

Why A Bankrupt America

Do you know that the Federal Reserve is neither federal nor does it have any reserves? This is a fact.

Do you know the extreme negative impact the privately owned Federal Reserve has on you and your family? Every American needs to find out about this magical money machine siphoning off America's wealth and destroying the middle class.

Do you know that the "Fed" issues class A stock to its stockholders, but only a small cabal of private banking families may own stock – not you or any other average American? This is a fact.



Do you know that not a single penny of money collected by the IRS funds a single function of the federal government? Read the truth from a former President's own commission. This is a fact.

Do you know that a U.S. Attorney admitted in court documents that the IRS is not part of the federal government? This is a fact and the case number is in this booklet for verification. If the IRS is not part of this government, just who are they?

Do you know why an income tax is not necessary to fund the U.S. Government, nor any other taxing scheme for that matter? This is a fact.

Why a Bankrupt America has educated millions of Americans with the truth Congress and the dominant media don't want you to know. There is an agenda in Washington, DC and it spells continued economic slavery for all Americans until these critical issues are addressed.

Project on Winning Economic Reform
Devvy Kidd, Founder
More than 1,520,000 copies shipped
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“Give me control over a nation’s currency and I care not who makes its laws.”

–Baron M.A. Rothschild

“Whoever controls the volume of money in any country is master of all its legislation and commerce.”

–President James Garfield

“There is no such thing in America as an independent press, unless it is in the country towns. You know it and I know it. There is not one of you who dare to write his honest opinions, and if you did you know beforehand they would never appear in print. I am paid \$150 a week for keeping my honest opinions out of the paper I am connected with. Others of you are paid similar salaries for doing similar things. If I should permit honest opinions to be printed in one issue of my paper, like Othello, before 24 hours, my occupation would be gone.”

**John Swinton (1830–1901), American Editor
Five-minute Talk, “Journalists’ Gathering,”
Twilight Club, NYC, April 12, 1883**

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WHY A BANKRUPT AMERICA?

The Truth, The Solution

Dear Concerned American:

On March 23, 1775, Patrick Henry gave his famous “Give me liberty or give me death” speech. In this speech he said, among other things:

“Mr. President, it is natural to man to indulge in the illusions of hope. We are apt to shut our eyes against a painful truth, and listen to the song of that siren till she transforms us into beasts....

“I have but one lamp by which my feet are guided, and that is the lamp of experience. I know of no way of judging of the future but by the past.”

You know something is wrong in this country. You wonder why the national debt keeps going up instead of down, despite the bushel barrel trillions of dollars spent on this debt? You wonder why more and more taxation keeps producing poorer and poorer results; more useless government spending and a national debt politicians don’t want you to understand? This booklet will provide the answers.

By reading this booklet, you will discover that the Federal Reserve System (the “Fed”) is privately owned and receives no funding from the U.S. Congress (*Lewis v. U.S. 680 Federal Reporter, 2nd Series, pg 1240*).

What exactly does this mean and why should you care? Because your future and the future of America’s children depend on you finding out what Congress and the White House don’t want you to know. After all, We the People are just the worker bees supplying the money for their unconstitutional spending.

Henry Ford, founder of the Ford Motor Company, commenting on the privately owned “Federal” Reserve scam:

“It is well enough that people of the nation do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning.”

The Fed: Fraud & Deception on the Grandest Scale

Let’s begin with this mysterious entity known as the Federal Reserve Banking System. This entity is not part of our government. It is privately owned by a select group of private banking cartels. Its express purpose is to fleece the American people by stealing our money under the guise of a central banking system cleverly dubbed “federal.” There is no polite way to put it: When someone takes from you what they have no legal right to, it’s called stealing.

The U.S. Constitution, Article 1, Section 8 states that only Congress shall have exclusive power to coin Money, regulate the Value thereof, and of foreign Coin. The Federal Reserve Act of 1913 is not only grossly unconstitutional; it truly is an unholy alliance between Congress and the private banking cartels that really control our economy.

On April 19, 1982, the U.S. Court of Appeals, Ninth Circuit Court, ruled that the Federal Reserve Banks are privately owned, locally controlled corporations as previously mentioned. Let us examine in the words of several knowledgeable, credible individuals, on the duplicitous nature of the “Fed”:

Charles A. Lindberg, Sr., at the time of the passage of the Federal Reserve Act of 1913:

“This Act establishes the most gigantic trust on earth. When the President signs this Act the invisible government by the Money Powers, proven to exist by the Money Trust Investigation, will be legalized. The new law will create inflation whenever the trusts want inflation. From now on depressions will be scientifically created.”

Congressman Louis T. McFadden, Chairman of the House Banking and Currency Committee addressing the House on June 10, 1932:

“Some people think the Federal Reserve Banks are U.S. government institutions. They are not government institutions. They are private credit monopolies which prey upon the people of the U.S. for the benefit of themselves and their foreign and domestic swindlers, rich and predatory money lenders.” *75 Congressional Record 12595-12603*

In a speech delivered before the Washington Chamber of Commerce in 1921, William P.G. Harding, Governor of the Federal Reserve Board stated:

“From a legal standpoint these banks are private corporations, organized under a specific act of Congress, namely, the Federal Reserve Act.”

Andrew Jackson – President of the United States:

“If Congress has the right under the Constitution to issue paper money, it was given them to be used by themselves, not to be delegated to individuals or to corporations.”

Abraham Lincoln – President of the United States:

“The privilege of creating and issuing money is not only the supreme prerogative of government, but it is the government’s biggest creative opportunity. By adoption of these principles, the taxpayers will be saved immense sums of interest.”

Thomas Jefferson, U.S. President, to Samuel Kercheval, 1816. ME 15:39:

“To preserve [the] independence [of the people,] we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude. If we run into such debts as that we must be taxed in our meat and in our drink, in our necessities and our comforts, in our labors and our amusements, for our callings and our creeds, as the people of England are, our people, like them, must come to labor sixteen hours in the twenty-four, give the earnings of fifteen of these to the government for their debts and daily expenses, and the sixteenth being insufficient to afford us bread, we must live, as they now do, on oatmeal and potatoes, have no time to think, no means of calling the mismanagers to account, but be glad to obtain subsistence by hiring ourselves to rivet their chains on the necks of our fellow-sufferers.”

When the 1816 charter expired in 1836, President Andrew Jackson vetoed its renewal. He said the following:

“The Bank is trying to kill me — but I will kill it!”

“If the American people only understood the rank injustice of our money and banking system — there would be a revolution before morning...”

When the Federal Reserve Act of 1913 was passed, America’s future and our economic system was handed over to a select group of private domestic individuals and foreign banking interests. At that point, the siphoning of America’s wealth into the hands of a few began and has accelerated over the years.

Our nation’s young men and women are still being taught the myth of the “FED” in college and as a result, we have Congress after Congress and folks entering the workplace who have no idea, concept or understanding of our banking or monetary system. Since 1993, this little booklet has educated millions of Americans and we will continue to do so until this travesty is fully corrected.

There are a few in Congress who know and understand the danger of the central bank and debasing our currency, but unfortunately these “elected” public servants don’t feel you need to know.

The Numbers Don’t Lie

The Federal Reserve Act of 1913 was the biggest fraud in the history of this country and no members of Congress with the exception of Congressman Ron Paul, seem inclined to tell the working class of this nation the truth. There is a reason why and it will be covered later in this booklet.

In examining the origin of money under this central banking system, according to William H. Ferkler, Manager of Public Affairs at the Department of Treasury, Bureau of Printing & Engraving in Washington, DC., we see how slick a deal the private bankers got from Congress back in 1913:

“As we have advised, the Federal Reserve is currently paying the Bureau approximately \$23.00 for each 1,000 notes printed. This does include the cost of printing, paper, ink, labor, etc. Therefore, 10,000 notes of any denomination, including the \$100 note would cost the Federal Reserve \$230. In addition, the Federal Reserve must secure a pledge of collateral equal to the face value of the notes.”

The “Federal” Reserve, by printing these notes into existence at a total cost of \$230 to the “Federal” Reserve, this banking cartel — not the government of We the People — thereby obtains a pledge of collateral equal to their face value, namely \$1,000,000 dollars! This pledge is made to the Reserve cartel by Congress, and the collateral that Congress pledges is the land, labor and assets of the American people. What a racket!

The Stroke of a Pen!

This private entity was incorporated in 1914 and has been slowly but surely driving our nation into our current state of bankruptcy. The U.S. Treasury has no real money — every ounce of gold that belongs to the people of this nation is now in the hands of the private “Fed” banks. That is a fact. This “Fed” creates money out of thin air that’s worthless; it has no real value, yet the private “Fed” banks keep our gold in their vaults.

Creating “money” out of thin air is accomplished at the stroke of a pen when the members of the “Federal” Reserve System make loans to the government, to the banks, to businesses and to individuals. This debt money is the money supply. Debt can never be considered as “prosperity.”

