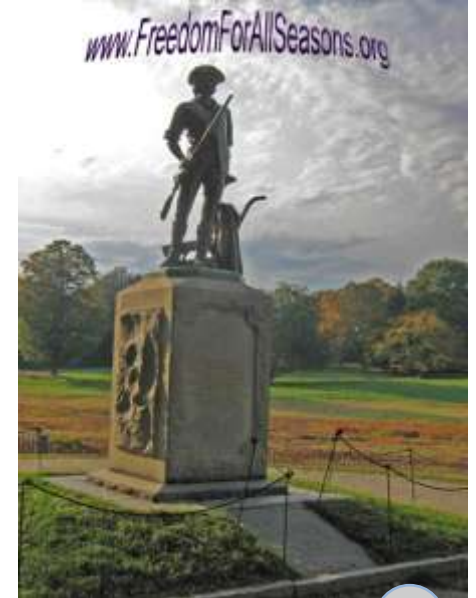


March 1, 2020

To:

Montana State Senate (email)  
Montana State House (email)  
Montana State Governor (USPS mail)  
Montana DOR – Polson (email)  
Montana DOR – Helena (USPS)  
Lake County Treasure (email)  
My Property Rights Distribution (email)

**Subject: How States and Their Municipal Corporations Accumulate Surplus by Taxing Private Property, Wages, and Pensions**



State of Montana Constitution - <https://courts.mt.gov/portals/189/library/docs/72constit.pdf>

Section 1. POPULAR SOVEREIGNTY. All political power is vested in and derived from the people. All government of right originates with the people, is founded upon their will only, and is instituted solely for the good of the whole.

Section 2. SELF-GOVERNMENT. The people have the exclusive right of governing themselves as a free, sovereign, and independent state. They may alter or abolish the constitution and form of government whenever they deem it necessary.

Section 3. INALIENABLE RIGHTS. All persons are born free and have certain in-alienable rights. They include the right to a clear and healthful environment and the rights of pursuing life's basic necessities, enjoying and defending their lives and liberties, acquiring, possessing and protecting property, and seeking their safety, health and happiness in all lawful ways. In enjoying these rights, all persons recognize corresponding responsibilities.

*(P.S. Actually we have unalienable rights not inalienable rights)*

**Abstract:** (Note: If you are short on time consider printing this out & reading as time permits.)

Awareness started coming out in the early 2000's that the states were rolling up billions of dollars in surplus each year. Several patriots set up web sites and went out to raise this flag. I researched the State of Washington's Comprehensive Annual Financial Report (CAFR) in 2011 or so for the FY 2010 and confirmed this. This research report will review the findings of these two patriots plus my recent findings on the State of Montana FY 2018 and the State of Washington FY 2010. In short, you will see herein two states which have increased their net worth/net position into billions of dollars in surplus. In Montana, which is an income tax state, you will see how the income tax taking on wages, pensions and private property has greatly increased at the same time the state net position (net worth) is increasing and showing surplus. You will learn about the tricks the states are using to cover up this rolling and accumulating surplus. The bottom line is that states and the federal government are taxing the corporations far less than the individuals in percent and in dollars. Read that again. If you cannot believe this, study my research linked below, page 3. Plus, government is accumulating vast surplus which is being politically committed by future deferred inflows and outflows. State and municipals are public corporations which must be restructured into cooperatives which are a zero sum business and forced to credit back any surplus to the shareholders, i.e. state Citizens. Additionally direct tax taking from the state Citizens, especially the retired and seniors is not necessary. Surplusing of direct taxes from wages, pensions and private property is embezzlement. State control of business and lives of citizens is defined as fascism. America is a Republic and as such it must be organized into a system providing immediate feedback which rewards and punishes those given power to keep this constitutional Republic in a steady state. It is obvious to anyone with an open mind looking at the results of this research that the American Ship of State has drifted far off course into the dangerous water.

=====

**Dive, Dive, Dive** - Let's dive into the swamp and look at the state and their municipal accounting via the CAFR's , i.e. Comprehensive Annual Financial Reports. This is not rocket science; it is political deception. The good news is a growing number of patriots are waking up to how the states and muni's are cooking their books.

