt. I can only ask that you go back to prior JOURNALS for I get so

many complaints about repetition and the only way I can cut down on repeating is if you do your prior lessons well. The Communist world, the Free world, the Third world--all could be foreclosed. They could foreclose on every nation in the world for all nations in the world, in effect, are bankrupt.

Why don't they foreclose? *BECAUSE THEY STILL DO NOT HAVE CONTROL OF ALL THE GUNS! BUT THEY ARE WORKING MOST DILIGENTLY TO GET RID OF THAT LITTLE INCONVENIENCE.* Therefore, they have to stall for a while until they get things totally arranged and can then tell you that you are all slaves and there is nothing you can do about it; that they own the world and the world will simply do as they say. They are "legally" in that position but it wouldn't be expedient at this moment for The Conspiracy to so state. At this time they would run into too much opposition. You can imagine what would happen if you told the American people, at this moment, that they are slaves and there is nothing they can do about it and "you will do as we say". You are, however, treated as though you are slaves and actually they have already convinced you that you must do as they say.

What is in your favor is that you know that they are not going to admit that you are slaves at this moment and thus they have to "pretend" that America is still a sovereign nation and that the Constitution is still in force. They will ignore it or hide it but they dare not say it does not exist. They will, however, carry on in the cat and mouse game assuming the public will not be aware of the hoax.

Therefore, moving along with their pretending that your nation is still intact, you can move right along and benefit from their continuing pretense. You must play the game just as long as you possibly can.

LAW, EQUITY AND ADMIRALTY

Let us look at the difference in these terms. There are three jurisdictions mentioned in the constitution. The courts were set up by your founding fathers as courts of law, courts of equity and courts of Admiralty.

In defining the three, remember that we are speaking of "jurisdictions". The "common law" comes under what is called a "common law jurisdiction".

Equity is a jurisdiction of compelled performance and that comes under the "jurisdiction of equity". This is not "law", it is the enforcement of contract obligations.

Admiralty is both civil and criminal but we shall refer to that later for we wish to first discuss "What is law?"

As an example; if you go into a state, for instance, and there is a sign which reads "BUCKLE YOUR SEATBELTS--IT'S THE LAW". Is it?

As a better example, Mr. Freeman uses another example of some people in San Diego who owned a Health Foods store. They sold herbs, peroxides, protein supplements and

things of that type. They ran the business in their home.

Very recently, at 7:00 a.m., their place was surrounded by dozens of armed police. They demanded entry and the people, still in their night clothes, were arrested, handcuffed and taken to the police department. There was a daughter also in the residence and she was able to describe the scene that ensued.

The police took the peroxide and poured it into the toilet. Then they emptied all the tablets and pills, etc., into boxes and thoroughly mixed them to the point there could be no separation of the products. They completely trashed the stores, papers and generally devastated the area.

Of course it was a preset situation because when the people arrived at the police station the media was all over the place and these poor people were paraded up and down in handcuffs and were only allowed to change from their nightclothes and nothing else.

Now, remember that the police are only acting on orders--they are simply doing their job as ordered. Further, they make a big splash about the "possibility" of having illegal drugs, etc. They, of course, were sure to get rid of any product that could prove otherwise. "They were protecting the public from possible fraud and harm"! the headlines read.

THERE IS SOMETHING YOU *MUST* KNOW--*ANYTHING* THE GOVERNMENT DOES IS A "LEGAL" ACTION--*ANYTHING!* BUT--IT MAY NOT BE A "LAWFUL" ACTION! However, it will be PRESUMED TO BE A LAWFUL ACTION UNLESS IT IS *TIMELY* AND *SPECIFICALLY* OBJECTED TO.

You must hold the above statement up front for it is most important--timely and specifically objected to.

Now what happened in San Diego happens everywhere and I have told you about some other recent incidents. It is a shock to all American people but it is occurring in a thousand different ways all over the country.

People say, "How in the world can they do that"? Well, "ANYTHING THAT THE GOVERNMENT DOES IS A 'LEGAL ACTION'". You must know the difference between "legal" and "lawful". For instance, you can be charged with illegally distributing hydrogen peroxide, but is it necessarily "unlawfully" distributing hydrogen peroxide? You must KNOW these terms.

LAW DOES NOT COMPEL PERFORMANCE. The founding fathers of your nation did not want to create a nation which was just like the one that they had just fought a war from which to free themselves. They didn't want another King George or Caesar. They wanted a nation with protection of their rights and not to take away more rights. So, in creating a national government with a union of states, they were most careful to

not give that government too much power.

In setting up the government they set it in such a way that congress, the legislative branch of the government, had no contact directly with the people. They only dealt with the STATES and the STATES DEALT WITH THE PEOPLE. There was no such thing as a law that congress passed that had any effect upon the people of your nation. They were isolated from it--they were protected by the NATIONAL CONSTITUTION AND ALSO BY THEIR STATE CONSTITUTION *FROM ANY DIRECT ACTION OF CONGRESS. THAT IS STILL VALID LAW!* AND ALWAYS REMEMBER THAT LAW DOES NOT COMPEL PERFORMANCE. Law is purely negative; you are free to do anything you please by law as long as you do not infringe upon the life, liberty or property of anyone else. It is only when you interfere with someone that law can take effect.

As an example: When you see a policeman out patrolling, that policeman is like a juke-box. As long as nobody goes near it is silent, but if you go over to the box and drop in a coin it plays music. Well, that is what your police officers are authorized to do in America. They just patrol the streets and anybody who has been damaged by someone, he must come to the officer and say, "That man damaged me and I want you to arrest him". He must then sign a complaint that the man damaged him. That is what the law is for -- to protect you from ones who damage you by interfering with your life, liberty or property.

Mr. Freeman describes the above: "I have to back out of my driveway every day. One time I looked in both directions and there weren't any cars there so instead of backing out short, I just took a big wide swing. Suddenly out of nowhere a car shows up and I backed right into the side of his car.

"Immediately I got out of the car and said, 'Where did you come from'? and he said 'Well, I just pulled in here to park and you backed into me'.

"We visited a minute and then I had him follow me to the body shop to see about getting the dent out. Then after we got an estimate I asked him how he wanted the situation handled, to leave the car and have it fixed or would you prefer to have the amount he estimated and you take care of it? They were from out of town so he preferred the money. So I gave him the money and that was the last I ever saw of them".

Now, let's talk about the involvement of the police. "Suppose I backed into that car and then drove away. If they got my license number then they could go to any policeman and file a complaint and have me arrested. Now the policeman is like the juke-box, he has his coin and now goes out and arrests me, and brings me into court. The burden of proof is on the person who filed the complaint and he must prove that I backed into his car. If I denied the offense then he would have to show proof that I had actually been the one to commit the offense. It happens on Judge Wapner every day. If he prevails then the court can require me to pay the full damages.

Now, however, let us look at how law has "seemingly" changed. "Suppose you were parked right across from my driveway and suppose I backed out of my driveway like I had an overdrive in reverse and you had all sorts of heart attacks, etc.--but I stopped my car 1/16th of an inch short of your car and I simply drove away. BY LAW THERE IS NOT ONE THING YOU CAN DO IF YOU WERE NOT DAMAGED. THE POLICEMAN, BY LAW, COULDN'T DO A THING, EITHER, BECAUSE THERE WAS NO PHYSICAL DAMAGE TO YOU. THERE MUST BE DAMAGE BEFORE A POLICEMAN HAS AUTHORITY TO ARREST ANYONE. Further there has to be a signed complaint filed by the damaged party.

The sad part is that in these days there is so much bribery and corruption that you can most easily be framed and set up as if you created damage and the actions of the court are to hold you as guilty until you can somehow prove your innocence. These are signs of the times and we cannot deal with all the "what ifs" in this dialogue.

Back to California and the seat belts. It is the law in California--but, that is not "law". "LAW" DOES NOT COMPEL PERFORMANCE.

For instance, "Freedom is the right of a man to make a fool of himself if he doesn't interfere with the life, liberty or property of anyone else". And who is the "God" who decides what is the definition of "fool"?

Well, in California the powers that assume to be don't want you to make a fool of yourself--after all, who gets hurt if you don't buckle your seat belt and you enter into an accident? The big guys just love you so much that they just don't want you to bump your head and they are going to look out after you whether or not you like of it. That is how it comes down to "law"--they say that they love you so much and want to protect your head so much that if they find you making a fool of yourself and not following the rule, they will relieve you of \$50. Now--that is NOT "LAW", so then how is it enforced?

Look at what the real story is--. The International Banking Houses see the American motorists driving around in their automobiles and they see some fellows hitting their heads on the windshields and perhaps killing themselves. Therefore they say, "Normally we don't care about people, in general, but we own them and dead slaves don't produce anything--we must keep these fool slaves of ours alive so we can continue to get revenue out of them. Therefore--you make those fool slaves buckle their seat belts or it's going to be a fine". Then your congressmen get that instruction and they set about making these secure rules so you don't make a fool of yourselves.

Here is the point: There is a difference between public "law" and public "policy" and it is interesting where "public policy" came into force instead of "public law".

Mr. Freeman has a good example: He has not filed an income tax report since 1969. They wrote him a letter in 1974 and he responded and then he heard nothing for

another five years. But then, they found that he was one of the founders of an organization of which they didn't approve and the organization had really undergone a lot of growth. So, as good little surveillance personnel the organization was infiltrated and they got the names of every one in attendance at a major meeting. Suddenly, every member of the organization was audited. Well, it pretty well broke up the organization for there were a lot of ones involved to simply avoid paying taxes and had no particular interest in whether or not it was Constitutional.

They did issue Mr. Freeman a notice of deficiency in the amount of \$68,000. He didn't own \$68,000. so how could he possibly owe such taxes under any circumstance?

This is a trick and here is a most important point and something YOU NEVER WANT TO DO--DON'T ARGUE THE AMOUNT. DO NOT EVER EVEN MENTION QUANTITY WHETHER IT BE \$10,000. OR 10 CENTS. IT IS THE *LAW THAT DOES NOT APPLY TO YOU AND YOU ARE ARGUING JURISDICTION*. What do you care, if the law doesn't apply to you, whether you owe \$10,000 or ten cents? IT IS THAT SIMPLE--DON'T ARGUE THE AMOUNT, ARGUE THE PRINCIPLE THAT IS INVOLVED.

THE SUPREME COURT HAS RULED THAT THE INCOME TAX IS NOT A TAX OF INCOME. It stated that the income tax is a tax on the exercise of a government granted "privilege" and the value of the privilege exercised is measured by the income of the person who exercises the privilege. That is what the Supreme Court has said that the income tax is.

Well, Mr. Freeman took the Supreme Court documents and went to see his IRS agent and tells the story this way, "After a long threatening interview, I asked him who is your superior? After a while he gave me the name of his superior and I wrote to him. Then I got a letter back and then I wrote to his superior and got a letter back. Finally I went down myself and each time they would tell me that they didn't know anything about law but the code says this and that and the other. If I had any questions I could just apply to tax court.

"Finally I went again, in person. This time I got the Problems Resolution Officer and I presented all my problems to him. He said the same as all the other ones in that 'I don't know anything about the law, Mr. Freeman, but you will either pay that amount or you'll go to tax court and there are no other points involved--that's it'. I suggested that they were bringing cases into court all the time so I wanted to know where all their attorneys were since no one seemed to know anything about law.

"He said, 'I am as high as you can go, Mr. Freeman--you can't go higher than me and I say you will pay that amount or you will go to tax court and that is final because the only one above me is the District Director'. I simply said, 'Thanks, where is he'? He said he was upstairs so I walked away and went up the elevator, got off and there was a young lady sitting outside the District Director's office. I went up to her and asked to see the District Director. She said she was sorry but he was out of the office and

wouldn't be back for the remainder of the day. But whoops, I heard a man cough directly behind where she was seated and within the Director's office. Ah Ha--but don't be stu--foolish enough to counter what the lady tells you. You can be extremely sorry. Accept the secretary's word for it and don't push it.

"In this case I thanked her and walked away, took the elevator down and walked around into the Federal Building. I walked upstairs and the first office I saw to the right was Senator Simpson's office. I walked in and found a girl sitting there reading a novel and obviously not at all busy. I said to her 'When the Senator was running for office he was going to set these field offices up around the state so that any time we had a problem we wouldn't have to go down to Washington'. She just beamed all over and asked if there was anything she could do for me. I said, well yes, and I told her my problem and that I really thought the Director was in his office. I asked her to call up the IRS and say that this is Senator's Simpson's office and I'd like to talk to the District Director and, if you get him on the phone say this: 'This is Senator Simpson's office and I just called to find out if you're in. Could you stay there five minutes as I'm sending a gentleman over to see you'. It worked like a charm--he was in!

"I thanked her, walked back around and into the IRS building, got on the elevator and got off--the girl saw me and said 'Oh, you're so lucky, he just came in this minute'. I walked past her and he met me at the door and said 'Good afternoon, Mr. Freeman, sit down. Do you like coffee? Cream? --and all the while I just admired his view and commented on his good taste in office furniture and he proceeded to produce some cookies and we each took one and had coffee and cookies and a nice little chat. Then he said, 'What is it you want to see me about, Mr. Freeman'?"

Now, I, Hatonn, want you to pay close attention to the following conversation.

"I don't believe that you read all the mail that goes out of this office over your signature.' He said, 'Oh, Mr. Freeman, that is so true. I couldn't possibly read all the mail that goes out of this office because it goes out by the bags full'. I said 'That's what I thought, and do you realize that some of those working for you are sending out letters that contradict what the Supreme Court of the United States has declared? But they are not doing it over their name--they have your name on the bottom'. He said, 'Well, this is very interesting, Mr. Freeman. Do you have any particulars on that?' I said, 'Yes', and showed him the letters they had sent me and I showed him the Supreme Court cases of documentation and I said, 'See, the Supreme Court of the United States says this; that this is an excise tax and the tax is on the exercise of a government granted privilege'. And here, your own agent -- I don't know which man wrote this letter, but your name is on the bottom but he says this is a tax on income. This seems to put you in a bad light; it puts you in contradiction with the United States Supreme Court'. And I showed him a few more such documents.

"He said, 'I'm really happy you came here, Mr. Freeman. I really appreciate your visit. If you could leave those papers with me for about three days, you'll hear from me. I'm a little too busy to do justice to this right now but I'll guarantee that you'll get your papers back and you'll hear from me in three days'. I suggested he keep the papers

since I had duplicates. We shook hands and parted best of friends and everything, then three days later he called me up and said, 'I think you'll be pleased, Mr. Freeman, to know that we have determined that your notice of insufficiency has been withdrawn and we have determined that you are a person who is not required to file an income tax and you won't hear any more from us'. I haven't heard another peep from them from that day 'til this".

The interesting part is that the arguments he utilized were from Supreme Court cases. He realized that all his collection of Supreme Court documents gave him real knowledge and therefore he began to help some of his fellow-patriots.

"So", Mr. Freeman continued, "I had a friend who was charged with willful failure to file an income tax. I had spoken to the group which he had been attending and I told him, 'When you get into court, subpoena me as your witness. When you get me on the stand, you ask what I said at these meetings and once you have that you can state that I had convinced you that you were not required to file an income tax, then when you didn't file, it was not willful on your part'. You see, a crime is not a crime unless it is willfully done. For example, even Hinckley, who shot Reagan, didn't understand the charges so he never went to trial. He just went stone crazy and never went to trial --because he didn't understand the charges against him".

Well, if you don't understand the charges, nothing is willful. You see, you might accidentally shoot someone--say, while you're cleaning your gun and it fires while someone passes the window--that is not murder for it was not a willful act. The person might be just as dead but it is accidental and not willful.

Well, the IRS would have to prove that the action was willful, so he could get Mr. Freeman on the stand and then he would be asked to tell the court what was said. Well, it went very well--they got Mr. Freeman on the stand and let him rattle on without interruption.

It appeared to be a cinched case and all were feeling celebration at recess and then all were recalled to the courtroom. But, in the final summation of the case the judge charged the jury thusly: "You will determine the facts of the case -- did Mr. S. file a tax return or did he not". Well, Mr. S. had openly claimed he had not filed a return so look where that left the jury. The 'law' requires you to file. That ended the case.

Mr. Freeman asked the judge by what authority he overturned the ruling of the Supreme Court? He said, "Those cases you gave me were old cases, prior to 1938. If you quoted cases after 1938 I would honor it but anything prior to 1938 I don't honor. Since 1938 they have passed 'public policy' statutes. All Supreme Court cases since 1938 deal with public policy and all cases prior to 1938 deal with 'public law". Nineteen thirty eight was the year they blended law with equity--well, how can you blend "compelled performance" with "freedom"? YOU CAN'T BUT THEY DID--IN OTHER WORDS, THEY BYPASSED FREEDOM.