The “Federal” Reserve System’s banks charge usury on the created debt money. Every man woman and child then becomes enslaved to this system as we are obligated to repay this debt money plus the invisible interest or usury. The money to pay the usury on the debt is never created within the system.

Loan repayments to banks reduce the money supply. To keep the money supply from shrinking, more borrowing is necessary. It is mathematically impossible to pay off the aggregate debt principle plus the aggregate usury.

In a futile attempt to avoid the day of reckoning, borrowers are forced to take on increasing amounts of debt to pay usury. This escalates debt at an exponential rate until borrowers are forced into bankruptcy. Individuals, companies and

governments are caught in this same trap. The related consequences are: involuntary unemployment, inflation, huge usury rates and the calculated loss of our inherited freedoms and property.

All money is created as debt with interest. If no one borrows money from the money creators and spends it into the economy, there will be no money in the economy for us to earn, and therefore there will be no economy. This formula represents a mathematical flaw in our money creation process, but it was no accident by the creators of this scheme. Greed was and still is the name of the game.

What our money system lacks is a volume of debt free money greater than the annual interest payments removed from the economic arena. Such payments deplete the money supply and slow down the exchange of goods and services and cause recessions. The IRS exists solely to collect money for this magical money machine and its stockholders.

The combination of the “Fed” and IRS is leading America into absolute, total and complete bankruptcy. This nation is swimming in unpayable, massive debt that even your precious grand babies won’t even make a dent in the interest if they turned over 100% of every penny they would make in a lifetime.

“A disordered currency is one of the greatest political evils. It undermines the virtues necessary for the support of the social system, and encourages propensities destructive to its happiness. It wars against industry, frugality and economy, and it fosters evil spirits of extravagance and speculation. Of all the contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper money.”

Daniel Webster, *Congressional Record*, March 4, 1846

The System was Planned and Conceived in Secrecy

“Despite my views about the value to society of greater publicity for the affairs of corporations, there was an occasion, near the close of 1910, when I was as secretive — indeed, as furtive — as any conspirator... our secret expedition to Jekyll Island as the occasion of the actual conception of what eventually became the Federal Reserve System.”

Frank Vanderlip, *The Saturday Evening Post*, February 9, 1935, pg 25

Colonel Edward Mandell House — chief architect of the Council on Foreign Relations and author of a book advocating “socialism as dreamed by Karl Marx” — is also characterized as “the unseen guardian angel” of the Federal Reserve Act, according to House’s biographer, Charles Seymour, in *The Intimate Papers of Colonel House*.

As a matter of fact, on November 23, 1933, FDR, in a letter to House, stated:

“The real truth of the matter is, and you and I know, that a financial element in the large centers has owned the government of the U.S. since the days of Andrew Jackson. History depicts Andrew Jackson as the last truly honorable and incorruptible American President.”

The “Federal” Reserve is Independent in its Operations

Gary Allen, *None Dare Call It Conspiracy*
(more than 10 million copies sold)

“Neither Presidents, Congressmen, nor Secretaries of the Treasury direct the Federal Reserve. In the matters of money, the Federal Reserve directs them.”

Congressman Wright Patman:

“In the United States we have, in effect, two governments. We have the duly constituted government, Then we have an independent, uncontrolled and uncoordinated government in the Federal Reserve System, operating the money powers which are reserved to Congress.”

The Federal Reserve is a Government Granted Private Monopoly

G. Edward Griffin, *The Capitalist Conspiracy*, pg 17:

“By law, the seven members of the Federal Reserve Board are appointed by the President for a term of fourteen years each. In spite of the incredible length of these appointments, nevertheless, they are supposed to create the illusion that the people, acting through their elected leaders, have some voice in the nation’s monetary policies. In practice, however, every President since the beginning of the Federal Reserve System has appointed only those men who were congenial to the financial interests of the international banking dynasties. There have been no exceptions.”

The “Federal” Reserve Has Never Been Audited

“In its 60-year history, the Federal Reserve System has never been subjected to a complete, independent audit, and it is the only important agency that refuses to consent to an audit by the Congress’ agency, the General Accounting Office. GAO audits of the Federal Reserve will, moreover, fill the glaring gap that now exists in our information about the Fed’s activities and programs. As things now stand, the only information that we get on programs of the Fed is what the Fed itself wants us to have.”

Congressman Wright Patman, *Congressional Record*, May 5, 1975

Nothing has changed. It is now April 2002 and still the “Fed” is shrouded in secrecy while our Congress turns a blind eye to the destruction of our beloved Republic taking place right in front of everyone’s eyes. The reality of the situation is this: The “Fed” is privately owned and would probably be able to rebuff Congress if they ever found the integrity and courage to stand up to this cabal of thieves.

Why Does Congress Turn a Blind Eye?

Two reasons. First, the American people must get out of a state of denial and understand that the level of corruption in Washington, DC is almost beyond redemption — regardless of which “party” is “in control.” It is your congressman and mine. Your counterfeit senator and mine. They lust for power and that is the bottom line.

Two. Let us examine the words of a consummate insider, William Greider, author of *The Secrets of the Temple*. Below are a few of his comments from his congressional testimony, House of Representatives, Banking Committee October 7, 1993:

“The veil of secrecy certainly does enhance the mystique surrounding the Fed — and the general ignorance about it. Otherwise confident and intelligent people including members of Congress — defer to the Fed’s wisdom mainly because they do not understand it. They are understandably intimidated by its mystery and power...”

“The only players who are left out of this conversation are the American people and, to a large extent their elected representatives. Instead, they are provided a frustrating stream of evasive euphemisms and opaque jargon and platitudinous generalities and, sometimes, even downright deception. As more than one Federal Reserve governor confided to me, it would be very difficult — perhaps impossible — for the Fed to have an honest discussion of monetary policy with Congress or the public because the level of ignorance is so profound.”

This is a government of, by and for the people. This is our country, not the private banking cartel’s. America will never be independent or prosperous until the central bank is shut down, its assets sold off and the money deposited into the treasury of We the People. Your children have no future except as indentured slaves to the private banking cartel — those who wield the real power in Washington, DC. The rest is just an illusion for public consumption.

What is Money?

United States Constitution, Article 1, Sec. 8, Clause. 4:

The Congress shall have Power To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures.

United States Constitution, Article 1, Sec. 10:

No State shall coin Money; emit Bills of Credit; make anything but gold and silver Coin a Tender in Payment of Debts.

Precious metals such as gold and silver have been the mostly highly prized means of monetary exchange for many centuries. They are honest money. By mining the Earth, one exchanges his God-given talents and resources for wealth. That wealth can, in turn, be exchanged for the goods and services honestly produced by another's talents and resources.

The *Free Coinage Act of 1792* dramatically simplified the process of issuing a standard coin into circulation. At no cost, the individual could take his slicer or gold dust, shavings, or bullion to the mint, and have it melted down and pressed into coin. Now it was guaranteed to be a standard weight and purity.

In U.S.C., Title 12, Section 152, it states:

“Lawful money of the United States shall be construed to mean gold and silver coin.”

Black's Law Dictionary cites the definition of money as:

“Coins and paper currency used as a circulating medium of exchange, and does not embrace notes, bonds, or evidence of debt”

What we really see from these definitions is that paper cannot be money. What we carry in our pockets – “Federal” Reserve Notes – are disqualified as money, because they are notes. A note is an IOU – an evidence of debt. It is not money! Why, then, do we call it money? Have we been tricked? Absolutely.

The *Free Coinage Act of 1792* specified money to be gold or silver coin. The denomination was to be based on weight. A dollar and all other coins were to be at least 90% pure. The dollar is specified as:

**Gold – 25.8 grains
Silver – 412.5 grains**

In the summer of 2001, I wrote a small booklet for The Wallace Institute. I am reprinting my work below with a few minor adjustments to fit this booklet:

**Why an Income Tax Is Not Necessary to Fund the U.S. Government. Understanding the Great American Hoax
A Step-by-Step Explanation of How Congress and the Bankers Are Stealing US Blind**

Can such a statement and accusations be true? In order to answer these questions, Americans must first understand what is the source of the money that funds the government and where it goes. Contrary to the sound bites issued by the two

mainstream political parties and parroted by an ethically bankrupt “mainstream” media, the reality of how the system actually works will not only open your eyes, but hopefully stimulate the American people to demand that the thievery underway come to an end.

Understanding the income tax hoax

Where do your “income” tax dollars go? The best place to look for an answer to this question would be a government report, so let’s take just one at random:

President’s Private Sector Survey On Cost Control: A Report to The President (Ronald Reagan) January 15, 1984. Available from the Congressional Research Service.

The excerpt below can be found on page 12.

“Importantly, any meaningful increases in taxes from personal income would have to come from lower and middle income families, as 90% of all personal taxable income is generated below the taxable income level of \$35,000.