I started to check out the State of Washington CAFR's in 2011 or so. States and most municipals are corporations. The State of Washington is a corporation admitted by ex Washington Governor Locke.

It is critical to have some background in how the state taking game is played before we go on. If you have already seen these reports and presentations linked below, skip over this part. Even the most hard core patriot and especially the most educated person may not believe that the states and their municipal corporations (children of the state) have more surplus than they like you to know.

- 1) [“The Truth About Direct Tax Taking”](#)
- 2) [“Too Much Power in the Hands of a Few”](#).
- 3) [“It's All a Lie – How the System is Fixed”](#).
- 4) [“America – A Republic Enslaved With Lies Final”](#) (21 word matches for CAFR)
- 5) [“The Dark Side of Municipal Corporations”](#) (Large PowerPoint Presentation - see your tray for download)
- 6) [“The Licensing of Unalienable Rights – A Cycle of Lies”](#)
- 7) [“A Treatise on The Current System of Control in America vs. A True and Honest Republic”](#)

### **The CAFR swamp**

In the following material, you will see that the State of Montana is largely taking taxes from the Individual wages and pensions in an ever increasing rate over the last ten years, at least. And you can also add the taking of an estimated 50% of the private property tax with businesses/corporations paying roughly the other half. Most startling is that the corporations are taxed at a much lower amount while their annual taxes stay at a relative low level, i.e. low percentage and low dollars.

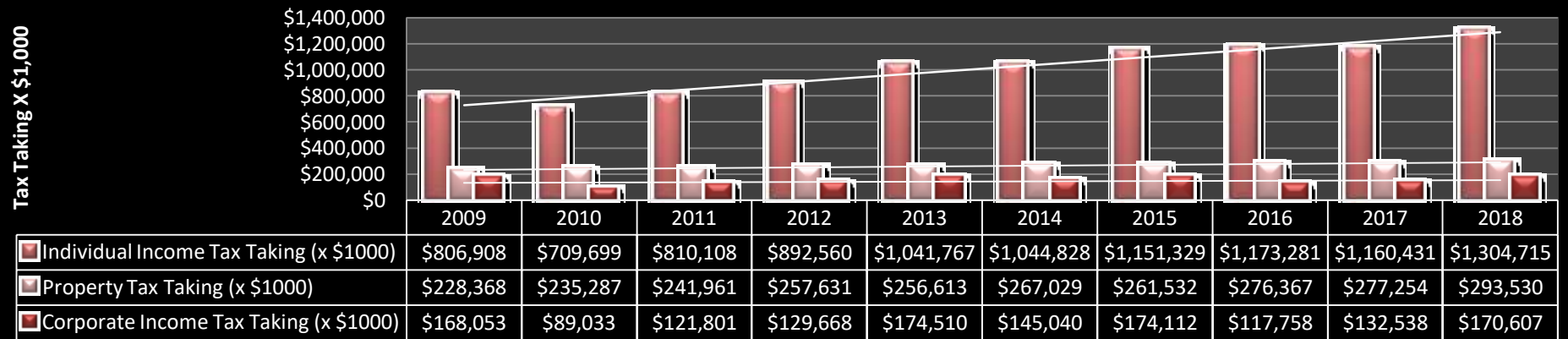
For the United States, individual income tax taking account for 37% of state revenue for fiscal year 2017. Remember there was no income tax pre 1913 before the unconstitutional Federal Reserve Act plus the illegitimate not fully ratified 16th Amendment.

- Forty-seven states tax individual income and 41 tax wages and salary income.
- Six states do not tax corporate income and forty-four states plus D.C. tax corporate profits.