1938 was also the year that the Swift vs Tyson, 1840 decision by the Supreme Court was overturned by another case when the Supreme Court ruled there was "NO COMMON LAW AT THE FEDERAL LEVEL". All these things happened in 1938 and must be kept in mind each time a stand is taken regarding the IRS. It does not mean there are not ways to manage the situation, it is just that you must know what you are doing and avoid your own entrapment on technicalities because all courts will try to mix statutes with laws.

Dharma, allow us a break please.

CHAPTER 16

REC #2 HATONN

SUNDAY, JUNE 24, 1990 8:28 A.M. YEAR 3 DAY 312

ALL YOUR COURTS ARE ADMIRALTY COURTS

How did this come to pass? All judges have taken silent, judicial notice that America is a bankrupt nation. In bankruptcy, the debtor is the servant of the lender. The lender owns you. They own the nation--they own everything. If you don't follow the orders of your masters you will pay the penalty, whatever it is that "they" choose as the penalty. All your courts today want to know is "did you or did you not OBEY THE STATUTE? GUILTY OR NOT GUILTY"?. That, friends, is all they want to know and absolutely all with which they will deal--"according to the STATUTES".

If you plead "not guilty", they are going to "simply prove" otherwise and, either way --they fix it so YOU will NOT WIN! Either way "they" are going to win and either way you will pay the fine and penalties of not following "their" statute. That is the way the courts are now structured.

But, we remind you and you must retain upper-most in mind--THERE IS *PRETENSE* INVOLVED; THEY DARE NOT *ADMIT* THAT THE COURTS ARE OPERATED UNDER AN ADMIRALTY JURISDICTION. Why won't they admit it? Because if they did tell you that this court is an Admiralty court, the defense in Admiralty is quite different from your defense under the common-law. The defense in Admiralty is this: the judge will say, "Yes, you are in an Admiralty court". Then you reply, "Thank you, your honor", and, but your Honor, you must recognize that this court would have no jurisdiction over my person, unless there is a VALID INTERNATIONAL MARITIME CONTRACT THAT HAS BEEN BREACHED. I AM NOT AWARE OF EVER HAVING ENTERED INTO ANY INTERNATIONAL MARITIME CONTRACT

--SO I DENY THAT ANY SUCH CONTRACT EXISTS. I MUST INSIST, YOUR HONOR, THAT THAT CONTRACT BE PLACED IN EVIDENCE IN THIS CASE SO THAT I MAY CHALLENGE ITS VALIDITY; BECAUSE YOU KNOW, YOUR HONOR, NO COURT CAN ENFORCE AN INVALID CONTRACT".

See what a pickled jam you put him into? What is the international maritime contract which brought you into that court? IT IS THE NATIONAL DEBT! Therefore, they would have to bring that into the court and would have to show that the United States of America is a nation owned by its creditors. They own the Congress and they own all the legislative bodies; all state governments; all the federal government and the people are their slaves and they own all property--they even own your own house, etc. They can order you, as the slave, to do exactly that which they order you to do. Oh yes, this IS the situation, no matter how you feel about it.

They would have to expose this fact if they admitted that they are operating the court under an Admiralty jurisdiction. THEY HAVE SIMPLY DETERMINED THAT IT IS NOT EXPEDIENT AT THIS TIME, TO ADMIT THAT AMERICA IS A BANKRUPT NATION, OWNED BY ITS CREDITORS--BECAUSE THERE ARE TOO MANY GUNS OUT THERE AND SOMEBODY MIGHT REFUSE AND THEY WANT TO MAKE SURE THAT ALL GUNS ARE ON "THEIR" SIDE BEFORE THEY MAKE ANY SUCH PUBLIC ANNOUNCEMENT OF THAT SITUATION.

But, they are operating EXACTLY on that principle and you are going right along with it because you apparently have not known any better. Remember: *anything the Government does is a "legal action" and it will be presumed to have been a "lawful action" unless it is timely and specifically objected to--properly.* So, you ones are going to have to make an objection, or you will just continue to be a slave and obey their orders and work for their benefit.

YOU MUST KNOW, HOWEVER--HOW TO OBJECT! You must object not only timely; for a lot of patriots object, but they don't do it specifically--they just do it "timely". Two major points are at work here: "timely" and "specifically".

TAKE TRAFFIC TICKETS

Since most of you don't have time to write papers to the courts in constant manner let us look at how you can come out of traffic tickets most quickly, if you have to go in there "orally". Don't argue with a policeman; he is just a bureaucrat. He has orders and he thinks hardly twice about killing you if appropriate and they think, furthermore, that they are serving God while they are doing it. DO NOT ARGUE WITH THE POLICEMEN!

But, who is giving him instructions? The prosecuting attorney and judges (who are licensed attorneys) are telling what the instructions shall be. So when you get in the court, the judge will read the charge; whether it's an IRS violation, OSHA, EPA, HUD, or just a traffic ticket--it doesn't matter, it is all "CRIMINAL" action.

Again, why does not the State charge you with a "civil" action? They could very easily say that your driver's license is a contract, that you gave up your "right" to drive when you accepted the "privilege" of driving--from the State. That is the consideration of a contract. You applied for the driver's license and that shows your agreement. Now you have the obligation to adhere to the codes as given forth to the letter of that code.

Why don't they make traffic offenses an "equity"? The reason they don't is that they will never tell you that your driver's license "is a contract" and THAT is what they are enforcing. Because if they did, that would be a "civil" action and a "civil" action between you and the corporate State has to go into a "FEDERAL" COURT. Art. 3, Sec. 2 of the Constitution says, "If the corporate state comes after a citizen of that same state in a civil action, the state cannot use its own corporate court to judge its own cause". You are entitled to impartial justice. So, it says "the supreme Court has

original jurisdiction". Well, if every parking ticket would have to go into a Federal court, you can imagine why they don't want to call attention to this fact. They will NEVER tell you that your driver's license is a contract. This is because you would immediately say, "Well, I have the right to remove this to Federal court; goodbye Judge, we are going to Federal court"! So you can see that the Federals wouldn't like it and the politicians couldn't get anything out of it if it changed to the Federal and was removed from "local" jurisdiction. Especially with traffic offenses, they like the income pillaged from you, kept locally entrapped. They will NEVER tell you it is a CONTRACT. If it is not a contract, then it is a criminal action.

But, there are only two criminal jurisdictions mentioned in the Constitution: One is a criminal jurisdiction under the common-law and the other is the breach of an international maritime contract under the criminal aspects of an Admiralty jurisdiction --these are the ONLY two criminal actions.

So, here is the way to handle a traffic ticket, or the IRS, if they brought you immediately into court and you have no time to file papers, correspondence, etc. Alright, if you come before the judge, he will read the criminal charges to you, and they always have to ask you, "Do you understand the charges"? If you remember Hinckley, he never had a trial because he shot Reagan but he "didn't understand the charges" so they couldn't bring him to trial. Therefore, when the Judge says, "Do you understand the charges"?, always tell the Judge, "NO, YOUR HONOR, I DO NOT"! Now, he will respond, "Well, what is so difficult about that? The statute so and so says 'you shall not drive past that school above 25 miles an hour and you are charged with driving 30 miles an hour; why can't you understand that"? You hang in there and respond, "Oh, your Honor, it is not the letter of the charge, it is the NATURE OF THIS ACTION that I cannot understand. Your Honor, the sixth amendment to the Constitution (and herein quote it), gives me the right to ask this Court the "NATURE OF THIS CRIMINAL, ACTION AGAINST ME" and upon my request it is the duty of the Court to SHOW ME the nature of this action". The Judge will then probably ask you, "Well, what is it you want to know"? *ALWAYS ASK THE EASY QUESTIONS FIRST, that establishes that they are answering under your authority to ask.* Then you say, "Well, your Honor, is this a civil or a criminal action"? We have told you why he is going to have to say it is a CRIMINAL action, because if he says it is CIVIL he is really in trouble because it will then go right out of his court into Federal Court. He MUST say that it is "criminal". So he says, "It is a criminal action." So, "Thank you, your Honor, let the record show that this Court has declared that this action against (your name) is a criminal action". "Now your Honor, I have another question in regard to the nature of this action". Well, he now sees that that one was easy to answer, "What is this problem that you have"? "Your Honor, the Constitution authorizes two criminal jurisdictions for this court; one is under the common-law but this cannot be a common-law criminal action because under the common-law THERE HAS TO BE A CORPUS DELICTI OR DAMAGED PARTY BEFORE THIS COURT CAN RECOGNIZE ANY JURISDICTION and since no one has been damaged--I didn't run over any school children, or bump into any cars--nothing happened to anybody--I just went 30 miles an hour where there was a school zone marked 25. But there was no damage and

no one has complained of damage so without a sworn complaint from a damaged party, this court does not have a criminal jurisdiction under the common-law”, and, "But your Honor, what really puzzles me is that the **ONLY OTHER CRIMINAL JURISDICTION AUTHORIZED FOR THIS COURT** is the breach of an international maritime contract under the criminal aspect of an Admiralty jurisdiction", therefore, "I am not aware of having ever made or breached any maritime contracts, so I deny that any exist. So you see, your Honor, why I am puzzled about the **NATURE** of this criminal action against me. Can you explain to me what jurisdiction this court is exercising in this action against me"?

At this point the Judge will get just a little bit angry--but **YOU DO NOT!** He will then say something like this, "I am not allowed to practice law from the Bench. Now, if you want answers to questions like that, you get yourself a licensed attorney. Now, if you can't afford an attorney, the court must provide you with one, but that is a question for an attorney to answer and this court is not going to answer that question". "Oh, your Honor, I don't think anyone would accuse you of 'practicing law from the Bench' if you perform your duties under the Sixth Amendment and just tell me the jurisdiction in which this criminal action against me is to be tried. Really, I don't know how to defend this for I don't know which jurisdiction under which I am defending". The Judge will say, "Well, it is a 'statutory jurisdiction'". "Oh, thank you, your Honor. Let the record show that this Court has made a legal determination that it has authority to conduct a criminal action under a 'statutory jurisdiction'. Now, your Honor, I have never heard of that jurisdiction and the Constitution doesn't mention any such jurisdiction, so if you can tell me where I can obtain the published rules of the criminal procedure for 'statutory jurisdiction' I will be most appreciative". At this point the Judge is angry and turns from red to purple, and he will probably raise his booming voice, "I told you before, I am not answering questions of that nature from the Bench! I am not going to practice law from the Bench, and I told you that that is for a licensed attorney--if you can't afford one, this Court will provide one because you need one, and then you ask him those questions because I am not going to answer. Any further 'pushing' of this Court in that area, and I will find you in contempt of court". But, "Thank you, your Honor, but just let the record show then, that this Court has made a **LEGAL DETERMINATION THAT IT HAS THE AUTHORITY TO CONDUCT A CRIMINAL ACTION UNDER A SECRET JURISDICTION THAT IS KNOWN ONLY TO THIS COURT AND LICENSED ATTORNEYS, THEREBY DENYING THE DEFENDANT THE RIGHT TO DEFEND IN HIS OWN PERSON**".

Once you get that statement into the record **THERE IS NO WHERE THEY CAN MOVE**. In this instance the prosecuting attorney will probably step right forward and say, "I don't think there is enough merit in this case to waste my time or the Court's time in trying it; I move the case be dismissed". The Judge will respond, "Case dismissed".

Once in a while the Judge might say, "It is in the Law Library upstairs (or where-ever)--the rules for criminal procedure for statutory jurisdiction". There is no such thing but you had better make sure the Judge **KNOWS** that you

looked it up. There is always a way to STOP or interrupt a court case--even if it is "Oops, your Honor, I have a biological necessity, I must go to the rest-room". They can't continue the case and all going on must stop with at least a ten minute recess. This gives you time to either collect your thoughts, check the reference or ask for the case to be continued until you can research the suggested references. You might just further request that someone help you with instructions as to how to find the laws, etc. Ask for an appointed lawyer to help you--that always makes the Judge agreeable and happy (sic, sic) for it will probably interfere with the upcoming case load in waiting. Actually, it makes him so angry that he may even follow you out of the court to cite you for "contempt of statute" if he can find any excuse whatsoever.

One Judge has traffic violators followed from his courtroom to see if they go drive after having a license revoked even on a temporary basis. Or, fine them if he can establish that they broke some statute involving a prior infraction.

It is excellent advice to follow, to go research the statutes as directed from the Judge. When the clerk in the Law Library can't find the statutes, get her to sign an affidavit stating, 'There is not now a copy of rules for criminal procedure for 'statutory jurisdiction' in the Law Library and there never has been such'. You will find that most Higher court personnel, such a Judges, are most ego oriented and enjoy their God-ness as King of life and death and are most unpopular with lowly clerks, etc.

Now, if you don't have time or facilities to do this research, do the following: Go back into the court and when your case is called, say, "Your Honor, I'm appealing the legal determination made by this court, that it can conduct a criminal action under a statutory jurisdiction. And in my appeal I am leaving you, your Honor, as a witness in my favor and I will issue a subpoena "dutis pecum" (which means he must bring papers with him) in which you will be required to bring a copy of the rules of criminal procedure for statutory jurisdiction with you when you come to court". Then turn to the prosecuting attorney (who is always "in bed" with the judge) and, to make it a part of the court record, say, "And I am subpoenaing you, Mr. Prosecutor, as my witness to verify the fact that the Judge did, in fact, say that a copy of those rules are given in the Court library". This will instantly get the Judge and Prosecuting attorney off the case at the very least and new ones will have to be appointed.

Do not allow them to "slip through" if you have time to follow-up at all because you will do your brother citizens a whole bunch of good. It depends on your penalties, of course, but in some traffic situations--where there is alcohol involved, or drug charges which are most frequently "trumped-up" etc., jail time can be very lengthy and fines incredibly expensive--when there has actually been no damage or complaints involved whatsoever.

As you ones get into causing noticeable problems for the nerds of the "King' who make their own rules and set bounties for arrest, etc., you will be called in many times, very likely, in an effort to shut you up.

In the instance of Dharma, for instance, everything she has or will ever have, both she

and all ones working in the group, will have nothing in their names to be set up or taken. The home and property have been under litigation for three years to the tune of now over \$100,000. just in personal legal fees. If, however, the title had been cleared and placed in their name, drugs were planned to be planted on the property and the entire home and property confiscated as well as vehicles. GET EVERYTHING INTO THE NAME OF A CORPORATION; PLAY THE GAME MORE ASTUTELY THAN YOUR ENEMIES--THAT IS WHY WE ARE HERE TO HELP YOU. THERE ARE WAYS TO PROTECT YOUR PROPERTY IF YOU WILL BUT STUDY THESE INSTRUCTIONS AND FOLLOW THROUGH. DON'T THINK ANYTHING IS "TOO LITTLE" FOR YOUR ENEMY TO NOTICE--THERE ISNT ANYTHING THAT SMALL.

Remember, however, that these ones of the judicial system are trained in subterfuge and deceit, cover-up and evil greed and they WILL overstep their bounds and they will NOT want to come into public truth. These ones (here, the scribe, etc.) have "unseated" an incumbent Judge "Brent" (for we like to give credit for bad behavior) and now he is working through his prior law firm to "get them" for it.

HELP, PLEASE!

Which brings forth a request from me; please, someone from the legal profession come forth to assist these ones--but, abundance will have to come "after" the case because the typical approach of attorneys has happened--run the clients out of money and the case is finally lost on default and poverty.

In this case, the Judge previously belonged to the firm of Shea and Gould (yes indeed, very large), in New York. Then Jason Brent was transferred to the Beverly Hills branch; then, following donations to the Governor's election campaign of sizable amounts, Dukmejian appointed Brent to the court bench in Mojave, Calif. The Law Firm is said to have owned an interest in Santa Barbara Savings (the now seized S&L), the one suing these ones for the property. There was foreclosure against former owners and these ones were told to go to public sale and take care of the matter--ah ha, no sale was held. There is also collusion among the Auction company, California Newspaper Service Bureau, Inc., from Los Angeles, Santa Barbara Financial, Specialized, Inc. (a subsidiary), Home Federal Savings, and on and on until it looks like spaghetti. Absolutely every day brings forth new and wondrous revelations but a firm with thousands of lawyers can cover tracks very well.