“Further, there isn’t much more that can be extracted from high income brackets. If the Government took 100% of all taxable income beyond the \$75,000 tax bracket not already taxed, it would get only \$17 billion, and this confiscation, which would destroy productive enterprise, would only be sufficient to run the Government for several days.

“Resistance to additional income taxes would be even more widespread if people were aware that:

“With two-thirds of everyone’s personal income taxes wasted or not collected, 100% of what is collected is absorbed solely by interest on the Federal Government contributions to transfer payments.

“In other words, all individual income tax revenues are gone before one nickel is spent on the services which taxpayers expect from their government.”

How can that be? It can be because it is and this fraud has continued because The People allow it to continue and because your government backs up their unlawful activities with armed federal agents. This is a grave situation and correcting it must be not only an immediate effort, but also an American effort.

Are we a nation of laws or lies? We can’t be both. Our Republic is choking to death under the weight of corruption.

Who is committing all this corruption? Those who call themselves Americans who work in elected offices from the top down, state, federal, county and city.

In a nutshell, this is how the scam works. Excerpt from *Debt Virus* by Dr. Jacques Jaikaran; page 216 below is very revealing. The “Federal” Reserve Act of 1913, requires the central bank to return a small portion of its unconstitutional gains to the U.S. Treasury. Here is an example of the numbers:

“In 1988 the Federal Reserve has an income of \$19.5 billion, and it turned back \$17.36 billion to the U.S. Treasury as provided under its charter.

“The Federal Reserve Act of 1913 provided that a substantial portion of the Feds annual profits be turned over to the National Treasury. Does this fact dilute the argument that there are vast profits built into the commercial banking system? No. “Consider for a moment that the total debt (public debt plus private debt) at the end of 1988 was in excess of \$11 trillion. [Editorial note: Today it is in excess of \$23 trillion.] Then, the discount rate, the rate at which banks can borrow from the Federal Reserve, was about 9.4%. Assuming the debt carried the same rate as the discount rate, there was an annual interest charge of almost \$1 trillion on the total debt owed to the banking system.

“While all of this interest payment does not go to commercial banks, an overwhelmingly large part of it does. The \$17.36 billion turned over to the U.S. Treasury is thus much less than 2% of the total carrying charge on the total debt. If you are mystified by large numbers, look at it this way. Assume you receive \$17 from your central bank, but the charge they require you to pay is over \$900 in interest on a debt of \$10,000, which they created out of thin air. Now can you appreciate what is happening?”

Our Founding Fathers, the ones our elected public servants are always chirping they respect, warned the American people about usury and unscrupulous bankers:

“If the American people ever allow the banks to control the issuance of their currency, first by inflation, and then by deflation, the banks and corporations that will grow up around them will deprive the people of all property, until their children wake up homeless on the continent their fathers conquered. The issuing power of money should be taken from banks and restored to Congress and the people to whom it belongs. I sincerely believe the banking institutions having the issuing power of money, are more dangerous to liberty than standing armies.”

—Thomas Jefferson

So what we have is a central bank issuing worthless paper “money” that controls our economy, our lives and our future. This private banking cartel was unconstitutionally granted this power by a devious, scheming group of senators back in 1913.

In essence what they did was place the American people into indentured servitude by forcing The People to pay usury on worthless fiat currency (paper money created out of nothing), not to fund the government, but to enrich the bankers and fund wars in which America should never be involved.

This system exists not to fund the government, but to allow the U.S. Congress carte blanche power to continue funding unconstitutional agencies and programs by providing them with a bottomless source of worthless ink.

The National Debt and The Deficit

These two little bookkeeping items are not the same thing. Few Americans actually know the difference, but the difference is quite important. We continually hear members of Congress, president after president, and political pundits call for “reduction in the debt.” But what does that really mean? Here’s how it works in the most simplified way to fit into this booklet:

Let’s say that for 2002, Congress and the President decide they want \$1.7 trillion dollars to fund this bloated pig called our government. We know that 100% of all personal “income” taxes extorted by the IRS goes to the “Federal” Reserve Banking System and does not fund a single function of the government. So, let’s take the people’s blood and sweat off the table.

What other revenues does the government collect? Corporate taxes, social security taxes, constitutional revenues such as excise taxes on cigarettes, alcohol, tobacco, firearms, tires, etc., tariffs on trade, military hardware sales, and some minor categories. Let’s say that those revenues will total \$900 billion dollars. The politicians want \$1.7 trillion to spend on their favorite unconstitutional cabinets, social engineering programs that control behavior, wars and foreign welfare, but have a short fall of \$800 billion dollars. This is called the deficit and the deficit, created by the spending of Congress, creates the “national debt.”

How? Because the politicians are \$800 billion dollars short, they simply call up Al Greenspan and borrow your children’s and grand babies’ futures. The “Federal” Reserve Banks don’t loan anything of value to Congress. They aren’t banks, they’re really an overpaid, powerful, political accounting service. When that \$800 billion dollars worth of ink is transferred to the Treasury, it gets piled on top of the existing “national debt.”

This is how the magical money machine works. Congress overspends. It borrows from this accounting firm called the “Fed” and then turns around and tells you to pay for these crimes against the people. In other words, Congress basically pays the bills with social security and borrowed ink from the “Fed.” Pretty slick scam, wouldn’t you say?

The people of America are also responsible to a large degree for this out-of-control spending. Americans have been bred to a welfare dependant mentality. Special interest groups who have no interest in the U.S. Constitution, demand that

billions of dollars be spent on their pet interests. Billions upon billions of dollars have been unconstitutionally thrown to foreign governments, some days our friend, a week later our enemies. They are only our friend as long as the U.S. throws money at their corrupt governments.

Billions and billions of dollars have unconstitutionally been spent on grants to colleges and universities, which in turn sell their research to the highest bidder, paid for by the sweat off the back of the little guy out in America. No, they don't return any back to the little guy who funded these studies and research programs.

As long as the American people themselves condone the unconstitutional spending by Congress, the longer these public servants will violate their oath of office. These slick politicians will continue to fund unconstitutional expenditures, placing your children and grand babies in a state of unpayable, massive debt.

It's both parties, America and it's the thousands of PAC's (Political Action Committees) who buy the favors of Congress with politically correct bribes called campaign donations. Don't let this silly 'campaign finance reform' bill that was passed last month fool you – the big boys haven't given up their power. It's just another illusion for public consumption. New lies to replace old lies.

The list has become endless and unless The People demand an end to this insanity, our economy will collapse under the weight of unpayable debt, no matter how much ink the "Fed" transfers into the coffers of the U.S. Treasury. The pain of withdrawal from unlawful government hand-outs will be far less now than it will be down the road.

America became the greatest, debt free nation on earth by a resourceful, independent, self-reliant people. Sadly, today we have a large percentage of our population who can't get through the day without a government memo telling them how, step-by-step, with a redistribution of average, ordinary Americans assets into the hands of the unproductive. A very sad commentary to what made our nation great and prosperous.

But I Heard the Debt is Being Paid Down?

What you heard and reality are two separate issues altogether. The politicians must continue to fool the American people lest they catch on to this chicanery. Let's have a look at the numbers so you can see that Mr. Clinton's boast that the national debt has been paid down X billions of dollars is nothing more than bombastic gas which has now been picked up by the new administration and the same recycled Congress.

In the following chart, an *R* next to the amount indicates a Republican President; a *D* is for a Democrat in the Oval Office. The Democrats had control of Congress from 1954, until the illusion billed as the "Republican Revolution" in 1994. Both houses of Congress were Republican controlled until after the 2000 "election," but this ended when in May 2001 James Jeffords confessed his real political agenda.

Current ‘national’ debt created by Congress with the approval of the White House. Remember: A sitting President must sign the budget.

03/20/2002	\$6,008,225,142,348.45	(R)
12/31/2001	\$5,943,438,563,436.13	(R)
04/30/2001	\$5,661,347,798,002.65	(R)
02/28/2001	\$5,735,859,380,573.98	(R)
01/31/2001	\$5,716,070,587,057.36	(R)
12/29/2000	\$5,662,216,013,697.37	(D)
09/30/1998	\$5,526,193,008,897.62	(D)
09/30/1996	\$5,224,810,939,135.73	(D)
09/30/1992	\$4,064,620,655,521.66	(R)
09/28/1990	\$3,233,313,451,777.25	(R)
09/30/1988	\$2,602,337,712,041.16	(R)
12/31/1983	\$1,410,702,000,000.00	(R)
12/31/1982	\$1,197,073,000,000.00	(R)
12/31/1980	\$ 930,210,000,000.00	(D)
12/31/1976	\$ 653,544,000,000.00	(R)
12/31/1973	\$ 469,898,039,554.70	(R)
12/31/1968	\$ 358,028,625,002.91	(D)
12/31/1962	\$ 303,470,080,489.27	(D)
12/30/1960	\$ 290,216,815,241.68	(R)
06/30/1953	\$ 266,071,061,638.57	(D)
06/30/1945	\$ 258,682,187,409.93	(D)
06/30/1942	\$ 72,422,445,116.22	(D)
06/30/1937	\$ 36,424,613,732.29	(D)
06/30/1933	\$ 22,538,672,560.15	(D)
06/29/1929	\$ 16,931,088,484.10	(R)
07/01/1900	\$ 2,136,961,091.67	(R)

The statistics above were obtained from the Bureau of The Public Debt’s web site:

<http://www.publicdebt.treas.gov/opd/opdpenny.htm>

The National Debt has continued to increase an average of \$843 million per day since September 28, 2001. There is no constitutional authority for any monies to be expended out of the public treasury for foreign welfare (aid), money to the private UN or the IMF. Why does America continue to allow this plundering of her wealth and children’s future?