**Check out the next 6 charts.** - For Excel data and charts [link here](#).

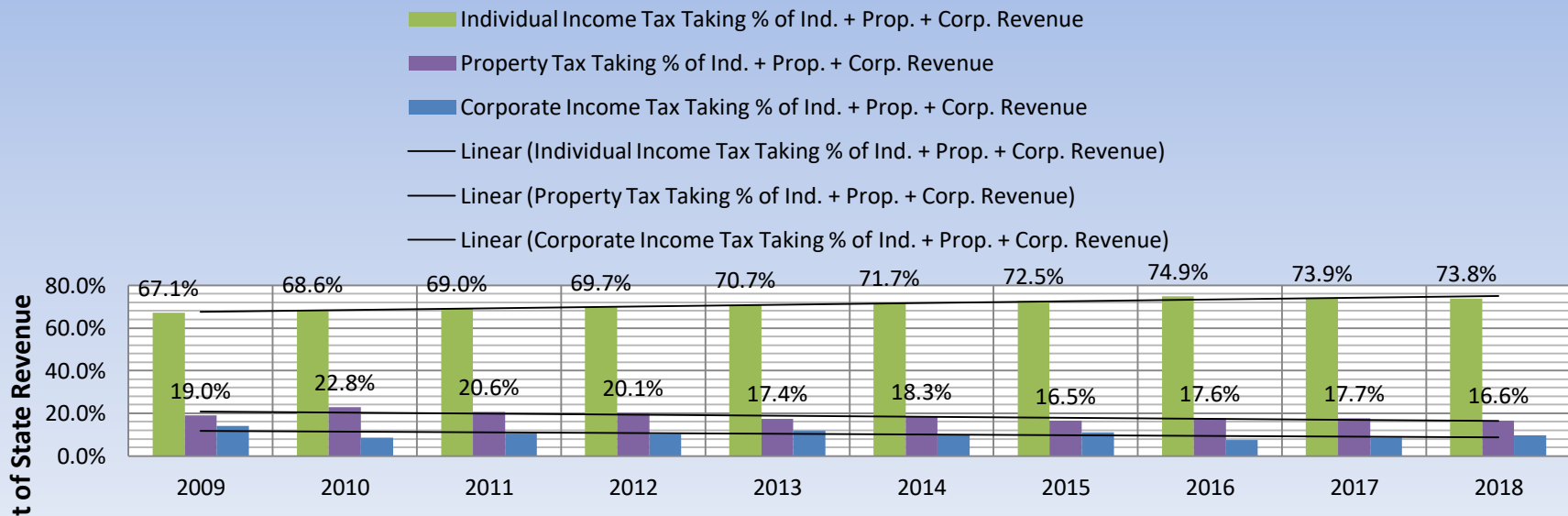
This chart shows the excessive and steady increase in tax taking in dollars upon individual wages and pensions vs. property vs. corporate income. Plus individuals are paying a large portion of the property tax taking. This does not represent the will of the people.