These ones have a nice young man by the name of Hornback, in Bakersfield, who is a young member of Bunker, Byrum, & Kimball et al, but the older members of the firm have ordered him "out of it" for they know the workings of the pre-arranged sales, etc. Therefore, the charges for minute amounts of work (for very little is happening, save a three Judge panel sits on July 6th to consider overthrow of Brent's prejudicial "default" judgment which only allows for living in the house at twice rental value until such time as appeal can be heard--which can take as long as another three years.) Meanwhile they are precluded from improving the property, for which there are no

more funds available at any rate, and live from packed boxes because the rules are that if Brent's default ruling over improper format of court papers is upheld--out--within some 72 hours. This case will be laid out in detail with names, places, rank and serial numbers in the Journal on Injustice; but we need help now as to HOW to earthly get this information hookup. The trail was easy until take over by the Resolution Trust Corporation for we had one feeding us information who is in service of and closes banks, etc., for the FDIC. Now the lid has come down and the worms have crawled back in their holes. Dharma and Oberli work better than 18 hours a day to get these Journals out and they are weary and have no more time for this game--HELP, PLEASE! A space cadet's word will not hold up in a United States Superior Court --remember the rules above. Even if they have to move from the premises, the appeal is still valid so we will need the information at any rate. You can tell the lawyers for these ones' defense is being told to get rid of the case for the bill for April (in which nothing happened) was \$9,500 and May in which even less happened, was \$4,500. It is serious, indeed, my friends--and these are the "good" attorneys.

The young man who represents these ones is named Hornback (the opposition attorney is named Steven Horn). Hornback's child drowned in the home swimming pool the week he accepted this case; God restored the child to a state of brilliance surpassing that which was present prior to the accident!! What a sad, sad predicament for a young man who is only performing to the best of his ability as taught by Law School. I have personally met with him and there is no failure on his part--but his firm proclaims him "nuts"! We shall see who has the last laugh. Unfortunately, he "finds no available time" to keep up with the Journals. So be it, for I suggest he really should keep up with the most recent ones. I remind you--it may appear God loses some of the skirmishes. No, he only sets it up so the war is faultlessly won! You ones will begin more and more, to join together and share talents--and you will prevail; it is the promise. And when you do, even in these seemingly small matters, it shall be spread across the land and the backlash will blossom and grow. If a "spotted owl" can shut down work in a forest, I think you might do as well if you ever get off your assets and link talents.

You think your work is not important enough to these dudes to "getcha"? Think again! NO MA ITER HOW CORRUPT YOU BELIEVE YOUR SYSTEM TO BE--IT IS IMMEASURABLY WORSE! AT ONSET OF THIS CASE IT WAS LAUGHED ABOUT AND SAID THAT "THIS IS THE MODUS OPERANDI" FOR GETTING FORECLOSED PROPERTY BECAUSE THE ENTIRE THING IS WORKED OUT BETWEEN THE "TAKING" PARTIES LONG BEFORE SALE DATE. THE RTC SET-UP TO TEND THE S&L's WAS PLANNED AND PROPERTIES SUCH AS THESE ONES' HAVE BEEN LONG SET UP SO IT WOULD REVERT BACK TO THE BANKERS AND THE S&Ls SIMPLY ABSORBED BACK INTO THE MAJOR BANKS--BRINGING ALL PROPERTIES, S&L's AND DEFAULTS BACK INTO ONE SHELTER OF THE TOP BANK CARTEL. CLEVER? OH INDEED! EASY, TOO, FOR THEY HAVE YOUR GOVERNMENT WIRED, BRIBED, CONTROLLED AND TRAPPED. IF ANYTHING IS DONE--YOU--WILL DO IT! "FUNNY THING" ABOUT THE ABOVE CASE; ANOTHER ALMOST DUPLICATE SITUATION HAPPENED LESS THAN A YEAR AFTER THESE

ONES' FIRST NON-HEARING IN BRENT'S COURT--TO OUR COMPUTER RESOURCE, A VIET NAM VETERAN WITH ONLY ONE LEG, AND HE WAS ABUSED, CITED FOR CONTEMPT OF COURT AND JAIL TIME ORDERED BECAUSE OF "CONTEMPT OF COURT". HIS CAUSE? HE DEMANDED "A HEARING AS WRITTEN IN THE CONSTITUTION". THIS FAMILY (THE STENDERS, BY THE WAY, HAVE 7 CHILDREN), WERE EVICTED FROM THEIR HOME ON LAST CHRISTMAS DAY! MORE FUNNY--DHARMA AND OBERLI WERE ALSO GIVEN EVICTION AND COURT HEARING DATES BETWEEN CHRISTMAS AND NEW YEARS AND GIVEN FIVE DAYS TO GET A NEW LAWYER TO FILE A COURT ANSWER ON NEW YEAR'S WEEKEND OF OFFICIALLY FOUR DAYS HOLIDAY. WHEN, BY THE WAY, THEY WERE TO HAVE BEEN IN PANAMA FINALIZING FUNDING, PRIOR TO YEAR END, FOR FACTORY CEMENT HOUSING MODULES AND COMPRESSED EARTH MACHINERY. SOME 30 MILLION DOLLARS DOWN THE TUBES AND NOW LOOK AT PANAMA'S MESS!

Another interesting point; the particular S&L's largest development loans, etc., were placed in this area of overwhelming growth.

At the onset of the case, friends wrote to Senator Thomas, Governor Dukemejian, Attorney General Van DeKamp and Supervisor Ben Austin, among many others, regarding the case as it was so incredible. Persons called from their offices suggesting a possible County Grand Jury hearing and two suggested possibly bringing to the attention in hearing format to the Attorney General. How interesting that it "died" on the vine like withering grapes in drought. You ones have a long, long way to go to set these wondrous manipulated messes to order. But you CAN--IF YOU WANT TO.

OH YES, INDEED, THESE ELEMENTS ARE OUT TO STOP YOU AND DON'T YOU EVER LEAVE THOUGHT OF IT FOR A SINGLE MINUTE. HOWEVER, IT WOULD APPEAR THAT AS HIGHLY POPULAR AS IS 007, YOU ONES WOULD LOVE PARTICIPATION IN THE EXCITEMENT AND WOULD LOVE TO STOP BEING ONLY "ARM CHAIR" POTATOES.

Another funny thing; this Judge is abusive, insulting, irrational and degrading, verbally--in court. This is recorded but somehow the tapes end up "lost and missing" when the victim sets forth to get transcripts. There is such collusion that always the victim is exhausted funds-wise and cannot go on with the legal work because the "hired" lawyers are in cahoots with the dastardly conspirators.

You either start pitching in--and talent and "knowledge" are the best contribution possible, or there will be no shred of defense left against this massive people crusher rolling down upon you.

Dharma, this chapter is quite long enough so may we please break it at this point.

CHAPTER 17

REC #1 HATONN

MONDAY, JUNE 25, 1990 9:37 A.M. YEAR 3 DAY 313

CASE IN POINT

There is a case where the situation was as spoken of regarding the statutory jurisdiction which could be described here, but I will not take the time to do so. It dealt with a young man who was set-up on a drug charge and would have gotten a 20 year prison sentence. A new prosecutor and Judge had to be appointed and in the end the young man was too frightened to continue after an offer was made by the prosecutor for a six months suspended sentence. There is always the better part of intelligence to consider because, remember--everything "they" do is "legal" even if unlawful and they can sock you away into the never-land of the dungeon where you can't give them further problems.

In this instance the charge was very serious for your President Bush had his "drug war" and quota system of "captures" out for public attention and because this young man worked in the anti-drug program--didn't and never had used drugs--he was set-up for example. If you have not yet been a set-up example, don't close your eyes--for you will be before it is over for they have you in training for subservient enslavement without recourse, and they prefer you come along without trouble.

BY PAPERWORK

The above discussed what to do if orally obligated to respond. Now we will discuss what to do if you can handle a similar situation through paperwork.

You will recall that we discussed a case in a prior Journal wherein people were raided and accused of drug dealing, etc., arrested for selling peroxides and other "practices of medicine without a license" and thus and so.

They came to Mr. Freeman and here is what they worked out--in his own descriptive language.

He would create a "controversy at law". He utilizes this often and tells of his own experience wherein he was charged with "driving the wrong way on a one-way street". The story is as follows:

The small town had just made a one-way street from a two-way street a couple of days prior to the incident. I didn't notice the change (the town only has a population of 1,400 and the whole county only has 2,600 people so the necessity of one-way streets was dubious indeed), but the town fathers saw a way to pick up a little money so a one-way street was designated and police placed strategically for

best benefit. So, I was one of the first to go the wrong way on the street.

I was arrested, of course, and while awaiting hearing date, I sent in papers regarding the above. I did, however, have to appear so when in court I inquired of the Judge, "Have you read the papers that are on file, that I sent a copy to you personally"? "Well", he said, "I saw some papers here but, Mr. Freeman, you ought to know better than anybody in this town that we are here to uphold the laws of this community and if you violate them you are going to pay like everybody else". I replied, Your Honor, are you sure that you have read the papers which I sent to you personally and are in the court files"? He said, "I don't care about any papers you've sent in here. You can send and file all the papers you want but you should know better than anybody else, the laws etc., etc".

So, I said, "Just let the record show, then, that there is a controversy at law, that this court has been asked to settle. And, since this court has ignored it, this court must be held to the position laid out in the papers that is in brief".

"I don't care about your papers, Mr. Freeman", he blared, "You are gonna pay just like everybody else is gonna pay". So, he lost the case--BUT, he appealed it. And when it was appealed, the "County" Judge (he went from a Justice of the Peace to the County Judge) didn't want any part of it so he turned it over to the Supreme Court of the State. They were so unhappy over having this decision to make that they reported the Judge to the Bar Association and he lost his job as a Judge.

See, there are encouraging bits of information every now and then.

SETTING UP "CONTROVERSY AT LAW"

Now, let us look at exactly what to do and how to do it.

Mr. Freeman presented the following document:

"The Corporate City of city, state, has made a conclusion of law that anyone who enters the corporate territory has lost his God-given rights, guaranteed as inalienable by both the National and State Constitutions, and upon entering this corporate territory the statutes and ordinances of the city are the supreme law; and upon those civil statutes, criminal charges may be made and the only due process which is allowed is the right to be heard on the letter of the statute.

"I object to that conclusion of law, my having made a contrary conclusion of law. My contrary conclusion of law is that the God-given right, guaranteed as inalienable by both the National and State Constitutions carry with me wherever I travel in the 50 states; even when I enter the corporate territory of the city of Before any criminal action can be levied against me, and this court take notice of this, there must be a corpus delicti or damaged party who has filed a verified complaint that I have damaged him".

"Since this court has no verified complaint of any damage, this court lacks jurisdiction to hear this case".

Now, that was the "controversy of law" in the file.

Always remember, no administrative agency makes "legal" determinations. IRS, HUD, DEA, EPA--they all seem to be making legal determinations, but all they do is make "conclusions of the law" and YOU have a right to make a "contrary conclusion of the law". Only courts of law may make legal determinations.

DO IT RIGHT

The "trick" behind what you can do is that your adversary does not want to admit, just yet, what they have done.

This can be related quite nicely to the story of Daniel and old King Nebuchadnezzar and the King's dream. Old Nebbi was the first King of Babylon and he had a dream that terrified him so he called all his psychics in to see if they could interpret the dream. So all the prophets came and they said if he would tell them the dream then they would interpret it. He said no, if they were good prophets they could tell him what the dream was AND interpret it. They couldn't do it, of course. It finally came Daniel's turn and he prayed to God and God revealed the dream and the interpretation thereof.

Daniel told old Nebbi that he had dreamed of a giant statue, of a man who had a head of gold, breast and arms of silver, a belly of bronze, legs of iron and feet of iron and clay. Old Nebbi said "Golly, that's exactly right--what does it mean"? Well, Daniel said he also saw a stone come out of nowhere and hit the image on the feet of iron and clay and they broke into bits and the whole image crashed down into dust, etc.

Interpretation; Daniel said that the head of gold "is a world system", which when Nebbi would be replaced there would be another world system which would carry on much the same as the King's system--the King being represented by the head of gold, the next world system was represented by the new world order. Now, you know from history that when Babylon went down the Medo-Persians had an empire (two arms), then after that system would go down, there would be another one (belly of bronze) and they would carry on much the same as previously, and you know that was Alexander the Great (Greek Empire) and after that system would dissolve, another system exercising the same encompassing powers would replace that--that is the two legs of iron and one leg was in Rome and the other in Constantinople (Istanbul) and when Rome would go down the final world government would be replaced and the final world government is symbolized by the feet of iron mixed with clay--the iron would be strong as with Caesar who was strong as any Emperor; now, the final world government is working on the same system but it has the strength of iron as you are witnessing--but, there is clay mixed in also. Those feet of clay that will topple the iron of the world dictator--IS THE CONSTITUTION OF THE UNITED STATES OF

AMERICA! The Emperor appears to be in total control but the foundation of such an empire meets the base of clay and when this world system tumbles, the awaited return shall come to pass as is written. So, the world system, which is only just coming into your full attention of its massive power, will fall if you do your part for it is in serious trouble.

Just picture that your nation has been taken over by the "iron" part of the world government and you are feeling the impact of that in a massive way, now.

In the colonizing of your nation you were a bit dutiful unto God and were blessed for it. You have become disobedient unto God and so you are picking up some of the backlash of that behavior which has gotten completely out of control in its rush into opposition of the God-ness.

There is good news, however, for eventually Justice prevails for God tells you that His people will prevail if there is a turn about unto Him. Further, if you turn unto Him, He would heal of your land.

It is simply that most ones are still sleeping or awfully drowsy, and don't yet realize the desperation of the situation which has befallen you. The IRS is helping you approach that situation of crisis awfully quickly now. They don't seem to recognize the better part in intelligence and thrust their "non-existent" and illegal powers around like spike-balls and they are setting themselves up for the fall; for many will eventually rebel and refuse to hear the lies any longer. Thirty million people heard it this year and filed no tax papers.

Consider the IRS your friend for they will get a lot of good soldiers on your side and you can move forward and reclaim your Constitutional rights under God. Where do you think the government will go for the makeup of those tax funds? That is correct --RIGHT TO YOU!

GOD'S REMNANT

Consider yourself as part of God's Remnant, and KNOW that you can survive through this tribulation period. God tells you that a thousand will fall to your right hand and a thousand to your left but if you follow His instructions and listen to the teachers sent forth unto you--you shall not be touched and you shall prevail. So, we are bringing those instructions for action and educate you of God's Remnant in things that you must know and actions you MUST take. God's people will only perish if they fail to accept the knowledge being brought forth. We are herein efforting to do our portion to bring you information in truth that you will have the knowledge with which to take action and reclaim your birthright.

God has said that He sends you out as sheep among the wolves--well, I suppose you are beginning to recognize who are the wolves and who are the sheep for you are getting sheared and fleeced every day of your current existence.

"BE WISE AS A SERPENT AND GENTLE AS THE DOVE". So be wise and act as the dove in peaceful, cooperative and friendly manner--but the wise Teacher said, "You shall know the truth and it shall be the truth which shall set ye free"! (Provided you remember you are a sheep in wolf country!)

Now if you mishear that advice and go out as "a wolf in black sheep country" and try to run off the dirty bounders, you will lose the battle post-haste. These wolves are wiser and more clever than the fox among the chickens so you better be polite, courteous, nice, smiling, agreeable--but you carry the big stick of the Constitutional LAW in perfection--not half-baked with typographical loop-holes.

Go forth as the innocent little lamb lacking understanding; and ruffle no feathers--just an innocent little person trying to act according to the only laws you can find--those of the Constitution. Let them box themselves into the corner, hopefully before they figure out what happened to them. I can promise you, it is the only thing that has kept Dharma and Oberli alive in this case; they knew no better and we have walked every step of the way with them simply frustrating the opposition to distraction at every turn of the string.

KNOW YOUR TECHNIQUES AND YOUR STATEMENTS

Your statements in a court are "not appealable". Any judge will tell you that he does not usually even read the statements of the defendants when he makes a speech in a court. The defendant thinks that whatever he states in the court goes into the record and that he can then appeal. The higher courts do not even read the documents containing statements made by defendants in court. All they do is review legal determinations made by the lower court in the jurisdiction in which that lower court operated. It is up to the defendant to set the jurisdiction of the court and pay attention, we will go through this with you. You must know HOW to SET THE JURISDICTION.

You must do it correctly!! HOW CAN I STRESS IT FULLY ENOUGH? DO IT RIGHT! You can use all the proper arguments and present them incorrectly and it will go worse for you than it would have otherwise.