So you see, it doesn’t matter which party is in office, there is no surplus and the debt cannot be paid down, it can only grow exponentially as long as Congress and the President have the central bank at their fingertips.

A “balanced budget” is nothing more than good political rhetoric, but in reality, it’s a pipe dream strictly for public consumption. How can you balance your

budget if you have no money to spend and are trillions of dollars in the hole? You can't. It's just another well crafted illusion to keep the masses pacified like "a lock box on social security." What a hoax.

You can fool some of the people some of the time, but the American people have awakened to this monumental theft and are demanding the only real solution that can be implemented: Abolishing the central bank, and a return to a constitutional monetary system with no income tax.

No "Fed," No Need For A Direct Tax

Without the central bank siphoning off the wealth of our nation, there would be no need for a personal income tax. Don't be fooled by this chant around the country for a flat tax, a consumption tax, sales tax or any other kind of personal income tax. There is absolutely no authority in the U.S. Constitution to implement any of these forms of taxation without apportionment. It is for this reason and this reason alone, that when it became apparent that the 16th Amendment was not going to be ratified by the states, fraud was committed and it was simply "proclaimed" ratified by then Secretary of State Philander Knox.

We don't need any direct taxation and these popular mantras are just new lies to replace old lies. No flat tax, no sales tax, no consumption tax. No fed, no tax.

Any one of these forms of taxation will still feed the cancer: the central bank.

Any one of these forms of taxation is just another way to fleece the American people to enrich the pockets of the international banking cartel.

Please consider the words of Congressman Ron Paul (R-TX):

"Strictly speaking, it probably is not necessary for the federal government to tax anyone directly; it could simply print the money it needs. However, that would be too bold a stroke, for it would then be obvious to all what kind of counterfeiting operation the government is running. The present system combining taxation and inflation is akin to watering the milk: too much water and the people catch on."

What we need to do is take away the magical money machine called the "Fed," which will force Congress to live within its means and fund only those activities specifically enumerated by the supreme law of the land in Art. 1, Sec. 8. of the U.S. Constitution:

Lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States, but all Duties, Imposts and Excises shall be uniform throughout the United States, borrow Money on the credit of the United States, regulate commerce (trade), naturalization, bankruptcy laws, coin money, regulate the value thereof, and of foreign Coin, fix

the Standard of Weights and Measures, punishment regarding counterfeiting the Securities and current Coin of the United States, establish Post Offices and post Roads,

Promote [Editorial note: “promote” does not mean fund] the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries, constitute Tribunals inferior to the supreme Court, define and punish Piracies and Felonies committed on the high Seas, and Offences against the Law of Nations; declare War, grant Letters of Marque and Reprisal, and make Rules concerning Captures on Land and Water,

Raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years, provide and maintain a Navy, make Rules for the Government and Regulation of the land and naval Forces; provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions, provide for organizing, arming, and disciplining, the Militia, and for governing such Part of them as may be employed in the Service of the United States, reserving to the States respectively, the Appointment of the Officers, and the Authority of training the Militia according to the discipline prescribed by Congress,

Exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten miles square) as may, by Cession of particular States, and the Acceptance of Congress, become the Seat of the Government of the United States, and to exercise like Authority over all Places purchased by the Consent of the Legislature of the State in which the Same shall be, for the Erection of Forts, Magazines, Arsenal, dock-Yards, and other needful Buildings, make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

There is absolutely no authority for the federal government to legislate in areas of the environment, education, the NEA, the FDA and many others. It may surprise you to find out that agencies such as FDA, DEA and the EPA all derive their jurisdiction from international treaties. When the powers that be wish to circumvent the U.S. Constitution, they do it either through an executive order or international treaties. We strongly encourage you to investigate this issue thoroughly. If you're on the Internet, go to:

http://www.deevy.com/jurisdiction_20000110.html
http://www.deevy.com/jurisdiction_20000112.html
http://www.deevy.com/jurisdiction_20000114.html

Prior to the Federal Department of Education, America had the finest schools in the world. Since the disastrous and unconstitutional grab for power, we can all see that a quadrillion dollars a year will not fix our schools. They continue to decline faster than the feds or states can shovel money into them.

Today's schools have nothing to do with education. They are government indoctrination centers for social engineering. To think otherwise is to live in a state of comfortable denial. For those who choose to walk around with their eyes wide shut, I have some words for them:

“If ye love wealth better than liberty, the tranquillity of servitude better than the animating contest of freedom, go home from us in peace. We ask not your counsels or arms. Crouch down and lick the hands which feed you. May your chains set lightly upon you, and may posterity forget that ye were our countrymen.”

Samuel Adams, American Revolutionary Leader, 1776

Even if a direct tax were necessary, only by keeping it at it's lowest possible percentage would it ever benefit this nation. The excerpts below are from pages 19-20, *Annual Report of the Secretary of the Treasury on the State of Finances* for 1921:

“The point now emphasized is that the evil effects of high surtaxes fall not upon the individual whose income is seized and taken, but ultimately almost entirely upon the mass of the people who are thereby deprived of the benefits which would result from the free flow of commercial transactions and the use of the additional capital which would be available for productive enterprise.

“Freedom of business transactions is essential.

“The revenues to be obtained by the Government from this class of taxes depends upon transactions in trade and commerce which bring about income available for payment of taxes. It is highly desirable, in the interest of the production of revenue, that the volume of business transactions giving rise to gain shall be as great as possible, and to this end it is essential that the natural laws of trade and commerce and the free flow of business shall not be interfered with or prevented.

“But the direct effect of these very high taxes is to hinder and prevent business transactions which would otherwise take place. A man may have property which he has held for years and which has greatly increased in value, and he would like to sell it, but if he does a large part of the gain would have to be paid out in taxes. He would rather keep the property than sell it, pay the tax, and invest what is left in something else. At the same time the party desiring to buy this property, if he obtained it, would improve it with buildings.

“What is the result? The transaction does not take place, and the community loses the advantage which would come in the stimulation that would arise from the transactions resulting from the buyer’s improvement of the property, and it also loses the advantage of the seller’s putting his money into some other form of investment, which in turn would give rise to business transactions. The same thing on a much greater scale is true in manufacturing and mercantile lines. Men have built up enterprises to the point where they are highly successful. They would like to take their profit and turn the business over to younger men to carry on.

“These transactions are highly desirable not only for the parties but for the community, yet they are absolutely stopped, because if made the seller would have to pay in one year a tax on a gain which has been the result of perhaps the better part of a lifetime of effort. And in all such cases the Government gets no tax, whereas if the rates were reasonable the transactions would take place and the Government’s revenues would benefit accordingly.

“The free interchange of property in business transactions is essential to the normal prosperity of the country, and each such transaction has a direct tendency to bring about others of like character with the result of increasing the amount of gain or income available for taxation; but when the tax is so high as to act as a deterrent against usual and desirable business transactions, and the volume of such transactions is thereby lessened, the inevitable result is for the tax to become less and less productive.

“It is for these reasons that, particularly in the higher brackets, a lower tax rate will produce more revenue in the long run than excessive rates. So long as the high rate stands in the way of accomplishing bargains and sales, the Government receives no tax; but at a lower rate the transactions proceed and the Government shares in the profits.”

Today Americans are being fleeced to the tune of approximately 52% of every dollar going for local, state and federal taxes. The day is rapidly approaching when making even \$1,000 per hour will not be enough to survive. How much longer are the people of this nation going to put up with this state of affairs? We say enough is enough!

16th Amendment to U.S. Constitution Fraudulently Ratified

Why is proving the 16th Amendment to the U.S. Constitution was fraudulently ratified so important? In tribute to a fabulous lady by the name of Vivien Kellems, the following excerpt from pages 41-46 of her book, *Toil, Taxes and Trouble*, published in 1952 is legally right on point:

“Since a capitation means a tax of the same amount for every person, this provision makes doubly sure that all federal taxes must be at the same uniform rate for everybody. This limitation that direct taxes be levied by the Federal Government must be in proportion to a census and apportioned among the States in accordance with numbers, is the only provision in the Constitution that is stated twice.