## Montana State Tax Taking on Individuals, Property & Corporations (x \$1,000)



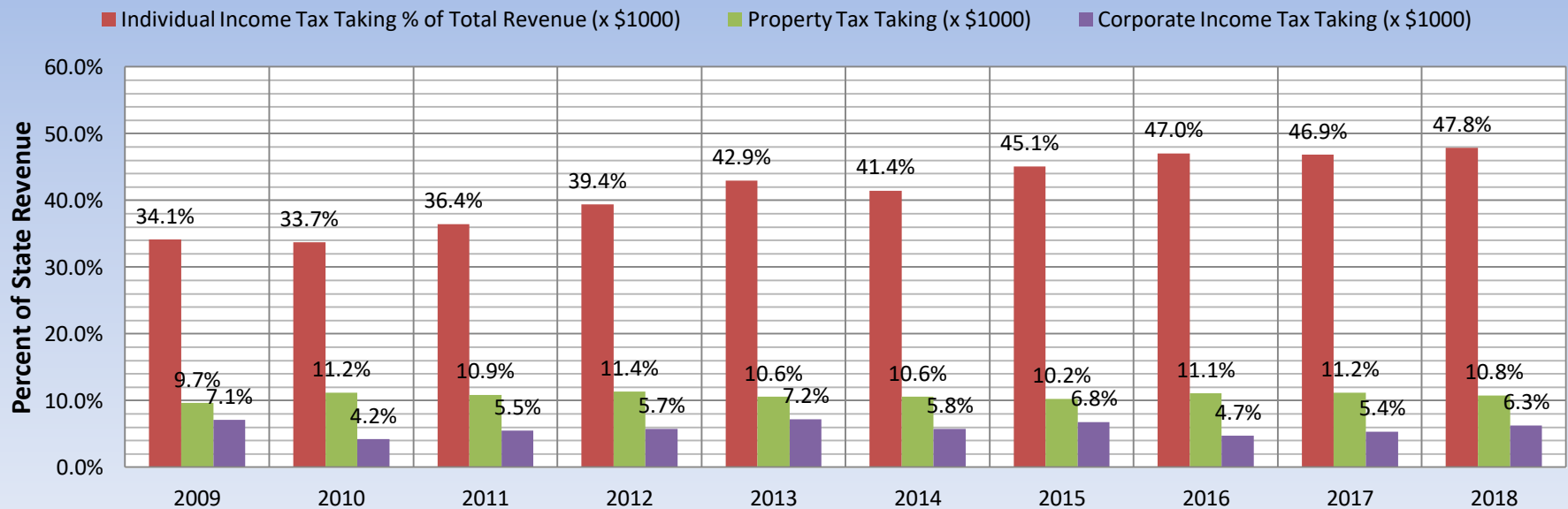
This chart below shows how much more individual state Citizens pay compared to corporations in percent of the three sources of state revenue. Plus individuals are also paying and estimated half of the property tax taking. This does not represent the will of the people.

### Percent of Montana State Revenue From These Three Sources Paid By Individuals, Property & Corporations



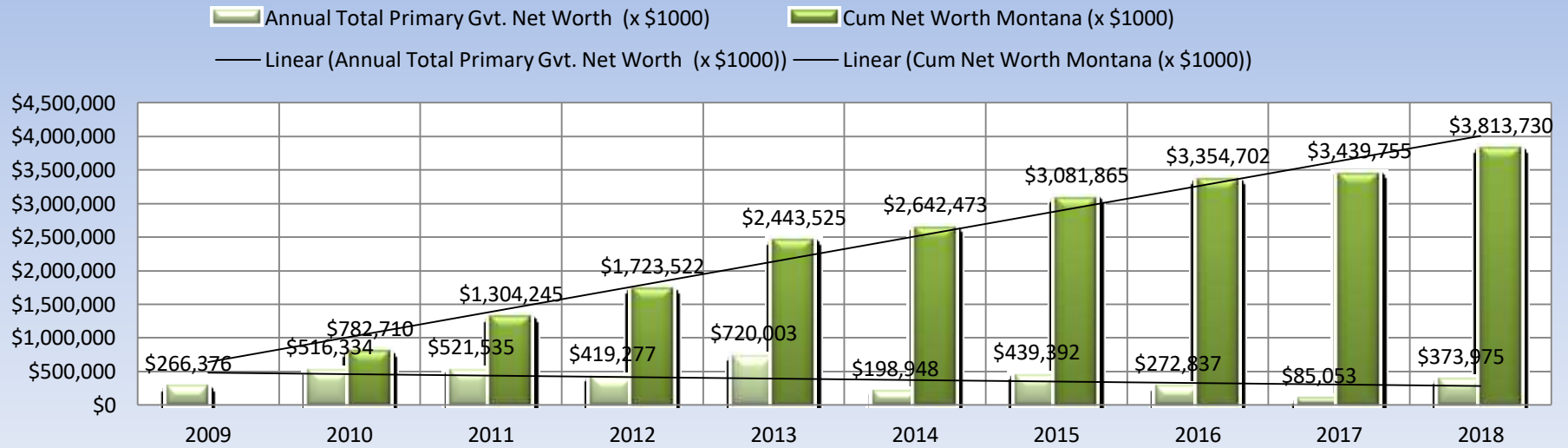
This chart below shows the overwhelming burden of Montana State tax taking is upon the individual wages and pensions plus a good share of the property tax taking versus the relative little tax taking from corporations as a percent of the total Montana State Revenue. This does not represent the will of the people.