YOU CANNOT APPEAL YOUR OWN STATEMENTS; ALL THAT IS DONE IN HIGHER COURT IS TO REVIEW LEGAL DETERMINATIONS MADE BY THE LOWER COURT. THE PROPER WAY IS TO ASK QUESTIONS. EVERY TIME YOU ASK A QUESTION OF THE COURT AND THE COURT ANSWERS, THAT IS A LEGAL DETERMINATION THAT IS APPEALABLE AND YOU MUST STATE THE DETERMINATION "FOR THE RECORD". IF THE COURT REFUSES AND YOU HAVE ASKED UNDER THE AUTHORITY OF THE SIXTH AMENDMENT AND THEY REFUSE TO RESPOND--THEY HAVE MADE A LEGAL DETERMINATION THAT THE COURT HAS THE AUTHORITY TO CONDUCT A CRIMINAL ACTION IN DEFIANCE OF THE SIXTH

AMENDMENT. THAT IS APPEALABLE SO WHETHER OR NOT THEY ANSWER THE QUESTION, EVERYTHING THAT HAS GONE ON IS APPEALABLE IF USING THIS PROPER FORMAT.

IF YOU CAN LEARN TO KEEP YOUR BIG MOUTHS SHUT AND JUST ASK QUESTIONS THEN EVERY TIME THE COURT ANSWERS A QUESTION, THE COURT IS MAKING A LEGAL DETERMINATION AND THAT IS APPEALABLE. Be careful indeed, for just about every patriot makes the above error.

SETTING UP CONTROVERSIES AT LAW

NEVER USE AN ADJECTIVE OR AN ADVERB IN STATING THE CONCLUSION OF LAW OF YOURSELF OR YOUR ADVERSARIES.

Example: In Mr. Freeman's case, suppose he had just put the word "false" in there. As in, "The city of has made a 'false' conclusion of law as follows: and then stated it as before". The minute the word "false" is added, the "controversy at law" is negated. This is because that by use of the word there is an indication of your having already "judged" the case and said it is "false". The city and Judge have already judged your act as criminal so the conflict is then between two judges. Who settles a conflict between two Judges? A chancellor. What is a chancellor? A State Created GOD. YOU WILL NOT WIN!

So, be minutely careful for one judgmental word can ruin the entire case and it will be thrown out along with you.

Just state that "the city made this conclusion of law" and how do you know? Well, you saw what they did. Then reason with self--"What would the law have to be to make what they did lawful"? That then becomes their conclusion of law. Look at the traffic case of the one-way street. The city of has made a conclusion of law that anyone who enters its corporate territory has lost his God-given laws guaranteed as unalienable by the national and state constitutions.

Do you get any rights in traffic court? Of course not, so just see WHAT THEY DO and that is the conclusion which will justify it. Their conclusion is that the state which is spawned by the Constitution and couldn't deny your rights, can create a corporation within the state that can deny your rights. So in this case in point, they concluded that city corporation and the territory has a right to deny your rights.

Now you must know that the Creator cannot create a creation superior to himself, but you don't go say such a thing. You just see what their conclusion of law is and state it succinctly and directly. Don't err in adding any embellishment by adverbs or adjectives just state the obvious conclusion as witnessed.

They had made several conclusions of law, one of which was that anyone who entered that corporate territory is under their statutes and ordinances as "supreme" law. Just

state it exactly in that manner with no observations or comment.

And that the city has the right to write "civil" statutes and use those as evidence of the law in a criminal action. Now, that can be upheld even if constitutionally unlawful, so that is what they do. So, that is their obvious conclusion of law. The only due process in the criminal action allowed is the "right to be heard on the facts of the 'letter' of the statute", i.e. "Did you or did you not go above the posted speed limit"? That is the only question--the letter of the statute.

So, to determine what the conclusion would be, simply see what they do and then determine what the law would have to be to justify that conclusion. Don't say it's false or foolish, good or bad just state it better than they can state it--clearly, succinctly without judgment. You can give them an opportunity to change it if they would like. Say, "If you don't change it, although I wouldn't want to presume what exactly is the city's position, but it appears that this conclusion of law would justify what the city is doing; but, if the city wishes to amend this in their own words I will give them 30 days in which to amend it. If after thirty days they have not amended it, this is their position". Never even note that yours is a "constitutional" conclusion or any such description--just the facts!

At this point you have created a true "controversy at law" that involves a Constitutional Issue that can be carried through all appeals. This carries through with any jurisdictional situation, even the IRS.

After we have a break here, we will discuss a case dealing with the IRS as handled by Mr. Freeman. There is probably no one group that can stir up panic more than the IRS so it is past time we place them where they belong--somewhere near the garbage dump. So be it.

CHAPTER 18

REC #1 HATONN

TUESDAY, JUNE 26, 1990 9:29 A.M. YEAR 3 DAY 314

IRS--THE NIGHTMARE

To make this understandable and utilize resources which are not hypothetical parables, I shall ask you to recreate, as nearly as possible, Mr. Freeman's verbal dialog. I do request that names and locations are changed for protection and privacy.

We are moving into areas of great importance where you MUST function according to the "letter of the instructions" or you shall not prevail and it is critical that you prevail.

Always analyze your individual circumstances, assets and tax history to avail yourself of the most advantageous mode of action. You DO NOT move from paying \$150,000 or \$15,000 or even \$5,000 in taxes each year to utilizing tax shelters, failure to file, etc. If you do not have everything in order by filing time--then start at filing time--but do start!

You have almost half a year for personal action. Always begin with personal action because, surprisingly enough, there is where you are being eaten away. Then we can help you "manage" corporations so that you utilize your funds before you store up enough profits to owe corporate taxes. Let us take one sure step into the next and soon you will be running and not having to look back for the IRS to stalk you.

Get the Journals which discuss the Corporation Management (make sure you ALWAYS go through Nevada--no matter where you reside or WHO tells you otherwise). If there is reason not to incorporate in Nevada, you will be guided--but, rule of thumb; ALWAYS NEVADA! Then get ALL of your property out of your name and into one or more corporations depending on circumstances (see management of personal estates through "family" corporations). I do not plan to repeat instructions for that herein.

As we move along, we will be writing Journals comprised of information from knowledgeable ones in every category of expertise, in understandable language of earthside input. At present, we are dealing with awakening you to the problems, urgency of the problems and giving unto you beginning actions.

For instance, we will write a chapter in this book outlining HOW you go about the using of two three cent stamps and a message of law on your first class mail (per ounce), to return to the LAW REGARDING THE MAIL/POSTAL SERVICE. Of course, at first, the mail will be returned or delivered with postage "owed". No, you pursue it right down to your post-office. While you slept you "thought" they had the right under the "law" to raise postage--NO, THEY DID *NOT!*

Oh, YOU think the post-office deserves the extra funds? YOU probably also think that your government deserves your hard earned funds to keep pulling your nation into the trash compactor. WELL, THEY DO NOT USE FUNDS FROM THE ELITE CARTEL WHO BENEFITS FROM YOUR DONATIONS AND CONTRIBUTIONS. ARE YOU PLEASED WITH THE WAY THE WORLD IS RUNNING? OH, YOU ARE, BECAUSE "LOOK AT FREEDOM SPREADING ACROSS THE WORLD"! NO IT ISN'T, THE NEW NATIONS UNDER "FREEDOM" HAVE NOW MOVED INTO POVERTY AND ARE IN THE MIDST OF HAVING NEW CONSTITUTIONS SET UPON THEM WHICH EXCEED ANYTHING PERPETRATED UPON THEM PRIOR TO NOW. YOUR BIG CORPORATE INDUSTRIES WILL SHIFT TO THE LOW LABOR COST MARKETS AND DRAIN AMERICA OF ALL PRODUCTION ASSETS AND UNEMPLOYMENT IN AMERICA WILL BECOME THE STATE OF THE NATION.

Back to the IRS and Mr. X (John Q. Public).

Mr. X received a notice from the IRS District Counsel which said: "You will appear in XXX, XXX court house at XXX time, given date, and you will bring with you all your records and papers back to 1980 and failure to appear at this time, place and date will result in a criminal action against you under section of 7203 of the IRS Code". What could he do? He was terrified and thus in a panic.

Well, there is an answer and we will reproduce it herein for it can be adapted to almost any set of circumstances wherein you must reply to such a notice. There will be 90 day notices, and "prior to" notices and notices signed by "the big boy" and signed by the "little clerks"--all sorts of threatening notices; you remain calm and alert and you can modify responses to suit your circumstance. Stop the "what if" and look at that which is in your hands and conform your response within the direct format but responding to the demand on the "notice". SET FORTH A "CONTROVERSY AT LAW".

Here is a "what if" and we will work our way right through it as if it is YOU. Now assume you had failed to file, they contacted you and now, instead of going away--they send you follow-up demands. They will if you have been a good red-blooded beet up until now and you have withdrawn the blood and turned into a pale, anemic turnip. What are you going to do? We are going to word for word type in the response to this particular circumstance mentioned above and you will be able to see how it can be modified to suit YOUR needs.

"IF" there is a signature on your "notice" it will be most insignificant as you "begin" the correspondence; then it will get more pointed and finally, it will bear the names (and authoritative titles) to shake you up a bit more. Finally the correspondence will bear near top authorities, usually under more authority of the District Director and finally head of the IRS, I suppose. DO NOT FEED INTO THEIR FEAR GAMES.

Let us remind you of the "two" United States for it impacts heavily on what you do next. Let us go over it briefly again so it is straight in your minds.

WILL THE REAL UNITED STATES PLEASE STAND!

The first two United States: One is the United States, the Union of the 50 states under the Constitution and the "REPUBLIC" that has three branches of government to it. Now, the remaining entity comes from a flaw in the Constitution (oh yes, there were some flaws) which is Article I, Section 8, Clause 17. That gave "Congress", the legislative branch exclusive rule over a given territory and the people living in that territory.

Whenever a governing body has exclusive rule over a prescribed territory and all people living in the territory, you have a nation. So, the Founding Fathers created a Constitutional Republic and within that Constitutional Republic, they created a Legislative Democracy. Article I, Section 8, Clause 17, gave Congress exclusive rule over a body of people. When you have exclusive rule, YOU ARE NOT BOUND BY ANYTHING IN THE CONSTITUTION--ANYTHING YOU WANT TO DO IN WHICH A MAJORITY OF CONGRESS VOTES "FOR", YOU CAN DO AND THAT IS WHY IT IS CALLED A LEGISLATIVE DEMOCRACY.

YOU HAVE A CONSTITUTIONAL REPUBLIC but you notice it is always called a Democracy. Well, what they are doing is pretending that you are under the Legislative Democracy.

Dharma, copy the response example please:

* * * * *

From: John Q. Public
Shootyoudead, TX
XXXXXXXX

DATE:
TO: U.R.Rippingme (example: District Director)
Internal Revenueer.rnce, Inc.
Shootyoudead, Texas

Dear Sir:

Looking at 18 U.S.C. Section 2, I find that you fit the definition therein of what is termed "a Principal": concerning unlawful actions being done in your name by others under your direction. The two individuals engaged in said unlawful actions under you, the Principal, are your Counsel, Headly Gunman from Shootyoudead, and your Agent, D.U.R. Will from Ripoff, Texas. Perhaps they have overstepped the authority that you delegated to them, so I must make you aware of the nature of their unlawful behavior before damage results by their actions without your being aware of what is being done in your name.

By what is called: *The Separation of Powers Doctrine* the Preamble Citizens, and their heirs, of this nation were guaranteed a three branch government, known as a Republic, and called the United States of America. That Doctrine further guarantees that no single branch of the three branch Republic will assume the prerogative of exercising the duties of either of the other two branches. Now we know, that in any legal dispute between a citizen of this nation, and either the Legislative, or the Executive, Branches of our government, that it is the duty of the Judicial Branch of our government to resolve the issue. We can also see, that it is an offence against the United States, as a nation, for anyone in the Legislative or Executive Branches of our government to presume the prerogative of a Court of Law in making a legal determination on an issue of National Law, wherein only in Article III Judicial Court, exercising Judicial Power, is authorized to perform that function.

Since you are the Principal in an offense against the United States, which offense is being performed by others in your name, it is my duty to inform you of the fact, and to acquaint you with the specifics of a felony taking place, before substantive damage results bringing in other charges.

A study of the file your agency holds, with reference to my name, will show that there is an unresolved issue of law contained therein: between Contrary Conclusions of law involving a National, or Constitutional, issue that only an Article III Judicial Court, exercising Judicial Power, can resolve. Those who speak in your name, and supposedly under your authority, have taken unto themselves to make a legal determination on this issue of law, so that they may press forward on a "fact issue" that can be handled in a Legislative Tribunal. Having settled the law issue in their own favor, (unlawfully) they are now proceeding under color of Law to take depositions on "fact issues" which may, they hope, establish a Legislative Jurisdiction over my person and property, which does not presently exist, yet, to secure its existence, they are acting under pretended law, or under Color of Law, to deprive me of rights protected by the Constitution of the United States in clear violation of 18 U.S.C. Section 242, wherein the penalty for same is spelled out. That is the second felony, resulting from the first, wherein your Legislative Agents have impersonated a Judge at law, which offense is against the United States, and the Separation of Powers Doctrine, the very foundation-stone of our Republic.

For your convenience, I will outline the Contrary Conclusions of Law, upon which a felony has occurred in your name, and wherein you are the Principal. The action of your Agents is based upon their Conclusion of Law that the 16th Amendment to the U.S. Constitution, in its passage, repealed the first 10 Amendments, known as the Bill of Rights, and thereby, gave Congress the authority to write the civil statutes, known as 26 U.S.C., wherein no rights exist in either civil or criminal actions, based upon those civil statutes, except the right to a hearing before a Legislative Tribunal, which rules upon the letter of the Civil Statutes in both Civil, and Criminal, cases.

To the above Conclusion of Law the accused citizen, under that conclusion of Law, has made his *OBJECTION* known, declaring his Contra Conclusion of Law to be the

following:

The accused citizen has concluded: that the 16th Amendment to the U.S. Constitution, did not repeal the Bill of Rights, embodied in the first 10 Amendments, and, in fact that it did not grant any new authority to Congress, which Congress did not already have under Article I, Section 8, Clause 17 of the Constitution, and that it was under that authority that Congress wrote the statutes now embodied in 26 U.S.C. That code may be lawfully applied over the territory mentioned in Clause 17, and the persons, be they individuals or corporate entities, residing in that limited territory, are subject to the jurisdiction of the Congress, which wrote the Code for residents of that limited territory generally known as the District of Columbia, and other enclaves, specifically mentioned in Article 1, Section 8, Clause 17.

The accused citizen further concludes that since he does not now, nor has he ever, resided, worked or had income from the limited territory, wherein Congress was granted exclusive rule and jurisdiction over the residents thereof, that he is protected from any jurisdiction of Congress over his person and property, by both his National Constitution and by the State of Texas Constitution, Texas being the State wherein he resides! Therefore, until an Article III Court, exercising Judicial Power, makes a legal determination against his Conclusion of Law, in favor of the Conclusion of Law assumed by the Principal in opposition to him, he is not under the Legislative Jurisdiction granted to Congress by Article I, Section 8, clause 17.

Now the Principal in this offense against the United States by his Agents, and the one to be charged with a conspiracy to deprive accused citizen of his rights protected by the U.S. Constitution under a Color of Law Action (the penalty of which is outlined in 18 U.S.C. 242), may free himself of all charges by removing the delegated authority, which Counsel Headly Gunman and Agent D.U.R. Will have assumed was delegated to them, forcing them to employ lawful means to resolve the Contrary Conclusions of law, in a proper court for resolving Constitutional conflicts, before they make any more attempts to move forward under Color of Law to resolve a "fact issue" that is without a legally determined jurisdiction.

In any event, the Principal has been notified, in specific detail, of both the law, and the facts, of a controversy, which involves him, even though the unlawful actions were not performed directly by him. Any further encroachment upon the rights of the accused citizen, may be deemed to be willful upon the part of the Principal following this official notice of the facts, and law which applies to them.

Cordially yours,

John Q. Public

AFFIDAVIT

I, John Q. Public, declare that I have examined the copies of this letter being sent to

the following three parties: The District Director of the Internal Revenue Service at Shootyoudead, Texas, Mr. Headly of Shootyoudead, Texas, and Mr. D.U.R. Will of Ripoff, Texas, and I certify that they are true and exact copies of the original, which Mr. John Q. Public is holding in his possession.

I declare under penalty of perjury that I have read the foregoing letter and know its contents, and to the best of my knowledge the statements therein are true and correct, except as to those matters upon which I rely on information and/or belief, and as to those matters I do believe them to be true and correct.

Dated: day of

/s/

(Either have notarized or at least two witnesses to certify signature(s). i.e. as below; keeping in mind that if you have a "joint" situation (as in Mr. & Mrs.--both will need to sign).

(NOTARY PUBLIC'S JURAT)

OR

DATED:DAY OF, 19 ...

WITNESS

WITNESS

WITNESS

THE CASE IN POINT

The "real" person in this case sent in the above letter and then went to the meeting at the appointed time, place, etc. When he arrived for his meeting, there was no one at the place to meet him.