“The only reason that our Constitution required a census to be taken every ten years was to count the people to determine how many Representatives should go to Congress, and how direct taxes should be levied. I wonder how many Americans thought of this in 1950 when those little busybodies came knocking on their doors, asking ten thousand impudent, silly questions which were none of their, or Washington’s, business. There is absolutely no power granted in the Constitution which enables a top-heavy bureaucracy of empty-headed simpletons, and worse, to invade the privacy of the American people in such a monstrous manner.

“This census is just a preview of what is really in store for us if they actually take over, which they most certainly will do unless we uproot and vote them out.

“The census was to count the people — that was all. The number of people determined the number of Representatives in Congress and the apportionment of direct taxes among the states.

“For a long time I asked myself, ‘Why were Representatives and direct taxes linked together and apportioned among the States in accordance with population?’ It was understandable that Representatives should be chosen in accordance with numbers but why should taxes be apportioned the same way? And then one day, out of the blue, it came to me crystal clear. All at once I understood the plan to safeguard the future freedom of the nation, conceived and executed by those scholarly men.

“I read again: ‘Representatives and direct taxes shall be included within this Union, according to their respective numbers....’ ‘No capitation, or other direct tax shall be laid, unless in proportion to the Census of Enumeration hereinbefore directed to be taken.’ And in those two sentences our forefathers bound fast the hands of Congress and secured the liberty and freedom of the American people. How? By making it utterly impossible to levy an income tax.

“An income tax is certainly a direct tax, probably the most direct tax of all since it cannot be shifted but must be paid by the person receiving the income. By specifying that direct taxes must be levied in accordance with the number of people, not upon what they produced,

as in the days of ancient Egypt, an income tax was simply out of the question. It cannot be levied upon a man but must be levied upon what he receives.

“Our forefathers designed and incorporated in the Constitution a new system of government. It was built upon a revolutionary idea; the conviction that the government belonged to the people and existed only by their consent. Its genius lay in the careful system of checks and balances among the three departments, the Legislative, the Executive, and the Judicial. And it went further and maintained a balance between the powers of the individual States and the Federal Government. In addition it carefully reserved to the States and to the people all rights and powers not specifically delegated, or prohibited to the Federal Government and further stated that because certain rights were enumerated in the Constitution it did not mean that others not mentioned were still not the property of the people.

“However everything in the Constitution was arrived at by compromise. The interests and concerns of the thirteen states varied widely and each delegate was sent to Philadelphia to protect the commerce, industry and agriculture of his particular state. It required months of patient discussion, argument and forbearance to finally produce the finished document, which when completed, comprised a system of government to protect the people in the rights and liberties set down in flaming words in the Declaration of Independence. It is a wonderful document, the best system of government ever devised for human beings, but it could have varied in some respects and still have worked satisfactorily....

“The supreme achievement of the combined brains of all those men were written into those two sentences and the freedom and liberty of the American people were secured in them. For in those two sentences the right of the free man to own something was made inviolate. This was his distinguishing mark, the only criterion of freedom in all the world, the right of the common man to retain for himself the fruit of his labor.

“Now this is how it worked. Every man was given a vote with which he could vote for his Representative. Originally only Representatives were elected, Senators were appointed by the State Legislatures and it’s too bad we changed that provision.”

(Editorial Note: We didn’t. Like the 16th Amendment, the 17th Amendment is a fraud — it was never ratified by the states. Therefore, we have not had a lawfully seated senate since 1913.)

“That Representative having to stand for election every two years was

close to the people and responsive to their wishes. That is why he was given the power to tax; all bills of revenue arise in the House. And that is why he must come home every two years and give an accounting to the people.

“But his power to levy direct taxes was limited by an ironbound restriction: that tax must be apportioned among the States in accordance with the population. Since all taxes were to be at a uniform rate, Congress simply could not penalize one section of the country, or one group of citizens for the unfair advantage of another.

“When Congress levied a tax, everybody had to pay and at the same rate. The amount would vary with the wealth of an area, as it does today with the different values of real estate, but the rate was the same for all and the tax was distributed among the States according to population.

“The men who wrote our Constitution did not found a democracy. They feared the so-called ‘Democrats’ of their day as much as we fear the Communists today. They did not believe in mob rule, or government by the unintelligent, irresponsible mass. They founded a republic and they made certain that the right to vote should be curbed and controlled by the necessity of paying taxes. Scheming politicians could not take taxes from a helpless minority and buy themselves back into office with the votes of the tax exempt majority. When a Representative voted a tax, he voted to tax everybody because the tax was based upon numbers, not upon dollars.

“This was the most brilliant plan ever conceived for guaranteeing the freedom of a nation. It protected every person in his right to private property, rich and poor alike, and under this protection we built the richest, most powerful nation on earth. We achieved and maintained for the majority of our people a standard of living undreamed of before, the hope and the envy of the whole world.

“And we accomplished something even more important: we developed a vigorous, self-reliant, self-respecting race of people. An American citizen would have been ashamed to ask for a handout from his Government. The Government belonged to him, he did not belong to the government.

“And then what happened? We chucked our carefully safeguarded right to own something out the window, and we passed the income tax amendment. Gone was our apportionment among the States in accordance with population, and also gone was our principle of uniformity. Income ‘from whatever source derived, without apportionment among the several States, and without regard to any

census or enumeration' could be taxed and without limit. And when we passed this income tax amendment the slow, distilled poison of tax slavery dripped into our veins. We sowed the seeds of our national decay which is rapidly coming to maturity before our eyes today. The heritage of freedom so carefully insured for us by our forefathers is gone; it has been taxed away."

Vivien Kellem's magnificent book, *Toil, Taxes and Trouble* may be ordered by calling 1-877-909-1776.

The "General Welfare" Clause of the Constitution

The majority of unconstitutional spending is justified by the "general welfare" clause of the constitution. Shawn O'Connor of the Free Enterprise Society (phone: 1-209-966-7040) summed up this misconception in one of his speeches, paraphrased below:

"Discussion of the general welfare clause of the Constitution by the courts relies upon the Federalist Papers. This term simply means: Taxation was to protect the individuals' life, liberty and ownership of private property. One can go to Art. 1, Sec. 8, Clause 1 of the constitution to read the general welfare clause. Then one can do some history research and see what the Anti-Federalists had to say about this clause:

"That this clause conveys absolute power to the central government. Patrick Henry was very vocal in his opposition to putting this kind of language into the constitution. Madison, however, assured Henry and others that all the general welfare clause represented was a preliminary introduction prior to the enumerating the specific powers the delegates were about to grant to this new federal government and that the general welfare clause granted no new power to the government whatsoever. It was simply an introductory statement.

"The Anti-Federalists still weren't satisfied. Hamilton and Madison came back to re-state that if the general welfare clause conveyed absolute power to the government, why would they go on to list the specific powers they were going to grant the government? That wouldn't make any sense at all if they were going to give absolute power to this government. It was finally conceded by all at the convention that the general welfare clause conveyed absolutely no power to the government."

The general welfare clause of the constitution has been misused for personal gain by special interest groups to enrich the pockets of the banking cartel, by politicians hoping to "get that vote," and an all out push to turn America into a

socialist country, beginning with the “New Deal” implemented by FDR and supported by a weak Congress. Lyndon Johnson took the quest to turn America into a socialist nation to new and grotesque heights.

Your Government Lied and Reneges on a Written Agreement

On July 20, 2001, the U.S. Department of Justice and the IRS agreed in writing via a deal brokered by U.S. Congressman Roscoe Bartlett to hold historical hearings on February 27th and 28th of 2002 in Washington, DC.

That event was a direct result of the efforts of Bob Schulz of We the People Foundation. For the first time in more than 200 years, The People would have sat in the seats normally occupied by our public servants questioning attorneys and representatives of the Department of Justice and the IRS on such questions as:

What makes any American liable to file and pay income taxes? Show us the law! There is none.

Is this tax voluntary? Absolutely

Prove to the people that the 16th Amendment to the U.S. Constitution was properly ratified. The government can't and the federal courts, so badly corrupted, refuse to hear any cases on this issue.

Social Security is voluntary, yet tens of millions of Americans are forced to give this number for employment and even to get electricity at their home. Why won't Congress come clean and inform the American people that they are under no obligation to belong to this phony “insurance” program? Because they can't. No one is trying to stop social security and deny anyone who needs what they have paid for in SS taxes. What we want is the government to tell the people the truth so they can make an informed decision without a gun to their heads.

Just weeks before these hearings, the Department of Justice under John Ashcroft and Charles O. Rossotti, Commissioner of the IRS, reneged on their written agreement, thumbed their noses at the American people and simply refused to show up for the hearings. This action can only be taken as an admission that the people are right and the government has been lying to the good people of this country since 1913.

The hearings took place without the government. I was there. So were three former IRS employees: A CID Special Agent, one auditor and one collector. Below are the remarks of one of those former IRS employees, Sherry Jackson, a remarkable lady that I have the honor of knowing:

CLOSING COMMENTS

“ADDRESSING THE JURY – THE AMERICAN PEOPLE”

“Ladies and Gentlemen:

“My name is Sherry Peel Jackson. I became a Certified Public Accountant in 1987, I was an Internal Revenue Agent in the Atlanta District for 7 years, and I became a Certified Fraud Examiner in 2001. I am here to summarize the tales of ignorance and deception that you have heard over the last two days and I am here to inform you of the state of the nation so that you may choose your next course of action.