He told the clerk that he was to have a meeting and showed the time and place and she said that no one had told her about any meeting. He pursued it and suggested that perhaps someone was in the courtroom, would she please check. She checked and no one; then she looked at the papers and record of hearings and said, "No one told me anything, maybe it has been cancelled". So that was the end of that--and I sincerely mean it was the END of it with no follow-on--simply no further contact.

Now, some of you are asking, "Why didn't you just run that whole thing about `unlawful', indirect v. direct taxes, non ratification of the 16 amendment, etc"? NEVER OVERKILL! YOU ALLOW CHANCES FOR ERROR IF YOU SHOOT ALL YOUR AMMUNITION. HAD THESE ONES COME BACK TO MR. PUBLIC,

HE WOULD HAVE NEEDED AMMUNITION TO CONTINUE THE REBUTTAL.
USE WHAT WILL DO THE JOB AND HOLD THE REST IN RESERVE!

WHAT WAS ACTUALLY DONE IN THIS CASE?

We TIMELY and SPECIFICALLY challenged a "Separation of Powers". Here you had executive officers making a legal determination that this man was "required" under the code. Now, he had set up a Controversy at Law; he had shown what their conclusion of law is, he had timely objected to it by showing what his conclusion of law was. So you have established a Controversy at Law.

Only an Article III Judicial Court exercising judicial power has any authority whatsoever, to resolve that issue of law. And therefore, your executive agencies --the Legislative Courts--can't do a thing. If they do, they are violating the laws of the United States, the very basic foundation of the Nation. Separation of Powers: No Legislative Agency can perform a judicial function. So, instead of them charging you with violations of the laws of the United States, they are found to be violating the laws of the United States.

As a result of that violation, they have created a felony against YOU, because Title 18, Sec. 241-242 (in this case 242 was chosen because we wanted to make the District Director the Principal). (Title 241 says: "If any two persons conspire to deprive any citizen of rights, guaranteed by this Constitution, under power of law, they shall be fined not more than \$10,000 or ten years in jail, or both").

If any Principal does it, his felony is named in Title 242. So you see, you have told them what the crime is, you have completely described it for them--everything is spelled out very clearly.

Dharma allow us to close this segment and then we shall move on with some other important discussion. You are at the point wherein the International Bankers could foreclose on everything in the world. They could foreclose on the United States, England, France, Russia and on and on. Every nation has borrowed more and promised to repay in substance and no one has the substance. So be it.

CHAPTER 19

REC #2 HATONN

TUESDAY, JUNE 26, 1990 5:22 P.M. YEAR 3 DAY 314

HOW NEAR THE END?

NEAR! In 1989 the usury on your debt will be a little more than it cost to run your entire government plus usury in 1980. This year you fall farther behind and the fact is, that some 30 - 60 million people got smart this year and realized the taxes are illegal and refrained from participating in the tax program. In a decade with the geometric incline now established, the usury on the debt will require every cent earned and all production, including living, food, etc.--everything. Yes, indeed, it is most serious. This will allow nothing for the running of government and this is on projections leaving everything status quo with no more borrowing, full taxation and so on. You are right on the brink of catastrophe.

It is important at this point to question as to WHO owes the national debt.

There are two United States. Now, the Republic is based upon the common-law. The common-law is based upon substance. The substances mentioned in the Constitution are gold or silver. Congress was given authority to coin gold or silver as a medium of exchange for the Republic. That is where Congress was limited. So, for the Republic, if Congress needed to borrow money, the only thing they could borrow was gold or silver.

But you see, the international banking houses don't loan gold or silver--they loan "credit"--and that is why they were so unhappy with your Republic when it was first founded. They financed the war of 1812 to bring you back under the King because the King borrowed "credit" and they really like that business. They can create credit out of thin air. That is really good business if you can get it because if you loan credit it doesn't cost you anything and you get lots and lots back. Therefore the Rothschilds (heard of them before?) were very unhappy with your nation.

In about 1863 they discovered a flaw in your Constitution--you have two nations, both called the United States but Congress could borrow money for the Legislative Democracy and that money could be bank credit. They could agree to repay it in gold and it could be loaned and usury required. Therefore, Congress with the authority given it in Article I, Sec. 8, Cl. 17, borrowed money. Pretty soon they had more debt than they had the ability to repay and became bankrupt.

How could they then make the rest of the Nation assume the debt obligation of the Legislative Democracy? Well, by confusing the two terms of United States; using them interchangeably and changing them all around. Example is the United States sends you a letter demanding to know why you did or didn't do this or that with your

IRS "stuff" and this is the United States v. YOU. Well, the average person doesn't know how to answer this. BUT IT IS VERY SIMPLE.

Consider this scenario: If the French government came after you and said "Where did you file your French Income Tax forms in 1980, 81 and 82"? What would you say? Oh, you would say, "I'm not a Frenchman and I am not under the laws of France, therefore, I am not under your jurisdiction so go chase yourself". Remember the two nations; both called the United States.

One of those nations came after you and charged you with failure to file an income tax and obey 26 U.S.C. BUT, did you ever stop to think that that may not be the nation in which you live? If you live outside of the territories that are described in Article I, Sec. 8, cl. 17 and you are living in a state with a State Constitution; YOU ARE NOT REQUIRED TO FILE FOR YOU ARE NOT A CITIZEN OF THAT NATION CALLED THE UNITED STATES. SO, YOU CAN DECLARE YOURSELF A NON-RESIDENT ALIEN OF THE UNITED STATES AND ITS JURISDICTION WHICH HAS ITS ORIGIN IN ARTICLE I, SECTION 8, CLAUSE 17.

CITIZEN OF THE REPUBLIC

YOU WILL THEREFORE, BE A CITIZEN OF THE REPUBLIC ALSO KNOWN AS THE UNITED STATES. YOU ARE PROTECTED BY YOUR NATIONAL CONSTITUTION AND YOUR STATE CONSTITUTION AGAINST ANY DIRECT RULE OVER YOUR PERSON BY CONGRESS AND THAT IS ALL THERE IS TO IT.

If they insist, then you must set up a Controversy at Law, which has been shown to you. Because, what did "they" do? They made an assumption that their conclusion of law is that the 16th Amendment repealed the first ten amendments of your Constitution wherein you have all your "rights". If that is the case, friends, then you HAVE NO RIGHTS. And that is where they plan to take you in the Constitutional Convention, already set up to trap you before many of you find out that it isn't always like they tell you.

You see, under the "assumption" as above, Congress had the right to do all that "passing" and "establishing" and taking away of your rights.

BUT, YOU SEE--YOU MUST CAUSE THEM TO MAKE THAT CONCLUSION OF LAW for it is easy to prove that the 16th Amendment DID NOT REPEAL THE FIRST TEN AMENDMENTS. How do you know? Because of the 21st Amendment. The 21st Amendment REPEALED quite properly, the 18th Amendment. What does the 21st Amendment say? The first thing, "The 18th Amendment is hereby repealed". But when the 16th Amendment was passed IT DID **NOT** SAY THAT THE FIRST TEN AMENDMENTS ARE HEREBY REPEALED. AND, IF THEY WERE NOT REPEALED THERE IS NO WAY ONE PART OF THE CONSTITUTION CAN BE IN CONFLICT WITH ANOTHER PART. THEREFORE, THE WRITING IN THE

CODE COULD NOT BE WRITTEN FOR THE REPUBLIC BECAUSE THE REPUBLIC GUARANTEES THESE RIGHTS. THEREFORE, THE IRS CODE HAD TO BE WRITTEN UNDER THE AUTHORITY OF CONGRESS **IN THE LEGISLATIVE DEMOCRACY CALLED THE UNITED STATES.**

That is exactly what was done--the entire Code was written for "that" United States and **YOU ARE A NON-RESIDENT ALIEN OF THAT UNITED STATES IF YOU LIVE IN ONE OF THE 50 STATES.**

CERTIFICATE OF FOREIGN STATUS

We will speak now of form W-8, Certificate of Foreign Status with which you MUST become proficient. There is a form printed for your better understanding. Note that at the top Mr. Freeman has written: "Two Nations called: The United States. Each Nation has a distinct and separate jurisdiction". And at the bottom of the face page you will find, "Whenever the term: 'United States' is used in the I.R.S. Code, substitute the words 'District of Columbia' and you will understand the language of the Code and you will know that you are a NON-RESIDENT ALIEN of that Nation and Jurisdiction".

And what does the form say? "Nonresident aliens (individuals who are neither citizens nor residents of the United States) and foreign partnerships, corporations, estates and trusts are not generally required to have a U.S. taxpayer identification number, nor are they subject to any backup withholding because they do not furnish such a number to a payer or broker..... payments to these account holders are generally not subject to U.S. reporting requirements".

Know that everything is written in convoluted language to prevent your understanding. But there are other papers wherein they even define words. Citizen: Sec. 3121(e) includes the District of Columbia, the Commonwealth of Puerto Rico, Virgin Islands, Guam and American Samoa. You see they ask for State, etc., and then say it includes the District of Columbia, the Commonwealth of Puerto Rico, Virgin Islands, Guam and American Samoa. "The term United States when used in a Geographical sense includes the commonwealth of Puerto Rico, Virgin Islands, Guam and American Samoa. An individual who is a citizen of the commonwealth of Puerto Rico that is not otherwise a citizen of District of Columbia, shall be considered for purposes of this section, as a citizen of the District of Columbia".

The facts are, they have it all right in their own language and their own statements but it is so confusing and convoluted that few, if any, will ever notice the subterfuge. It is right on your own tax forms sent from your Government in printed black and white. Take my word for it, please, that they know exactly what they are doing and the intent is to render you without any idea that there is "another choice".

TAX RETURN IS OVERDUE

Without much detail let us offer another example and allow you to see how this can be adapted to your needs very simply.

In the example to follow you can suppose that when no form was received, a nasty note came ordering filing at which point the non-citizen would have responded stating that, "I am not an alien, foreign corporation, officer, director, stockholder or employee of a foreign corporation, or a citizen of the United States living and working abroad or in a possession of the United States. I do not reside in Washington, D.C., or in a federal enclave within any of the States. I am, therefore, not "subject to the jurisdiction of the United States".

Next, say that you receive a letter from the IRS as follow-on which reads:

"Your tax return is overdue--contact us immediately.

We have not received your answer to any of our requests for form 1040, US Individual income tax return for the tax period ending XXXXX. Your failure to respond indicates to us that you do not intend to file the return. We must resolve this matter. We may take the following action:

1. Criminal prosecution that includes a fine, imprisonment, or both, for persons who willfully fail to file a tax return or to provide tax information (Internal Revenue Code Section 7203) or
2. Summon you to come in with your books and records (as provided by Sections 7602 and 7603 of the Code).

To avoid these actions, file the return, show that the return has been filed, or contact us immediately and explain why you are not required to file. Be sure to refer to this notice. If you go to the local IRS office, take this notice and any other information needed. If you filed the return, take your copy of it; if you paid the tax, take your receipt or cancelled check".

WHAT WOULD BE THE ANSWER TO THE ABOVE DEMAND?

At this point you respond to: Director of the Foreign Operations District, Internal Revenue Service, Washington, D. C. 20225 with a copy to your local Internal Revenue Service which sent the notice.

"Dear Sir:

With reference to section 1.1441-5 (26 C.F.R.) which states in part,
"For purposes of chapter 3 of the Code, an individual's written statement that he or she is a citizen or resident of the United States may be relied upon by the payer of the income as proof that such individual is a citizen or resident of the United States. This statement shall be furnished to the withholding agent in duplicate ..."

Paragraph (c) of that section tells the payer to send duplicate, "with a letter of transmittal to the Director of the Foreign Operations. District..."

I shall continue to state that I am not an alien, foreign corporation, officer, director, stockholder or employee of a foreign corporation, or a citizen of the United States living and working abroad or in a possession of the United States. I do not reside in Washington D.C., or in a federal enclave within any of the States. I am, therefore, not "subject to the jurisdiction of the United States".

Sincerely

XXXXXXXXXX

WHAT REPLY CAN BE EXPECTED?

Well, here is an example of the response to the above letter based on Article I, Section 8, Clause 17 as above. (Dated Feb. 1988) On April 6, 1989 the following was received:

"Based on the information you have provided, the account specified above is resolved. We may contact you in the future, if further issues arise requiring clarification. At present, no further response is needed on the above action".

Sincerely yours,

Sandy Pacello
Chief, TDI Section

* * * * *

See how simple it is if you know the truth? But if you don't know the truth and you don't know HOW to object timely and specifically, you are going to be lost. So, what you need to do is a bit more study and you'll find it isn't half as hard as you believe.

Here is an example of the simplicity of it all, in Mr. Freeman's words:

If a man comes to me and has a little circle drawn on a paper and asks how to find the distance around this circle, I tell him, "You measure the diameter and multiply it by 3.1416 and you'll have the distance around the circumference". Another fellow comes up and he says, "Well, I've got a different size circle--mine is bigger, etc., so how do I get the measurement"? I say, "Measure the distance of the diameter, multiply by 3.1416 and that will give you the measurement". Then another man comes up and his is even bigger --"Measure the diameter and multiply it by 3.1416 and you'll have the

distance".

The principle of this document? Always the same: SET UP A CONTROVERSY AT LAW. LEARN HOW TO CORRECTLY SET IT UP AND YOU HAVE JUST BEEN SHOWN HOW. NO ADMINISTRATIVE AGENCY CAN MAKE A LEGAL DETERMINATION THAT ONLY AN ARTICLE III COURT IS QUALIFIED TO HANDLE. THEY DARE NOT MOVE FORWARD OR THEY VIOLATE THE "SEPARATION OF POWERS" DOCTRINE.

It is simple if you learn HOW to do it and never forget that there are TWO UNITED STATES. YOU are a citizen of the United States and you better learn the difference.

At this point you are functioning as a United States' Citizen--or, a slave, owned by the United States.

BUT: YOU ARE A CITIZEN of the united states!

* * * * *

Dharma, allow us to close this for today. We will make further comments regarding information acquisition, etc., at another writing. There is information available but Mr. Freeman requests that we not give his address information for he is overworked, retired and has no more time. We will give information regarding the obtaining of copies of these documents, however, either by making them available from this source or give another contact.

We will discuss 6 cent mailings at our next writing and then we will make every effort to get this published for availability by the July 23rd meeting in Las Vegas. You beloved citizens of the united states must wake up and take a stand. Stop the transfusions and the game has to cease and the ones responsible for your national debt shall be required to assume responsibility for the treason which has been perpetrated upon "you the people". Salu

CHAPTER 20

REC #1 HATONN

WEDNESDAY, JUNE 27, 1990 9:04 A.M. YEAR 3 DAY 315

DO IT RIGHT--FROM THE START

Before moving on I am going to remind you of some important things. In this Journal, we have dealt only with the ceasing of even filing an income tax form and have given you experienced ways it has been successfully handled. I have done this purposefully because you will find with the government it is most likely all or nothing at all. Therefore, if you are to be massively successful, the transfusions must STOP.

There are plenty of instructions out there on how to cut (avoid) taxes to some extent --but why have a half-baked potato when you can have it with sour cream, butter, chives and bacon bits?

We are in the efforting of giving you knowledge of how to utilize those things upon your placement which are both practical and legal; along with the ability to defend yourself. We ask that you go back to the prior Journals dealing with Privacy, Incorporating in Nevada, etc., and the serious Journal regarding the Constitution. We are in no manner giving legal advice as would lawyers for we are not licensed Bar Association lawyers (which serves you better than anything else we can offer you).

It is up to you people to demand that the government come back under the laws and perfection of the Constitution. The best way to effect that transition and rapidly do so, is to NEVER allow that Constitutional Convention which is set to remove all freedoms and make Constitutional Laws of these assaults already in practice to fool you.

“WE”

The question often arises when a notice of deficiency or other correspondence is received; WHO is "WE". Be wondrously ecstatic if they blunder and send you such a document because you can have a lot of fun with it--and after all, you should not be doing this if you aren't having fun with it. There truly are laws against hanging you and if you "show" no worthwhile assets no one is even going to bother to make an example of you. You will likely run into the most response to not filing--the very first time, AFTER they have been sucking quite a lot of blood from you regularly.

The standard format for a 90 day letter usually opens something like this, “We have determined that there is a deficiency...”

The question arises, who is "We" and if "We" is not the secretary or the Secretary of the Treasury and identified explicitly, who is "We"? Is "We" delegated to determine that there is a deficiency? And also, where IS that deficiency?--and where is that

determination?

Immediately upon receipt of a Notice of Deficiency, send (with proof of mailing) a letter or a Freedom of Information Act request to the district director to:

- (a) Produce the document that identifies who is "We".
- (b) Produce the document which identifies the official title(s) of the "We" who issued this Notice of Deficiency.
- (c) Produce the delegation(s) of authority granted to "We" by the Secretary to make this determination.
- (d) Produce the copy of the "determination" that made the accused a "Taxpayer" under Federal U.S. Jurisdiction, which Jurisdiction and Venue has its origin in Art. I, Sec. 8, Cl. 17 of the Constitution, while the Accused has never lived, worked, or had income from the territory mentioned in Cl. 17, and who claims protection by his State Constitution, as well as the National Constitution, from any direct rule by Congress, wherein the statutes of Congress (26 U.S.C.) cannot pass muster of the first 10 Amendments to the U.S. Constitution, known as the Bill of Rights.

Allow a 30 day response time and if no response is received, send it again (with proof of mailing) and if no response is received in 30 days, file a tax court petition denying that the Secretary or Commissioner has made a determination that meets the statutory requirements.

The groundwork should be laid prior to filing the petition in order to meet the minimum criteria of the tax court rule for contents of a petition as set out in tax court Rule 34(b)(4) and (5).

Rule 34(b)(4) says the petition must have "clear and concise assignments of each and every error..." and Rule 34(b)(5) says the petition must have "clear and concise lettered statements of the facts on which the petitioner bases the assignment of error".

DO IT CAREFULLY, FOLLOW THE LETTER OF THE INSTRUCTIONS AND DO IT RIGHT!!

SOME THOUGHTFUL CONCLUSIONS OF ACTION

Let us skip over the penalties as laid forth by the IRS Code because you should never even make it to any such point. Stand up for your legal rights and move forward to recover once you set yourself in legal course.

THE EQUAL ACCESS TO JUSTICE ACT

Under the sponsorship of one Sen. Dennis DeConcini (D-Ariz), Public Law 96-481 was passed on October 1, 1981. This provides that any individual whose personal assets do not exceed \$1 million; any corporation, partnership, or unincorporated business with assets of less than \$5 million; any business with fewer than 500

employees; and any 501(c)(3) organization is eligible to demand reimbursement from the government because of expenses incurred in proving that it was not justified in making demands upon them, as, for example, when the IRS levies a fine or deficiency ultimately shown to be not owing.

Within 30 days after any litigation is concluded in favor of the taxpayer, he may demand reimbursement for attorney fees, the services of expert witnesses, and any other expenses which became necessary during the dispute. This means that hundreds of thousands of Citizens of the united states of America would have been entitled to larger substantial refunds. Or, what is more likely, the IRS would never have attacked or harassed them at all if you had been standing your ground right along in truth and confidence in your wondrous Constitution.

Those interested should write to Hon. Dennis DeConcini, U.S. Senate, Washington, D.C. 20510 (or just the Arizona Senator's Office, same address.

Now, in most places you will get a list of ones who are "exempt" from filing returns.

WHO ARE EXEMPT FROM FILING RETURNS

I place this listing in this Journal for you to see how advantageous it is to "show" little or no income in the first place.

You are not required to file any return at all unless, in addition to Social Security and income from exempt sources, such as municipal bonds, your income exceeds the following:

\$3,300 if single (\$4,300 if over 65 years of age);
\$1,000 if you are a dependent claimed as a dependent on the return of another;
\$5,400 if married; \$6,400 if one of the spouses is 65; \$7,400 if both are 65 or over;
\$4,400 if you are a qualifying widow or widower (\$5,400 if 65 or over); \$400 for self-employment income only.

You do not need to be on welfare to qualify for the above but it sure does help if you arrange your business affairs in such a manner as to remain "eligible" for same. If, for example, you maintain your business, assets and income within a maximum which would still allow you to be eligible for food stamps assistance--you are managing your assets well.

EXPEDIENT WATCHWORDS

If you want to fight the IRS, don't have any income that it can document, uncover or intercept and don't have any real estate or assets in your own name which can be seized--a maxim which must be observed most scrupulously. Dozens of instructions for accomplishing this feat are given in "PRIVACY IN THE FISHBOWL" a Phoenix Journal.

Ones already using these methods and ideas have become so widespread and successful that it threatens the entire federal income-tax structure. Millions are now following the example--please join the happy crowd!

Just a tiny listing that carries great impact is:

Do business in cash only;

Keep little or no money in bank accounts;

Do not have real estate or other seizable assets in your own names. Drive leased cars only; and DO YOUR HOMEWORK.

FIND OUT HOW TO LEGALLY AND LAWFULLY MANAGE YOUR ASSETS WHEREBY YOU CAN MAINTAIN THE MAXIMUM PRIVACY WHILE ACCOMPLISHING THE TASK AT HAND. I CANNOT URGE YOU STRONGLY ENOUGH TO OBTAIN THE PAST PUBLISHED JOURNALS WHEREIN IT IS ALL COVERED AND RESOURCES GIVEN FOR YOUR UTILIZATION.

HONOR TO WILLIS E. STONE

Willis E. Stone was the founder of the movement to repeal the Sixteenth Amendment. We covered that in current advancement in the last Journal with a request that you join the groups pressing for continuation of the work.

I shall give you a short chapter from TAX REVOLT; THE BATTLE FOR THE CONSTITUTION, by Martin A. Larson. Further, I state herein that we honor Dr. Larson in grateful appreciation and appeal to you to remember him in your prayers for "they" are efforting at "taking him out" within this year. Ask for shielding for his being. The enemy killed Willis Stone. Oh yes, the nature of the ELF beam system is that the beams kill without visible assault--but they are deadly indeed for they produce heart attacks, arrests and strokes. One by one the "troublemakers" are being murdered right under your noses and, because they have advanced in years, not anyone questions their demise. QUESTION IT! DEATH IS BEING DELIBERATELY ACCOMPLISHED TO TRY AND STOP YOUR RECOVERY OF YOUR LIVES AND YOUR NATION. INDEED, TAKE THIS SERIOUSLY FOR YOUR ADVERSARY'S GAME IS DEADLY AND THEY ARE SERIOUS BEYOND YOUR IMAGININGS.

The material given here is slightly revised and was originally supplied by Willis E. Stone, the founder of the movement to repeal the Sixteenth Amendment. (We will not get lost in the discussion of validity of the Amendment for we will deal with "WHAT IS"). He relates the origin, development, and growing support for this vast undertaking. Armin Moths, whose career we can share in some other Journal, has become the principal collaborator in this endeavor, especially in the petition drive for signatures in support of the YES on 23 PROPOSAL.

There is nothing new about tax rebellions. They have been going on throughout human

history. Tyrants have been overthrown only to have new ones replace them with other usurpations and consequent oppression.

Only once, in all history, was this crucial problem met and solved--by the establishment of the U.S. Constitution. Thomas Jefferson declared that its purpose was to bind down those in government "from mischief by the chains of the Constitution". This document performed the miracle. In a single century under your Constitution more progress was made than during 6,000 years of previous history. After little more than 100 years of true constitutional government, however, you began to desert the concepts of "government by law" and to renew the power struggles by personalities, partisanship, and policies of the ancient tyrannies of government by force.

Several violations of your Constitution at the start of the 20th century have survived and become the basis of a pattern. Various federal bureaucracies, greedy for power, initiated a constant flow of new intrusions upon your lives and energies, as the memory of freedom and self-reliance began to fade.

The violations of your Constitution continue. The total expenditures of your government from the time it was organized until 1913--when the Sixteenth Amendment was imposed upon you--amounted to just over \$25 billion. During that period you advanced from national obscurity to become the richest and most powerful nation on earth. Consider this: The federal deficit in 1982 amounted to nearly five times as much as the total cost of your federal government during YOUR FIRST 125 YEARS! It compounds by leaps and bounds; however, this madness can be stopped--with the passage of the Liberty Amendment, now pending in Congress as H.J. Res. 23.

ABOUT THIS GROUP OF PIONEERS

One morning in Van Nuys, California, a group met to discuss the increasing threats to your constitutional government from within. All agreed that the Constitution should be restored and the federal government's activities limited to those mandated therein. But, **HOW? AND WITH WHAT MEANS?**

An industrial consultant who wrote a column for the weekly Sherman-Oaks *Citizen Tribune* felt that because federal bureaucracies believe that they are empowered to do anything not specifically prohibited to them by the Constitution, a specific provision would have to be added thereto to prevent all their illegal activity. The words of such a provision would need to be so clear and precise that even a federal bureaucrat could not fail to understand them.

To accomplish this objective, it was mandatory to amend the Constitution; or so it appeared at the time, for they were not yet aware that the Sixteenth Amendment had never been ratified. ALWAYS FIGHT ONLY ONE BATTLE AT A TIME IF YOU CAN DO SO--DIRECTIONS CAN BE HONED ALONG THE WAY--THE POINT IS TO "GET STARTED". As a beginning to this end, the Sherman-Oaks paper carried an article on June 2, 1944 (yes, many have been busy in your corner for a long, long

time), in which the following was printed: "THE GOVERNMENT OF THE UNITED STATES OF AMERICA SHALL NOT ENGAGE IN ANY BUSINESS, COMMERCIAL, OR INDUSTRIAL ENTERPRISE IN COMPETITION WITH ITS CITIZENS".

It was a beginning, but no more.

In order for this concept to accomplish its grand design the knowledge and expertise of some 130 top constitutional authorities across the country were recruited to prepare the precise language that would withstand any attack.

It took nine years to complete the first three sections of the present Liberty Amendment, which was submitted to, and approved by, the Illinois legislature in 1953. Section One, similar to the wording printed in the Sherman Oaks paper, reads:

"THE GOVERNMENT OF THE UNITED STATES SHALL NOT ENGAGE IN ANY BUSINESS, PROFESSIONAL, COMMERCIAL, FINANCIAL OR INDUSTRIAL ENTERPRISE EXCEPT AS SPECIFIED IN THE CONSTITUTION".

These twenty-four words do not change the Constitution; instead, they restate the laws already there, which limit the power of those in government so they cannot invade, take over, or encroach upon the properties, enterprise, or lives of the people, except as the Constitution itself clearly permits or provides.

While these words restore the economic rights and powers of the people, they also establish the specific obligations of government to exercise only those limited powers enumerated in the Constitution and enforced by the Ninth and Tenth Amendments. However, since this provision would need protection from the avarice of both foreign and domestic cabals, a second section was added, which provided that:

"THE CONSTITUTION OR LAWS OF ANY STATE, OR THE LAWS OF THE UNITED STATES, SHALL NOT BE SUBJECT TO THE TERMS OF ANY FOREIGN OR DOMESTIC AGREEMENT WHICH WOULD ABROGATE THIS AMENDMENT".

All those preparing the amendment believed that its first two sections were quite capable of restoring to the people all the rights, powers, lands, properties, etc., which had been usurped, and would provide the means of preserving that state of liberty with full human rights to life, liberty, and property from the avarice of domestic and foreign contrivances.

The potential blessings for the American people through the restoration of their Constitution are of amazing dimensions. How much, for example, would the sale of unconstitutionally held lands produce? Estimates of the value of this land (as of 1980) run from a trillion to a trillion and a half dollars. If more than three quarters of it was

returned to state jurisdiction and private enterprise, and, therefore, sold, even at half of present appraisals and under unfavorable conditions, it could bring close to half a trillion, cutting the federal debt by that amount, which would reduce the interest charge by at least \$50 billion a year. It would also place about 30 percent more land in private enterprise and on the tax rolls to support local, county and state governments, increasing productivity and general well-being.

And if half of the federal debt could be thus expunged, nearly all the remainder could be erased by the simple expedient of repossessing without payment all securities now held by entities that never paid for them in the first place--including the Federal Reserve System, its member banks, and a variety of federal trust funds.

These amazing data demonstrate that, using the simplest equation of all, a dollar cut from federal spending means a dollar reduction in federal taxes. By restoring the Constitution to its full force and effect, government would have to relinquish those powers, properties, and other perquisites it had taken without authority and return them to state jurisdiction. And if the methods of balancing the budget already built into the system by the Constitution were appropriately demanded; all representatives would come under the microscope of constituents at home where there would be answering for indiscreet and stupid bungling along with stopping of bribes and power voting. Apportionment among the states is the name of the game--getting control back into the hands of "We the People".

At last, thirteen years after the research began, what is now known as the Liberty Amendment proposal was completed. It concludes with the following provision:

'THREE YEARS AFTER THE RATIFICATION OF THIS AMENDMENT, THE SIXTEENTH ARTICLE OF AMENDMENTS TO THE CONSTITUTION OF THE UNITED STATES SHALL STAND REPEALED AND THEREAFTER CONGRESS SHALL NOT LEVY TAXES ON PERSONAL INCOMES, ESTATES, OR GIFTS'.

It does seem a shame to find it necessary to alter a document even as a reminder and recall to law, a document written in perfection at onset but you will do that which must be done to accomplish the task at hand in the most expeditious manner.

Public support, necessary for ratification, increases steadily. It is pending ratification in several states and at least ten have formally approved the resolution in the legislatures.

The proposal has been presented for discussion before many organizations, large and small, across the country; more than 8,000 of them have endorsed resolutions in support of it.

A petition--the Yes on 23--sponsored principally by Armin Moths and his United Taxpayers' Union has already gathered several million signatures.

The concept of liberty is as strong as it was 200 years ago, as evidenced by the extent of the tax rebellion which is starting to have major impact on the illegal governmental system. Grass roots opposition to the federal takeover of land, enterprise, roads, water, crops and countless other things that belong to the people proves that the passion for freedom is alive and well in America if people just focus on the fact that "THERE IS SOMETHING WHICH CAN BE DONE TO CHANGE THINGS".

The source of all these problems is the same: the violation of your Constitution. And all can be resolved by the same means--the restoration of the Constitution to full force and effect as operative law.

These may seem like abstraction, but how real and personal they become when they affect you individually. Just imagine! No more tax form 1040. Instead, a full day's pay for a full day's work---no more IRS gun to your head. And plenty of employment for there are plenty of jobs to be had in a thriving economy based on production. Legislation has never produced a single job, only producers and customers can do that.

You say, well look at all the IRS jobs which would be lost; no, those people would become productive, instead of minor police, in a productive environment. The pay rates are so low for the IRS clerks who hold your entire economy in their hands, and by their own accounts--nearly 70% of questions are incorrectly answered--where do you REALLY think you might fare better? So be it.

THE LIMITS OF A CONSTITUTIONAL GOVERNMENT

You must demand a limited government as set forth in the Constitution. You must further demand that that government meet its expenses WITHOUT EITHER A CORPORATE OR AN INDIVIDUAL INCOME TAX. They are both "unlawful" under the Constitution.

The federal government should carry on only those activities, specifically enumerated in Art. I, Sec. 8, of the Constitution, which are:

- (1) to lay and collect taxes in the form of duties, imposts, and excises, to pay debts and provide for the common defense, and the General Welfare of the United States;
- (2) to borrow money on the credit of the United States;
- (3) to regulate foreign and interstate commerce;
- (4) to establish rules for naturalization and bankruptcies;
- (5) to coin money, regulate the value thereof, and of foreign coin, and to fix the standards of weights and measures;
- (6) to provide for the punishment of counterfeiting;
- (7) to establish post offices and post roads;
- (8) to provide for copyrights and patents;
- (9) to constitute tribunals inferior to the Supreme Court;
- (10) to define and punish piracies and felonies on the high seas;

- (11) to declare war and make rules concerning captures on land and water;
- (12) to raise and support armies;
- (13) to provide and maintain a navy;
- (14) to make rules governing the land and naval forces;
- (15) to provide for a militia and execute the laws of the nation, suppress insurrection, and repel invasion;
- (16) to provide for state militias, operating under the control of the states;
- (17) to provide a seat for the national government;
- (18) to make all laws necessary for carrying into execution the foregoing powers and functions.

THAT IS ALL! AS JEFFERSON DECLARED, CONGRESS IS NOT EMPOWERED UNDER THE CONSTITUTION TO APPROPRIATE MONEY FOR PURPOSES OTHER THAN THOSE HERE SPECIFICALLY ENUMERATED.

As it is now practiced and is intended to be fully implemented within a NEW CONSTITUTION at A CONSTITUTIONAL CONVENTION, the federal government, as it now operates, claims and maintains that the Welfare Clause in Number (1) above, somehow or another gives the general government implied powers to expand its sphere of interest and control into every field of public and private endeavor. Your Founding Fathers meant Welfare as those things that would be equally available to all citizens, such as roads, not subsidies that would be taken from producers and given to non-producers. The current interpretation is a complete perversion of the Constitution.