“You have heard the truth of how the Internal Revenue Service, Department of Justice, Federal Reserve and politicians have perpetuated this smoke and mirrors - dog and pony show on you the American people for over 88 years. You have heard of American families devastated by the invasion of privacy and unbridled fear placed upon them through threats of liens, levy’s and even jail time. In my tenure as an IRS agent, I personally saw marriages broken, families torn apart, homes confiscated and businesses destroyed - all while my colleagues and I were out making unjust demands on the American people - without the proper authority. Now, you be the judge.

“You have seen that Commissioner Charles Rossotti, Dan Bryant, the majority of our congressional delegation and other civil servants have refused to do their jobs. It would have been as simple as answering the questions of these well-educated researchers in a public forum, such as this one. But they have reneged, so you be the judge.

“You have learned that the Constitution of the United States of America has been trampled on and ignored through allowing the privately owned Federal Reserve to create paper currency and charge you 47 million dollars in interest per hour - money coming from the mouths of your children and the college education funds of your grandchildren, all the while the children and grandchildren of the owners of the Federal Reserve will never have to work a day in their lives, and that is wrong, on so many different levels.

“And let me tell you, that as a black woman I am keenly aware of the history of slavery. But do you understand that we are all slaves to this system? Do you understand that the media and Hollywood play a part keeping the American people so fixated on Ally McBeal, WWF Smackdown, Moeisha and the Practice that we don’t take time to read the Creature from Jekyll Island, study the Internal Revenue Code and learn the Constitution?

“Now, let me spend just a minute to address my culture. Do you realize that the so called black leaders make millions of dollars every year playing the “us against them” role – keeping blacks focused on the race card and away from the real issue – the theft of our future through taxation.

“These publicity mongers are well aware of the oppression brought on by income taxation, they love to march on Washington about racial profiling and civil rights, not to say that these are not real problems, but these leaders have been too afraid to approach the powers that be and have a million man, woman, boy, girl march about economic freedom from income taxation and restoration of constitutional rights.

“(And they have the nerve to call Clarence Thomas an Uncle Tom.)

“Also, there’s been a lot of talk about reparations lately, but know this: If all Americans were able to keep the money withheld from their paychecks every year, that money would enable them to home school, start their own business and boost the economy, save for college and retirement, even buy that 40 acres and a mule. So, you be the judge.

“You need to understand that with an Internal Revenue Code, Code of Federal Regulations, and other “official documents” spouting off several different definitions of United States, Internal Revenue Service and other important terms, this deception that keeps people ignorant is not a coincidence. The writers of the Code used semantics and legalese to make us think that we are required to pay the income tax and file an income tax return. Former IRS commissioner Shirley Peterson even stated that, and I quote, ‘Eight decades of amendments to (the) code have produced a virtually impenetrable maze... The rules are unintelligible to most citizens. The rules are equally mysterious to many government employees who are charged with administering and enforcing the law.’

“This fraud was strung together by people like the former president that said ‘it depends on what your definition of is is’ and ‘it depends on what your definition of sex is.’ This incident showed us that definitions are very important to politicians and lawyers, and no word is meaningless. For example, it does depend on what the definition of ‘source’ is.

“The opposition, in an attempt to keep the sheeple in the flock, will scoff at us and encourage unaware Americans to ridicule those of us who have been informed, saying, ‘these people just don’t want to pay their fair share.’ We have already learned from a speech by former Federal Reserve Chairman Beardsley Ruml that this country doesn’t need income taxes for revenue. This money collected from our sweat and tears is used to perpetuate redistribution of wealth, among other things.

“But the powers that be keep beating the people over the head with this ‘fair share’ garbage. Well, what is fair share? Haven’t the families of the victims in New York City and the Pentagon paid their fair

share? Haven't the men and women that lost sons and daughters, husbands and wives in Vietnam, Korea and the other battles paid their fair share? So you see, this tactic to pit those that are uninformed of the income tax fraud against those who have seen the light is baseless and must be eliminated!

“The opposition also uses our religious faith to twist the meaning of authority and to create unjust statutes. People, I know Godly authority and our current system does not reflect godly authority. Many of our past and present religious leaders have been jailed for questioning authority. They have been beaten, starved and even killed for their faith and their defiance of injustice. People of America – is what you're living for worth dying for? Are you willing to take a stand? It's your choice.

“The creators of this creature called the income tax, engineered their system to manipulate you into staying in your comfort zones. With a little bit of patriotism and a little bit of fear tactic mixed into a pot of inflation and deflation, they have been able to keep the people confused, intimidated and obedient for over 88 years.

“But now the truth about the fraudulent origin and operations of the Federal Reserve System and the Internal Revenue Service have been revealed to the American people. You can no longer claim ignorance of the truth. You must acknowledge it or reject it. The choice is yours. And the consequences of your decision will rest on the shoulders of your children and future generations of Americans.

“You can remain an informed slave or you can get off of the plantation. You can remain engrossed in fear, or you can take a stand like Patrick Henry who shouted 'give me liberty or give me death.' You can stay hypnotized by *As The World Turns* and *The Guiding Light*, or you can turn off the boob tube and read the Constitution, then go ask your elected representatives why they refuse to follow it. Remember that those elected representatives have sworn to uphold and defend our constitution.

“Remember that each of our elected representatives has pledged to serve our country first-not a political party, or certain privileged and special interests groups-but you, the American People. They are our public servants.

“In closing, we have shown you the truth. Now, for the sake of our Country and our children, we ask you to choose justice over injustice, unity over division, courage over fear, truth over ignorance, and liberty over economic slavery.

“We ask you to stand with us and let the voice of freedom be heard from every corner of our great country. It is time to end this long-standing injustice and tyranny over the American People.

Thank you.

Sherry Peel Jackson, CPA

Note: These comments were presented at the Close of the Citizens’ Truth-In-Taxation Hearing. Washington D.C., February 27-28, 2002

Where was Congress? They were invited. All 535 of them. Where was the dominant, “mainstream” media, including FOX? They were all invited. None of them showed except a pro-IRS lackey from the NY Times which prints all the news that’s fit to fake. If the government could put to rest once and for all the questions raised above, how come not a single representative of your government showed up, right there in their own front yard, Washington, DC? The silence is deafening.

Funding The Government Without Direct Taxation?

The powers that be know it’s just a matter of time before the truth reaches enough Americans about the voluntary income tax system. Already trial balloons are being floated to once again fool the people into some form of alternative tax in order to feed the central bank. Don’t fall for this ruse. Below is the opinion of Bob Schulz, Chairman of We The People Foundation:

Our Nation Without the Federal Income Tax

“A large scale public information and education campaign is under development by We The People. The purpose of this initiative is to quell the potential, and needless fears of average Americans that somehow modern civilized life cannot exist without a federal income tax.

“Our country functioned very well without an income tax throughout most of our nation’s history. The mechanism for a peaceful and orderly transition to a non-income tax system has resided in Article 1, Section 9 of the Constitution since 1787. It provides for Congress to pass a legislative bill for tax money to be paid by each state in proportion to its population.

“Although the transition will certainly not be without some level of political pain or inconvenience at the federal level, this is how our founding fathers envisioned our tax system was to work. The natural balance of political and financial power would be kept in check by the proximity of the people to their taxes and their government. In our current tax system, the proper role and power of the states and local

government has been largely usurped and bypassed by the direct collection of income taxes from the people by the federal government. The unchecked growth and generally ineffective workings of the federal government are proof-positive of the inherent defects of our current tax system.

“With an apportioned tax, this process would be reversed with large amounts of money (and its associated power) returning to both the states and local communities. Local needs such as education, community development, homelessness, etc. can all be addressed much more effectively and efficiently by local governments and local representatives without the “middleman” in Washington, D.C.

“The people should have no fear that our federal government cannot function without income taxes. Because our government already receives significant income from duties, imposts and excise taxes and currently has (as discussed above) the constitutional authority to apportion direct taxes, there would be no problem defending the nation or providing for the other constitutionally mandated and basic functions of the federal government. In short, the people should not be needlessly cajoled into accepting a replacement tax such as the ‘fair tax’ or a national sales tax. Let the constitution work as it was written.”

If you’re on the Internet, additional and more comprehensive information on why no direct taxation is needed to fund a limited form of Republican government, please go to:

<http://www.deevy.com/salestax.html>

<http://www.deevy.com/collapse.html>

<http://www.deevy.com/andrews.html>

Has Your Government Been Truthful?