And how does a space cadet called Gyeorgos Ceres Hatonn know so dangedfooled much? BECAUSE, MY BROTHERS, I WAS THERE WHEN YOUR FOUNDING FATHERS WROTE THE CONSTITUTION IN THE FIRST PLACE! SO BE IT.

WHAT NEEDS TO BE DONE TOWARD RESTORATION

Before constitutional government can be restored in the United States, you will find some actions necessary. To avoid anarchy there must be orderly movement by the populace and unity with justice:

- (1) You must abolish the personal and corporation income tax, or, alternatively, replace it with something like a five percent general transactions tax, which would be fair, equitable, and easy and inexpensive to administer, and would cost the people only one-third as much for each dollar received by the government as it does under the present system of income taxation.
- (2) To replace the Federal Reserve with a constitutional monetary system which would make continued deficit spending by the Federal government impossible, and would insure a stable money unit and the integrity of contracts for years to come. It would also preserve the value of such investments as stocks, bonds, securities of all kinds, bank deposits, insurance policies, etc., all of which drop

in value with rising inflation.

- (3) To replace the Social Security system with a Universal Trust Plan, which would create estates for every person receiving an income. These estates would remain intact for heirs and devisees, no matter when death occurs; they would provide retirement incomes several times as large as those now received under Social Security, and, always it would be according to the desires of the individual contributor.

This would be a grand start. The implementation of just these proposals would constitute one of the greatest, most beneficent, and far-reaching socioeconomic revolutions in the history of mankind and would create a society in which the old would no longer be a burden upon the young and in which tens of millions would enjoy comfortable retirements entirely on their own savings.

Now, some of you will argue, "But what about all that money borrowed and owed --that national debt!?, Is it moral to just not repay it"? WHO SET UP THIS UNIVERSAL RIPOFF SYSTEM IN THE FIRST PLACE? THE BANKS! WHY SHOULD YOU THE PEOPLE PAY OVER AND OVER FOR THEIR SCHEMES TO GAIN ALL THE WEALTH AND CONTROL OF YOUR PLANET AT YOUR LOSS? THE ENTITIES WHO INJUSTLY CAUSED AND DELIBERATELY SET UP THE CRIME MUST BE THE ONES TO BRING JUSTICE UNTO ITS PROPER SOURCE. LOOK AROUND YOU--THE SCAMS AND UNLAWFUL STEALING, WHILE YOU PAY TWO OR THREE TIMES FOR THE CRIMINALS TO GAIN EVER MORE AND MORE, MUST STOP!

The United States today hovers on the threshold either of infinite greatness or rapid decline and degeneration as has never been seen before in history. It is as simple as that, and as terrifying. If your nation falls into such a condition, it will drag the civilization of the entire Western world with it into a new Dark Age, in which all of freedom and self-reliance will be lost--and then, so shall fall all the nations.

You still have an alternative. Even those judges and politicians who daily betray your Constitution still pay lip service to it. If your Congress, your courts, and your government agencies can be made to follow that incomparable document in letter, spirit, and in truth, then your nation will experience a renaissance, like the Phoenix rising from its ashes into renewed and glorious life. HOW MANY WILL HEAR THE CRY OF THE PHOENIX IN TIME? YOU CAN DO IT IF YOU WANT TO! SALU.

ADDENDUM

REC #1 HATONN

THURSDAY, JUNE 28, 1990 7:45 A.M. YEAR 3 DAY 316

Dharma, Hatonn present in love and light of radiance. There will come into your attention this day, things which will be painful and cause great questions regarding mankind.

In the heat of changes the most prevalent one emotion is frothing forth like the evil disease it is--hate spawned of envy and resentment. The fires scattered about--the one in Santa Barbara for instance--are started by ones so filled with hate that they cannot help but be consumed.

Man is angry unto irrationality at that which is consuming him and he sees no hope; no way to stop the demon which is devouring him inch by tortuous inch. WE SHALL ADD TO THE INFORMATION WHICH WILL SET YOUR PEOPLE FREE. MAN WILL AGAIN BE ABLE TO COME INTO COMMUNITY AS YOU JOIN TO FREE YOURSELVES FROM THE DRAGON.

As truth spreads the uproar will become thunder across the land and then, we shall have a different kind of problem. To replace tyranny with another and worse form of anarchy is unthinkable. It is like curing AIDS; if you do not cure the behavior which causes the disease, you will NOT find the cure--for the cure comes from within and cannot flourish in the presence of hate and evil. You have a wondrously superb system to take the reins of government instantly, therefore, there is no need for anarchy. Anarchy comes from the lacking of a system to replace that which is torn asunder. You will move back into a system of near perfection in its structure. The "revolution" should return you to stability instead of chaos. Bear the anticipation of reclamation ever as thine goal and the rest shall fall into balance.

Yes, chela, your perception is correct; the next major enlightenment whereby action can be taken is to get truth in one more format into the public attention and then join with petitions and demand that the Federal Reserve be dissolved. It was the beginning of the downfall and entrapment which has led to all the remaining usurpation of your Constitution, brought the taxes without your input and has corrupted the entire governmental and social system--the bankers set forth to control and own the world and they have succeeded.

However--they have NOT YET MANAGED TO TAKE THE CONSTITUTION FROM YOU THE PEOPLE; ALBEIT A VERY THIN THREAD WHICH HOLDS YOU AFLOAT. RETURN YOUR GOVERNMENT AND SYSTEM UNTO THE PEOPLE, BY THE PEOPLE, FOR THE PEOPLE AND OF THE PEOPLE AND YE SHALL PREVAIL AND TRUTH AND GOD-NESS CAN SPREAD ACROSS THE NATIONS IN WONDROUS BROTHERHOOD INSTEAD OF THE ENSLAVING

GLOBAL CONTROL BY THE EVIL CONSPIRATORS. THE JOURNEY WILL NOT BE EASY--BUT IT SHALL BE DONE FOR IT IS OF GOD. WALK IN BEAUTY AND PEACE THIS DAY THAT OUR WORK MAY FLOW IN ABUNDANCE AND REACH OUT AND TOUCH OUR BRETHREN

Please note what your president has done. He has "forgiven" over 15 billion dollars of Latin American debt---for what? With restrictions that the nations respond to the demands of the International Monetary Fund and the World Bank. How many noticed the deadly embrace as he projected something which "sounded" so kind and good--a "gentler nation"! That is pouring those poor countries from the frying pan into the pits of the fire storm. Weep for your nations and your peoples and then allow us to get on with our truth for time is so brief.

To those who ask of me personal input, please bear with us for we are so limited by human function. To ones who cannot find peace in the work and placement, ye shall have to find peace within and hear the Master's voice for Hatonn becomes abrupt in the clamor for metaphysical nonsense when your nation flounders on the brink of destruction from which she will never recover if she is not revived in the truth of the Constitution life DNA. The life-flow of a nation and society is based on the DNA structure of her very life. Yours is the wondrous Constitution set forth in the presence of God. It had flaws for man was man and had great lessons to be learned. He abused his brothers of the native peoples of God and he wrote loopholes to allow growth out of slavery but it was the best ever brought forth to guide and preserve a nation; even then it was not the Constitution, it was man making his bigoted translation of the laws--and you have allowed of it to be drawn and quartered. YOU ARE FACE TO FACE WITH YOUR ARMAGEDDON, MY BELOVED BROTHERS--YOU ARE FACE TO FACE WITH THINE ENEMY; HOW SHALL YE RESPOND? GOD AWAITS, GIVES YOU INSTRUCTIONS AND WALKS EVER WITH YOU--WHAT WILL YOU DO?

You will regain your honor and your Godly kingdom through the use of these roadmaps being brought forth unto you--will you use them? Or, will you desire to simply continue to sit upon thine assets trying to hold to all thine "stuff" while you "raise vibrations to ascend". Forget it--ascension is the B-word in this instance, for you will save thine assets by getting up off of them and bending your backs unto the work at hand. Further, if you sit upon your assets in the pathway; ye shall be rolled right over as the rubble in the trail is pushed aside. NOBODY AND NO THING IS GOING TO SWOOP DOWN FROM ANYWHERE TO SAVE YOUR ASSETS OR SNATCH YOU OFF TO SOME HOLY VAPOROUS CITY OF GOLDEN STREETS. YOU ARE GOING TO PUT-TO AND REBUILD GOD'S KINGDOM FOR WE HAVE COME TO WORK WITH YOU ONES TO RECLAIM OF THIS WONDROUS CREATION CALLED EARTH. MOTHER/FATHER CREATOR/CREATION--SHALL RECLAIM AND BE RECLAIMED, HEALED AND PUT AGAIN INTO ORDER AND YOU ONES SHALL DO OF IT OR PERISH--NO BIG SNATCH-OFF TO RELIEVE YOU OF FURTHER RESPONSIBILITY. WHEN THE BIG LIFT-OFF COMES IT WILL NOT BE AS THE WONDROUS METAPHYSICS GURUS

ARE TELLING YOU, MY BROTHERS--AND A LOT OF DISAPPOINTED AND LAZY DRIFTERS IN THE MINDLESS VOID OF "WAITING AND BEING" SHALL BE WRINGING THEIR HANDS IN SELFISH DEBILITATION AS THEY WAVE GOOD-BY AND REALIZE THE EVIL PRINCE HAS DONE THEM IN--AGAIN!

HOW DO I KNOW? I AM ATON! I AND MINE HOSTS HAVE COME TO GIVE YOU TRUTH AND SHOW YOU THE WAY--WHAT YOU DO IS YOUR CHOICE. SO BE IT!

* * * * *

U.S. POSTAL SERVICE AND POSTAL RATES

This is basically for the purpose of outlaying the situation with your U.S. Postal Service, give you letter of the law, your Constitutional rights and ask you to step out and take a stand with others who are "DOING SOMETHING".

There are still great arguments going on but responses are very sporadic from the manipulators for, you see, without the "new" Constitution, there is not a LAWFUL leg to stand on. The Postal Service is exactly like everything else in your Constitution--it has been putrefied and poisoned--while being stolen from you as a people. OPEN YOUR EYES! NO, TO FIX IT WILL NOT CAUSE UNEMPLOYMENT--IT WILL BRING A SYSTEM IN TOTAL CHAOS AGAIN INTO ORDER AND PROSPERITY.

THE LIE IS THAT EVERYONE HAS MUCH TO LOSE. THE CONSPIRATORS AND GOVERNMENT MANIPULATORS TELL YOU THAT IF YOU RECOVER THESE THINGS THE NATION WILL FALL AND THERE WILL BE DEPRESSION AND UNEMPLOYMENT, AND, AND, AND. ***WHAT DO YOU THINK YOU ARE GOING THROUGH RIGHT NOW? THE ONLY ONES WHO WILL NOT BENEFIT BEYOND MEASURE ARE THE HEINOUS TREASON-MONGERS WHO HAVE SOLD YOU OUT. THE BANKERS WILL PAY AND THE GREEDY AND CORRUPT POLITICIANS WILL TUMBLE DOWN--BUT YOUR GOVERNMENT WILL FIND STABILITY AND YOUR COUNTRY WILL BLOSSOM AGAIN AS THE LOTUS INTO BLOOM AND MAGNIFICENT ORDER. HOPELESS? OH NO--IF YOU ACT WHILE THERE IS YET TIME AND RECLAIM THE CONSTITUTIONAL FUNCTION AS LAID FORTH BY YOUR FOUNDING FATHERS--YE SHALL COME INTO PROSPERITY AS YE HAVE NEVER BEFORE DREAMED. YOU ARE PEOPLE OF THE LIE--AWAKEN AND TAKE UP YOUR SHIELD AND LET US RECLAIM THINE KINGDOM.***

SECURITY

I shall hold the author of the following letter, etc., in security for the time being. We

shall give him great honor later; but as I bring this forth in the Journal, he will be on the hit list and we will not place this person into that type of jeopardy. I will, however, reprint his letter of the moment's focus and note that the work is flowing from California. Not just from California, but this will suffice for now. I shall also list the ones to whom the letter is sent so that you ones can adapt yours accordingly as the need arises. AND PLEASE, MAKE THE NEED ARISE!

Dharma, simply quote the information, please, with names and addresses but leave the sender in security.

COPY:

11 May 1990

From:

Mr. Yre CmUppance

XXXXXXXXXXXX

XXXXXXXXXXXX

To:

Congressman Jim Bates
430 Davidson Street, Ste. A
Chula Vista, California 92010-2496

Copies to:

Senator Alan Cranston
United States Senate, Suite 112
Hart Senate Office Building
Washington, D.C. 20510

Senator Pete Wilson
United States Senate, Suite 170
Hart Senate Office Building
Washington, D.C. 20510

Margaret Sellers
General Manager/Postmaster
U.S. Postal Service
2535 Midway Drive
San Diego, California 92138

Beate M. Boyd
Consumer Affairs Representative
U.S. Postal Service

San Diego, California 92119-9631

U.S. Postal Service
Field Legal Services
San Bruno, California 94099-4824

Dear Congressman Bates:

I apologize for copying the first of my letters on this subject to Congressman Duncan Hunter (I was in his district last year), but you should have received a copy of my second letter dated 17 March 1990. I have yet to receive a response to that letter from any of the public servants listed above.

I am addressing this letter to you as my representative in the U.S. Congress. I trust that you will see to it that the U.S. Postal Service is instructed to abide by the law according to 81 U.S. Statute L. 613, and require the Service to inform all of its employees of that law so that neither I nor my addressees need further contend with undelivered mail or postage due requests by misinformed U.S. Postal Service employees.

The following is essentially a repeat of the 17 March letter that was sent to everyone listed above, except that it is addressed to you, Congressman Bates, instead of Margaret Sellers, who was the addressee of the 17 March letter. This letter and all of those sent to those listed above were sent as Registered Mail.

This correspondence is in response to a letter from Beate M. Boyd on behalf of Margaret Sellers dated 28 February 1990 addressed to me in response to my letter dated 11 February, regarding the U.S. Statutes at Large which concern U.S. Postal Rates.

According to a letter Margaret Sellers sent to Congressman Bates on September 29, 1989, she admitted that she was "...unable to explain why these laws are not currently reflected in the U.S.Code 39...". In Margaret Sellers' letter to me she stated that the law to which I referred "IS NOT VALID". Even if repealed is meant, I cannot take the word of anyone for it. Where is the evidence? In my previous correspondence to Margaret Sellers, I feel that I provided ample evidence to the contrary.

As I understand it, T.39 was "Revised and Reenacted into Positive Law by Act, Aug. 12, 1970, Pub.L.91 375, 84 US Stat. 719" (the Reorganization Act). Title 39 is indicated on the inside cover of the USCS list of US Statute Titles as having been "enacted into law". There seems to have never been a repeal of or change to 81 U.S. Statute L. 613, which states that:

"...the rate of postage on first-class mail weighing thirteen ounces or less is 6 cents for each ounce or fraction of an ounce..."

The fact that it "is a 30-year old Federal Law", according to Margaret Sellers, does not make it any less a law. The Pony Express Law of 1845 is what gives U.S. Postal Service Union members a monopoly over first class mail. The U.S. Constitution is a lot older, and despite its usurpation by certain government officials and supreme court justices, it is still the law of the land.

Is not a law valid until it is explicitly repealed? How can the act of omitting section 4000 from the more recent printings of the U.S. Statutes at Large repeal the law? How can a "Board of Governors" repeal or write law that would override 81 U.S. Statute L. 613? Is not an Act of the U.S. Congress required to do that?

In an attempt to get definitive and substantiated answers to these questions, I included a copy of the enclosed Postage Law Research with a copy of the 17 March letter to the U.S. Postal Service Field Legal Services office. A copy of that document was sent to Margaret Sellers as an enclosure with my first letter. This time a copy of the Postage Law Research is enclosed with all of the copies of this letter to all of the parties listed above.

Please act on this matter and promptly.

Sincerely,

Y.CmUppance

* * * * *

Dharma, since the attached U.S.Statutes at Large is a reprinted document (copy), even though the quality of the copy is quite bad, I request that it simply be re-copied and placed within this Journal at this placement.

It is the tool all ones will need to utilize for proof attachment if required by any political persons or Postal employees--you know, your public SERVANTS!

The law states clearly:

IN 81 US STAT. LG. 613 (PUB. L. 90-206, DEC. 16, 1967; H.R. 7977) PAGE 613:
PUBLIC LAW 90-206

AN ACT

To adjust certain postage rates of basic compensation for certain officers and employees in the Federal Government, and to regulate the mailing of pandering advertisements, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "postal Revenue

and Federal Salary Act of 1967".

December 16, 1967
[H. R. 79771]

Postal Revenue and Federal Salary Act of 1967.

TITLE I - POSTAL RATES

FIRST-CLASS MAIL

74 Stat. 664; Post, p. 614; 74 Stat. 663 664.

SEC. 101. (a) Sections 4252 and 4253 of title 39, United States Code, is amended to read as follows:

"Sec 4253. Size and weight limits

"The maximum size of first-class mail is one hundred inches in length and girth combined and the maximum weight is seventy pounds.

"Sec 4253. Postage rates on first class mail

- (a) Postage on first-class mail is computed separately on each letter or piece of mail. Except as otherwise provided in this section, the rate of postage on first-class mail weighing thirteen ounces or less is 6 cents for each ounce or fraction of an ounce.
- (b) First-class mail weighing more than thirteen ounces shall be mailed at the rates of postage established by section 4303(d) of this, title and shall be entitled to the most expeditious handling and transportation practicable
- (c) The rate of postage for each single postal card and for each portion of a double postal card, including the cost of manufacture, and for each post card and the initial portion of each double post card conforming to section 4251(c) of this title is **5 cents**.
- (d) The rate of postage on business reply mail is the regular rate prescribed in this section, together with an additional charge thereon...

So, in US Stat. Lg. 613 (Pub. L. 90-206, Dec. 16, 1967; H.R. 7977) page 613 (above) there is reference to "Sections 4252 and 4253 of Title 39, USC," as being amended, and the rate increased to six cents. Significantly, the statute presents only these Sections in quotation marks. As with 76 Stat., there is the same reference to 74 US Stat. 664 in the small print in the side margin as the origin of this second amendment to the statute on postage rates.

All of the aforementioned statutes were enacted **by Congress** prior to 84 Stat. 719, which is the "**Postal Reorganization Act of 1970**," which purportedly repealed the Post Office Department.

etc., etc., etc. (sec following reprint)

Therefore what do I suggest you do? Send your first class mail according to the law: PLACE SIX CENTS (TWO 3 CENT STAMPS) IN THE STAMP AREA OF YOUR ENVELOPE AND UNDERNEATH IN CLEAR PRINT (BY STAMP OR HAND-WRITING) put:

"ACCORDING TO LAW: 81 U.S. STAT. LG. 613 (PUB. L. 90-206)"

What will happen? Well, a lot of it will go forth unnoticed. Most will be returned for additional postage. What do you do? Take this information with a cover letter with appropriate addressees on your letter suitable for your geographic location, to your local post office and demand from the local postmaster/mistress that your mail go forth according to law.

This, friends, is another example of laws being put forth; rates hiked and YOU JUST ASSUME THAT WHAT THEY ARE DOING IS LEGAL.

NOT SO! And in this instance it is even more blatant for in 84 Stat. 719 (Pub. L. 91-375, Aug. 12, 1970), the "Reorganization Act", **the Section numbers jump from 3001 to 5001 as shown in the following portions reprinted from the "official" records.** This Statute shows the sections ending at 3685 and starting again at 5001 with NO EXPLANATION FOR THE MISSING SECTIONS. Section 4253 is not shown or referenced. On page 774 of 84 Stat. 719 (Pub. L. 91-375, Aug. 12, 1970), **THE PREVIOUS LAW IS SHOWN TO BE TRANSFERRED TO THIS STATUTE....**

Now why do you suppose all that is missing? I knew you knew! IT IS TO PREVENT YOU THE PEOPLE FROM KNOWING! IT WAS RIGHTLY ASSUMED THAT THE PUBLIC WOULD GRUMBLE BUT NEVER EVEN REMOTELY CONSIDER THAT THE LAWS HAVE BEEN SHATTERED. WAKE UP, SLEEPY HEADS, OR ASSUME YOUR OWN RESPONSIBILITY FOR THAT WHICH IS COMING DOWN UPON YOU. IF YOU ALLOW THE CONSTITUTION TO BE BROUGHT FORTH AS PLANNED BY THE CRIMINALS, YOU UNDOUBTEDLY DESERVE THAT WHICH COMES TO PASS!

YOU WILL WALK IN STRENGTH AND PREVAIL IF YOU TAKE THE RESPONSIBILITY AND STAND WITH THE CONSTITUTIONAL LAW WHICH IS! SO BE IT AND SELAH. AHO!

Postage Law Research

THE U.S. STATUTES AT LARGE

Research of the 'postal rate' statute(s) in Title 39 USC revealed a number of Irregularities and omissions in the so-called "laws" enacted as part of the 1970 'Reorganization Act'.

Volume 74 United States Statutes at Large, pg. 644 (Public Law 86682, Sept. 2, 1960), Title 39 USC Section 4253:

§4253. Postage rates on first class mail

(a) Postage on first class mail is computed separately on each letter or piece of mail. The rate of postage on first class mail is four cents for each ounce or a fraction of an ounce, except that the rate--

- (1) on drop letters is three cents for each ounce or fraction of an ounce;
- (2) for each single postal card and each portion of a double postal card, including the cost of manufacture, is three cents;
- (3) for each post card and the initial portion of each double post card conforming to section 4251 (c) of this title is three cents.

(b) The rate of postage on business reply mail is the regular rate prescribed in subsection (a) of this section together with an additional charge thereon of two cents for each piece weighing two ounces or less and five cents for each piece weighing more than two ounces. The postage and charge shall be collected on delivery.

indicates that the cost for each ounce of first class postage is four cents - Sec. 4253(a). Unlike 81 US Stat. 613, there are no unusual quotation marks surrounding these congressional enactments.

Vol. 76 US Stat. L. 832 (Pub.L. 87-793, October 11, 1962; H.R. Bill 7927) page 832:

Public Law 87-793

October 11, 1962

[H. R. 79271]

Postal service and Federal Employees Salary Act of 1962

AN ACT

To adjust postal rates, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Postal Service and Federal Employees Salary Act of 1962"

Part I - POSTAL SERVICE

Title I - Postal Rates

First Class Mail.

74 Stat. 644.

SEC. 101. Section 4253(a) of title 39, United States Code, is amended by striking out the words 'four' and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

indicates an increase in the postage rates from four cents to five cents for first class mail. Again, unlike 81 Stat. 613 there are no quotation marks surrounding these congressional enactments. There is reference to 74 Stat. 664 in the very small print in the side margin as the origin of this amendment to the statute on postage rates.

In 81 US STAT. LG. 613 (PUB. L. 90-206, DEC. 16, 1967; H.R. 7977)
PAGE 613:

Public Law 90-206

December 16, 1967
[H. R. 7977]

Postal Revenue and Federal Salary Act of 1967

AN ACT

To adjust certain postage rates, to adjust the rates of basic compensation for certain officers and employees in the Federal Government, and to regulate the mailing of pandering advertisements, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Postal Revenue and Federal Salary Act of 1967".

TITLE I - POSTAL RATES

First Class Mail

74 Stat. 664.

SEC. 101. (a) Sections 4252 and 4253 of title 39, United States Code, is amended to read as follows:

§4253. Size and weight limits

The maximum size of first-class mail is one hundred inches in length and girth combined and the maximum weight is seventy pounds.

§4253. Postage rates on first class mail

"(a) Postage on first-class mail is computed separately on each letter or piece of mail. Except as otherwise provided in this section, the rate of postage on first-class mail weighing thirteen ounces or less is 6 cents for each ounce or fraction of an ounce.

"(b) First-class mail weighing more than thirteen ounces shall be mailed at the rates of postage established by section 4303(d) of this title and shall be entitled to the most expeditious handling and transportation practicable. (post, p. 614.)

"(c) The rate of postage for each single postal card and for each portion of a double postal card, including the cost of manufacture, and for each post card and the initial portion of each double post card conforming to section 4251(c) of this title is 5 cents. (74 Stat. 663 664.)

"(d) The rate of postage on business reply mail is the regular rate prescribed in this section, together with an additional charge thereon...

there is reference to "Sections 4252 and 4253 of Title 39, USC," as being amended, and the rate increased to six cents. Significantly, the statute presents only these Sections in quotation marks. As with 76 Stat., there is the same reference to 74 US Stat. 664 in the small print in the side margin as the origin of this second amendment to the statute on postage rates.

All of the aforementioned statutes were enacted by Congress prior to 84 Stat. 719, which is the "Postal Reorganization Act of 1970", which purportedly repealed the Post Office Department.

In 84 Stat. 719 (Pub.L. 91-375, Aug. 12, 1970), the "Reorganization Act":

Public Law 91.375

August 12, 1970

[H. R. 17070]

AN ACT

To Improve and modernize the postal service, to reorganize the Post Office Department, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Postal Reorganization Act". (Postal Reorganization Act)

SEC. 2 Title 39, United States Code, is revised and reenacted, and the sections thereof may be cited as "39 U.S.C.", as follows:

(74 Stat. 578)

TITLE 39 - POSTAL SERVICE

Part	Sec.
I GENERAL.....	101
II PERSONNEL.....	1001
III MODERNIZATION AND FISCAL ADMINISTRATION.....	2001
IV MAIL MATTER.....	3001
V TRANSPORTATION OF MAIL	5001

Part I – GENERAL

CHAPTER Sec

1. Postal Policy and Definitions.....	101
2. Organization.....	201
3. General Authority	401
4. Private Carriage of Letters	601

...

the Section numbers jump from 3001 to 5001 as shown in the contents. This Statute shows the sections ending at 3685 and starting again at 5001 with no explanation for the missing Sections. Section 4253 is not shown or referenced. On page 774 of 84 Stat. 719 (Pub.L. 91-375, Aug. 12, 1970), the previous law is shown to be transferred to this Statute:

SAVING PROVISIONS

SEC. 5. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges -

- (1) which have been issued, made, granted or allowed to become effective-
 - (A) under any provision of law amended by this Act: or
 - (B) In the exercise of duties, powers, or functions which are transferred under this Act;

by (i) any department or agency, any functions of which are transferred by this Act, or (ii) any court of competent jurisdiction; and

- (2) which are in effect at the time the United States Postal Service commences operations, shall continue in effect according to their terms until modified, terminated, superseded. set aside, or repealed by the Postal Service (in the exercise of any authority vested In it by this Act), by any court of competent Jurisdiction, or by operation of law.

In this Statute there is re-printed as a revised re-enactment of the old T.39, the new text of T.39:

APPENDIX
Provisions of Former Title 39

Publ. 91-375, §2, Aug. 12, 1970, 84 Stat. 719, revised and reenacted Title 39, subject to certain savings provisions (see section 5 of Publ. 91-375, set out as a note preceding section 101 of new Title 39).

Accordingly, the provisions of former Title 39, The Postal Service, as originally enacted by Publ. 86-682, Sept. 2, 1960, 74 Stat. 579 and in existence at the time of the revision and reenactment, are set out in this Appendix for convenient reference.

For the disposition of the sections of former Title 39 in the new Title 39 and the derivation of the sections of the new Title 39, see the Tables set out in the preliminary material appearing at the beginning of this volume.

TITLE 39

POSTAL SERVICE

"Part	Sec.
I. GENERAL	1
II. FISCAL ADMINISTRATION	2001
III. PERSONNEL	2001
IV. MAIL MATTER	4001
V. SPECIAL MAIL AND BANKING SERVICE	5001
VI. DELIVERY AND TRANSPORTATION SERVICES	3101

"PART I - GENERAL

CHAPTER	Sec.
1. Definitions and Application	1
3. Organization	301
5. General Provisions	501
7. Post Offices	701
9. Private Carriage of Letters	901

....

§ 4253. Postage rates on first-class mail

(a) Postage on first-class mail is computed separately on each letter or piece of mail. Except as otherwise provided in this section, the rate of postage on first-class mail weighing thirteen ounces or less is 6 cents for each ounce or fraction of an ounce.

....

There is no change in the postal rates. Like 81 Stat., all of these

Statute sections are within quotation marks. Do not confuse the Section numbers of the Statute with the Section numbers of the quoted Title 39.

In this 84 Stat. Sec. 3 on page 773 is:

"CONTINUATION OF EXISTING RATES AND FEES".

Section 3. The classes of mail, the rates of postage. and fees for postal services prescribed by law or regulation made or adopted prior to the effective date of sub-chapter II of Chapter 36 of Title 39, United States Code, as enacted by section 2 of this Act() shall be in effect according to the terms of such law or regulation until changed in accordance with such sub-chapter”.

**Section 2 of this Act concerns "Permanent rates and classes of mail" as from Sect. 3621 to 3628. The Statute is still in quotes here.

No other increases have been found in a search of the Indexes of the Statutes at Large from Vol. 81 (1967) to Vol. 99 Stat. Lg. (1986), looking under the words of "Post Office", "Postal Service", "Postage Rates", etc., which disclosed the above statutes. The remaining years are not in a typical bound Volume. There are "advance sheets" of the Statutes, they have not been thoroughly examined yet, but there "appears" to be no change in the status as delineated above.

THE CODE BOOKS

It is Interesting to note that these enactments are re-presented in the more commonly cited "United States Code Annotated" (USCA), published by West's Publishing Co., and/or the "United States Codes Service" (USCS) published by the Lawyer's Cooperative Co. The USCS (Code Service) might be considered the lesser choice to use as a law reference in any court-filed document. When one looks into either of these 'Code' books, there is no mention of T.39 USC Sec. 4253, nor any mention of postal rates or costs in the places where they should appear.

In both the USCA and USCS books in Chapter 36 (“Mail Matter; Postal Rates, Classes, and Services”), the code section numbers stop at Section 3685 and begin again at Chapter 50, which is about the “Transportation of Mail”. Chapters 37 to 49 are not printed as part of the regular published book for Title 39 USC, but they do exist.

The postage rate sections addressed therein apparently were to have been found In Chapter 39. A search of the "pocket parts" of both of these works have no reference to T.39 USC Sec. 4253.

Because USCS (Code Service) may be considered the lesser of the two Code cites, and because it in fact has less information on this 4253-rate subject, it will be addressed first.

U.S.C.S.

Two different editions of the USCS (Code Service) were researched. One had a 1970 copyright. The other had a 1978 copyright. Both had a "pocket part" update to recent days similar to that of the USCA. There is no reference to Sec. 4253 in the USCS. As with the USCA, the Section numbers stop at 3685 and start again at 5001. No space divides this lack of Section-numbering. The numbers are simply not printed. No reason for this omission is given. On preface page xv in the "Parallel Reference Tables" of the book itself, Section 4253 is said to have been "omitted", as were many others. The "Derivation" table of the 1970 edition indicates it was revised with the new T.39. It does not show 4253. There was no comment concerning 4253 in the "pocket part".

The USCS does, however say in both of the above Comparison Tables as they do on preface page xiii that T.39 was "Revised and Reenacted into Positive Law by Act, Aug. 12, 1970, Pub.L. 91 375, 84 Stat. 719". Title 39 is indicated on the Inside cover of the USCS list of US Statute Titles as having been "enacted Into law".

U.S.C.A.

The copyright of the USCA (Code Annotated) referenced was from 1980 with a 'pocket part' update to recent days. As with USCS, the T.39 Section numbers in USCA stop at 3685 and immediately start at 5001. All other Section numbers between them are not published. On preface page xviii are the comparison tables of "T.39" with both "Disposition" (old Section numbers compared to new Section numbers) and "Derivation" (new Section numbers compared with origin from old Section numbers).

In the USCA Disposition Table, Sec. 4253 is shown as the old T.39 Sec. 280 divided and revised to the new T.39, Secs. 4025, 4251 and 4253; in the USCA Derivation Table, Sec. 4253 is said to have been "omitted"; Sec. 3685 goes right on to Sec. 5001 as stated above. There was no comment on 4253 in the "pocket part".

There was found at the end of the USCA in the Appendix on page 315-537 a printing of the old "former Title 39" with a full text of Sec. 4253 on pg. 459 under the heading of Chapter 39 (one of the newer Code's missing chapters), "Part IV. Mail Matter, First Class Mail". It indicated postage costs were six cents for 'first class mail', and two cents additional for 'business reply'.

Nowhere in any Statute at Large volume has it been seen that there was a repeal of the former Title 39. On page 315, of this T.39 USCA it is indicated by the publisher (not Congress) that "Pub.L. 91-375, [of] Aug. 12, 1970, [Vol.] 84 [U.S.] Stat. [page] 719, [has] revised and reenacted Title 39....".

Note that in all of the aforementioned Statutes and Codes there is merely talk about a "revision" of these statutes and then a "reenactment" of them. There is no evidence of the repeal of Section 4253 of the old T.39. Nowhere does it state that a repeal has ever

been made of the law asking six cents for first class mail postage costs, nor is there any lawful, Congressional enactment seen that properly increases the six cent postage fees to any rate that we are "asked" to pay today. Whether it is of a good faith mistake or not, as George Gordon said, "What is not said is often more eloquent than what is said".

Reprinted by W.T.Holmes