Do you know why the “withholding tax” system was put into place? Here is a small piece of history that will give you a shocking example of how things work behind the scenes – regardless of which “party” is “in power”:

Hearing Before A Subcommittee of The Committee on Finance,
United States Senate, 77th Congress, Second Session on:
Data Relative to Withholding Provisions of the 1942 Revenue
Act, August 21 and 22, 1942 (Printed for the use of the
Committee on Finance)
United States Government Printing Office, Washington 1942
SUMMARY/Contents

Statement of:

Friedman, Milton, Division of Tax Research, Treasury Department

Hardy, Charles O., of Brookings Institution

Jacobstein, Meyer, of Brookings Institution

Paul, Randolph E., Treasury Department

Overview

Because the war effort resulted in increased production and employment, which caused a sudden large influx of money into circulation, the Federal Government and Federal Reserve System had to find a method of “mopping up excess purchasing power” thereby control inflation and obtain immediate funds for the Treasury. Several plans were put forth before the House, Ways & Means Committee and the Senate Committee on Finance to accomplish this purpose.

The following points were made by the Senators and those testifying before the committee:

1. The overall purpose was to obtain immediate money for the war effort, to control inflation and to get the income tax on a current basis instead of being one year behind.
2. To accomplish this goal, it was recognized that a scheme was needed to reach the largest number of people.
3. That the scheme, regardless of whether it was a “coupon,” “stamp” or “withholding of income tax at source,” would constitute a “forced loan” to the Federal Government and it would apply to taxpayers and nontaxpayers alike, with exceptions.
4. Where an individual had money withheld and ultimately no tax liability, the individual would file an income tax return and that income tax return would constitute an automatic claim for refund.
5. The proposed plan was an emergency war time measure.

Hearing Experts, Beginning Page 99

Statement of Meyer Jacobstein of Brookings Institution

“It is obvious that it is necessary to mop up the excess purchasing power of the community, not only because of it’s effect on the price situation but because the Treasury needs the money and needs it quickly.* Obviously the Treasury can collect from the consumers as the purchases are made the Treasury has the use of those funds long before it would obtain them by the income-tax method.

“Now, there are many ways, of course, of mopping up this surplus purchasing power...Now, there is the withholding tax at the source based on payrolls.”

Senator Clark: “Doctor, what this plan is, it is essentially a compulsory savings plan based on sales tax methods, is it not?”

Mr. Jacobstein: "I should say that is a fair description of it, yes. It is the use of a sales tax method without being a tax."

Senator Clark: "So far as the impact on the public is concerned, it is precisely the same as a sales tax, except you give the money back sometimes."

Mr. Jacobstein: "That is right. That is a very fair statement, I think. Senator Danaher used the word "self-assessment." If I buy a dollar necktie I pay \$1.10 under his plan. A withholding tax is usually withheld at the source. Here you withhold it not at the manufacturer's end but at the retailer's end. You are using the retailer instead of the manufacturer to siphon off several billion dollars, depending on the rate of the assessment of a tax.

"It may be that several systems can be used. Any one of them might be very useful to the Treasury in accomplishing this purpose. But...for siphoning off purchasing power into the Treasury from day to day, or week to week, or month to month; and it has that advantage.

"Now, there is an aspect to this question which was not brought out in the original memorandum which would make the scheme perhaps a little more palatable if certain deductions were made by any method, either by the withholding tax method or direct sales tax method or by Senator Danaher's proposal...."

Statement of Charles O. Hardy of the Brookings Institution

Mr. Hardy: "First...mainly for the purpose of providing an exemption from the tax or forced loan, either one. Now, as has been stated a moment ago, this is a forced loan. It should be pointed out, I think, that you can do the same thing with the mechanics of any other tax, that is, under the income tax you can give out bonds or coupons redeemable in bonds instead of giving receipts for the income tax. You can do that, as far as I can see, with any tax, for the whole schedule of taxes.

"I would like to say...that we have to bring about a readjustment of consumption in the country to the amount of consumers goods and services that we can spare the resources to produce under war conditions. First, we have got to devote our productive energies to the war.

"Or, you can use the mechanism of the sales tax, as far as I can see, by mopping up the increased purchasing power that is created by the rising amount they receive in their paychecks. On the other hand, if the money is stored up, whether it is in the form of these stamps or in the form where people haven't spent it because they have had no way to spend it, in either case if it is too large a proportion you are going to have the problem, whenever you do turn it loose, that you have now in the other case, namely of having a lot more purchasing power than you have goods and services to make it good with.

“That is the answer, I think, to the question that might be raised as to why not carry this principle through and apply it to income tax, corporation tax, and everything else. Obviously, this has the advantage that this definitely sews up the purchasing power in such a way that it cannot be released until we discover the proper way to release it..

“I think it has a great advantage over the deficient spending program. This program just postpones the problem of administration, in deciding how much purchasing power is available to release and to what extent it will create the old wartime inflation over again.”

Senator Danaher: “Let me ask you this question: Considering the withholding tax, simply the treasury withholds it currently and applies the proceeds against the tax due in a given year...”

Mr. Hardy: “The deduction from salaries and interest, and so on, at the source?”

Senator Danaher: “Yes.”

Mr. Hardy: “Yes.”

Senator Danaher: “That is a currently applied method of withholding so much of the consumer purchasing power as is represented by the tax collected or withheld.”

Mr. Hardy: “That is right.”

Senator Danaher: “And the applied as against the tax due.”

Mr. Hardy: “Yes. The withholding tax provision has the effect of withholding purchasing power at the time the income is realized rather than a year hence through the income tax structure.”

Senator Danaher: “And if it were in effect for one year it would apply only one year?”

Mr. Hardy: “I assume so.”

Senator Danaher: “Yes. Whereas this proposal is a continuing thing.”

Mr. Hardy: “It seems to me the essential difference is that the withholding tax plan applies at the point of receipt of income, and this applies at the point of expenditure of income.”

Senator Danaher: “Of course, you withhold not only from taxpayers but nontaxpayers.”

Mr. Hardy: “Yes. Some people that I talked to about this plan, Federal Reserve people, have been rather favorable to the idea.”

Mr. Jacobstein: “Don’t you want to add that Mr. Selko pointed out that such difficulties as are encountered in the States are, partially at least, overcome when

you have a uniform Federal tax? Where you have a uniform tax all over the country by one administration, the Federal Government, it is easier to administer than a sum total of 48 states. Now that was Mr. Selko's conclusion."

Statement of Milton Friedman, Division of Tax Research, Treasury Department

Senator Danaher: "I have only one other thought on that point. In the event of withholding from the owner of stock and no taxes due ultimately, where does he get his refund?"

Mr. Friedman: "You thinking of a corporation or an individual?"

Senator Danaher: "I am talking about an individual."

Mr. Friedman: "An individual will file an income tax return, and that income tax return will constitute an automatic claim for refund." End of document excerpts.

This document may be found on-line at:

<http://iresist.com/ice/catalog.htm> - item #34

What bald faced lies. "Mop up purchasing power"? Fleecing Americans dry is a more accurate way to describe this terrible injustice against US. How about letting Americans decide to save the fruits of their labor? No, the government wants it all.

Art. 1, Sec. 8 of the U.S. Constitution gives Congress the power to issue money, not the private fed:

"To coin money, regulate the value thereof,..."

Cut out the middle man ["Fed"] and the Treasury wouldn't "need the money." What a con game.

T. Coleman Andrews. Mr. Andrews (a Democrat) was Commissioner for 33 months of the Eisenhower Administration. Listen to his admission of the truth from an interview in *U.S. News & Report*, May 25, 1956:

"...We're confiscating property now... That's socialism. It's written into the Communist Manifesto. Maybe we ought to see that every person who gets a tax return receives a copy of the Communist Manifesto with it so he can see what's happening to him."

Beardsley Ruml, Chairman of the Federal Reserve Bank of New York; speech in 1946:

"The second principal purpose of federal taxes is to attain more equality of wealth and of income than would result from economic forces working alone. The taxes which are effective for this purpose are the progressive individual income tax, the progressive estate tax, and the gift tax. What these taxes should be depends on public policy with respect to the distribution of wealth and of income."

“It is important, here, to note that the estate and gift taxes have little or no significance, as tax measures, for stabilizing the value of the dollar. Their purpose is the social purpose of preventing what otherwise would be high concentration of wealth and income at a few points, as a result of investment and reinvestment of income not expended in meeting day-to-day consumption requirements. These taxes should be defended and attacked in terms of their effects on the character of American life, not as revenue measures.

“Taxes on corporation profits have three principal consequences — all of them bad.”

The full speech may be read at:

<http://home.HiWAAY.net/~becraft/RUMLTAXES.html>

How can I say that the IRS is not a government agency? Read this quote from an U.S. attorney in a tax case up in Idaho:

Betty Richardson, United States Attorney, Box 32, Boise, Idaho 83707. Civil No. 93-405-E-EJL, United States’ Answer and Claim re: Diversified Metal Products, Inc., Plaintiff v. T-Bow Company Trust, Internal Revenue Service and Steve Morgan, Defendants, page 4, paragraph #4:

“Denies (the U.S. government) that the Internal Revenue Service is an agency of the United States government....”

If the IRS is not an agency of the federal government, just what is it and from where do they derive their jurisdiction?

Fully Documented Reference Sources That Educate

The federal government must generate revenues to operate what our Founding Fathers created: A limited form of Republican government. State constitutions are all guaranteed a limited form of Republican government. America is not a democracy. We believe America is a nation of laws, not lies. We can’t have it both ways for political expediency or to please any and every special interest group that bribes politicians at all levels with the politically correct “PAC money.”

Sometimes it’s difficult to be the messenger of news that people would rather not hear. However, Americans can no longer remain in their comfort zones because the message isn’t what they want to hear. If your house is on fire, you don’t sit and continue to watch the television set; you call the fire department. America: Our house is on fire and it is the obligation of every American to safeguard the liberties and freedoms given to us by those who paid the ultimate price. Please join the growing numbers of millions who are ready to take back our country and stop the assault on our rights.

Secrets of the Federal Reserve, by Eustace Mullins. This book gives an excellent explanation of this private banking cartel who owns the stock. To order, call 1-503-824-2050.

Creature From Jekyll Island, by G. Edward Griffin. Considered the best book on who created this monster known as the “Fed” and how it constitutes an unholy alliance between the international banking cartel and Congress. “A superb analysis deserving serious attention by all Americans.” Congressman Ron Paul. “What every American needs to know about central bank power.” Mark Thornton, Asst. Professor of Economics, Auburn Univ. To order, call 1-503-824-2050.

Debt Virus, by Dr. Jacques S. Jaikaran. A compelling solution to the world’s debt problems. To order, call 1-503-824-2050.

CrashMaker. A fictional story which skillfully educates on the fractional banking system and why it will ultimately fail. Additionally, this book gives a mountain of court cases brought on the “Fed” issue, shot down by every federal court. This book is considered a masterpiece. Authored by Dr. Edwin Vieira and Victor Sperandeo, known as “Trader Vic” and “the ultimate Wall Street pro” by Barron’s. Also by Dr. Edwin Vieira, his soon to be released, updated edition of *Pieces of Eight*. To order, call 1-800-247-6553.

The Deliberate Dumbing Down of America: A Chronological Paper Trail by Charlotte Iserbyt. Parents, you must read this book. To order all 1-877-909-1776

The Law That Never Was (proof the 16th Amendment to the U.S. Constitution was never ratified). Call 1-708-596-3142. Also by Mr. Bill Benson: Proof That the 17th Amendment Was Never Ratified; same phone number.

Truth in Taxation Hearings. This is the single most factual indictment against the Federal Government on the IRS and the central bank. This presentation of 300 questions includes a piece of evidence for every single question. No question this video and CD is the most complete package that every American must watch. To order go to:

<http://www.bostonteparty2.org/purchase/cpurchase.asp> or call **1-518-656-3578. Do it today.**

Report by Joseph Banister, former IRS CID (Criminal Investigator) who resigned from the IRS. Find out why – it will shock you. His web site is listed below or call 1-408-260-9819

Blind Loyalty by Devvy Kidd. See inside back cover to order. Vote fraud is rampant in this country. Learn the truth and demand paper ballots.

The Money Masters (video) Excellent. To order, call 1-877-909-1776.

Capital Crimes: How the Federal Reserve Robs Us Blind (video) by Bill Still. 1-800-321-3272

Masters of Seduction by Jeri Lynn Ball. Order call 1-877-291-1000

Time Bomb. A must read. Order call 1-877-291-1000

Web sites that educate and contain provable, factual documentation:

www.devvy.com (Devvy Kidd)

www.http://home.HiWAAAY.net/~becraft/ (Larry Becraft)

www.givemeliberty.org (Bob Schulz)

www.http://www.freedomabovefortune.com/ (Joe Banister)

www.americanfreedompress.com (Jeri Ball)

www.gata.org (Bill Murphy)

<http://www.ninehundred.net/~jveon/> (Joan Veon)

Do Your Homework!

I don't expect for you to take my word on the information contained in this booklet. It is accurate, it is factual and it is politically incorrect. I belong to no political party. I pay myself no royalties for the sales of my booklets nor any of the work I have done for the past 11 years.

I am the Founder of the Project on Winning Economic Reform. POWER is a First Amendment grassroots effort to educate and motivate Americans to the mechanisms bringing America to ruin. My project distributes this booklet and, *Why A Bankrupt America* (1,520,000 copies sold as of April 2002) and *Blind Loyalty* (370,000 copies sold, same date).

I have been a guest on more than 1,500 radio shows and countless personal speaking appearances. I ran for Congress in 1994 and 1996. Besides this booklet and *Blind Loyalty* dealing with massive vote fraud in this country, I also authored four other published books dealing with construction financing and government systems. My latest is one dear to my heart because it's about one of my doggies. This children's book is titled *Keeley & Mrs. Kidd: A Lost and Found Story*.

I spent 19 years in the private sector before going on to various civilian positions with the Department of Defense. During my tenure as an Administrative Officer for the Department of the Army, I was responsible for contracts and budget management oversight in excess of \$8,000,000.00.

Following this assignment and due to my husband's transfer, I became a Contract Administrator for the Department of Air Force, Air Force Space Command at Peterson AFB, Colorado. I am also a Federal whistle blower. While at Peterson AFB, I filed a fraud, waste & abuse charge against my own job. The three-ring circus that followed is sadly all too typical of what happens to those who step forward with the truth.

I am married to John Kidd, who is a retired United States Army Colonel and has continued his career in the private sector as a construction management engineer. My daughter graduated from college in May 2001, Magna Cum Laude in the field of science.

Larry Becraft, a constitutional attorney, and I formed The Wallace Institute in 1998. The institute, named for the spirit of the movie character, William Wallace, is a legal entity which deals with broad public policy issues, primarily the IRS, social security and international treaties.

What can you do?

Please participate in saving our great Republic. America is not a democracy. That untruth is one of the most often repeated lies in the past 50 years. The truth isn't liberal, conservative, Republican, Democrat or Green Party. Can we possibly look our children and grandchildren in the eyes if we allow their God-given right to be free wrested from US without a whimper?

Get my *Blind Loyalty* booklet on vote fraud. There is no other booklet available (only 45 pages) which gives such a complete factual presentation of how our elections and the ballot box no longer belong to the People. This booklet has step-by-step instructions on how to stop vote fraud so that we can get constitutionalists elected to office who will get rid of the insidious "Fed." The donation you make to acquire these booklets pays for printing, postage, shipping and promotion of this effort, period.

From One American to Another

Thank you for taking your valuable time to learn about these cancers eating away at our nation. Please don't just read this booklet and lay it down somewhere. Order a few copies or a hundred copies and get them out to everyone you know. Knowledge is power, but only if it's shared.

There are millions of us out there working to stop the planned plunder of our Republic, but we need your help in getting the truth into the hands of the average American out there so they will stop spinning their wheels on actions and programs that don't work.

The "Federal" Reserve Act of 1913 was legislation passed by Congress and it can only be abolished by Congress or the federal courts. The federal courts have steadfastly refused to address the issue. They have coped out of ruling on this horrific issue and said it's a legislative problem.

The ignorant and the power mongers in Congress need the magical money machine to continue their unconstitutional spending and refuse to stop this travesty against the American people. This is known as a problem with due

process of law. I hope you will take the time to go to Larry Becraft's web site to read the legal implications behind this problem. Mr. Becraft is one of the finest constitutional attorneys in this country: <http://home.HiWAAY.net/~becraft/>

The economic bubble will eventually burst under the weight of debt being heaped upon unsuspecting Americans. This is a mathematical certainty, not a political ploy. Either the people of this nation turn off the TV set, park the Winnebago and get busy, or tragically our children and grand babies will reap what has been sown by a population too apathetic, too self-centered and too devoted to a political party to have saved their birthright. It's not much more complicated than that.

"If a Nation expects to be ignorant and free in a state of civilization, it expects what never was and never will be... if we are to guard against ignorance and remain free, it is the responsibility of every American to be informed."

— Thomas Jefferson

In the motion picture *Braveheart*, when the peasant army was faced with an overwhelming army of Longshanks' soldiers, the peasants decided against fighting, decrying to William Wallace "Fight against that?" To which, William Wallace replied:

"Aye, fight and you may die, run and you'll live, at least awhile. And dying in your beds many years from now, would you be willing to trade all the days from this day to that, for one chance, just one chance to come back here and tell our enemies that they may take our lives, but they'll never take our freedom?"

Wallace also asked the peasant army, "What will you do without your freedom?" We ask you the same thing and to please consider how far afield the principles of freedom and liberty our nation has strayed from the magnificent governing documents given us by our Founding Fathers. Freedom is everything. Economic freedom for all Americans is impossible as long as the people are directly taxed to feed the private central bank.

*What will you do without your
freedom?*