### Percent of Total Primary Montana State Revenue Paid By Individuals, Property & Corporate Tax Taking

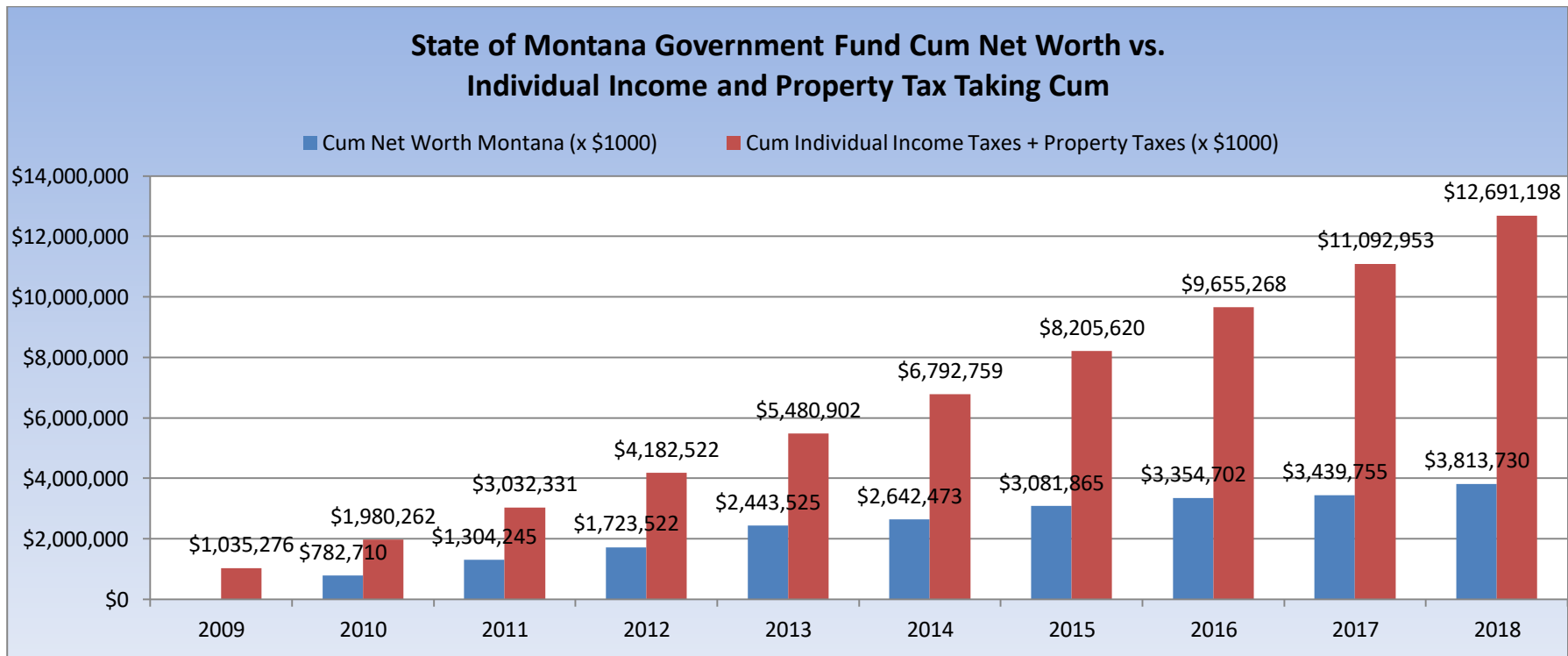


This chart below shows the accumulation of Montana State Government Fund Net Worth/Net Position in dollars. Over 10 years they have accumulated near \$4 billion dollars yet they keep dramatically increasing individual and property taxes while reducing corporation taxes to a fraction of the individual tax taking. This does not represent the will of the people.

### Montana State Government Fund ONLY Annual & Cum Net Position, e.g. Net Worth Over Last 10 Years Reported (x \$1,000)



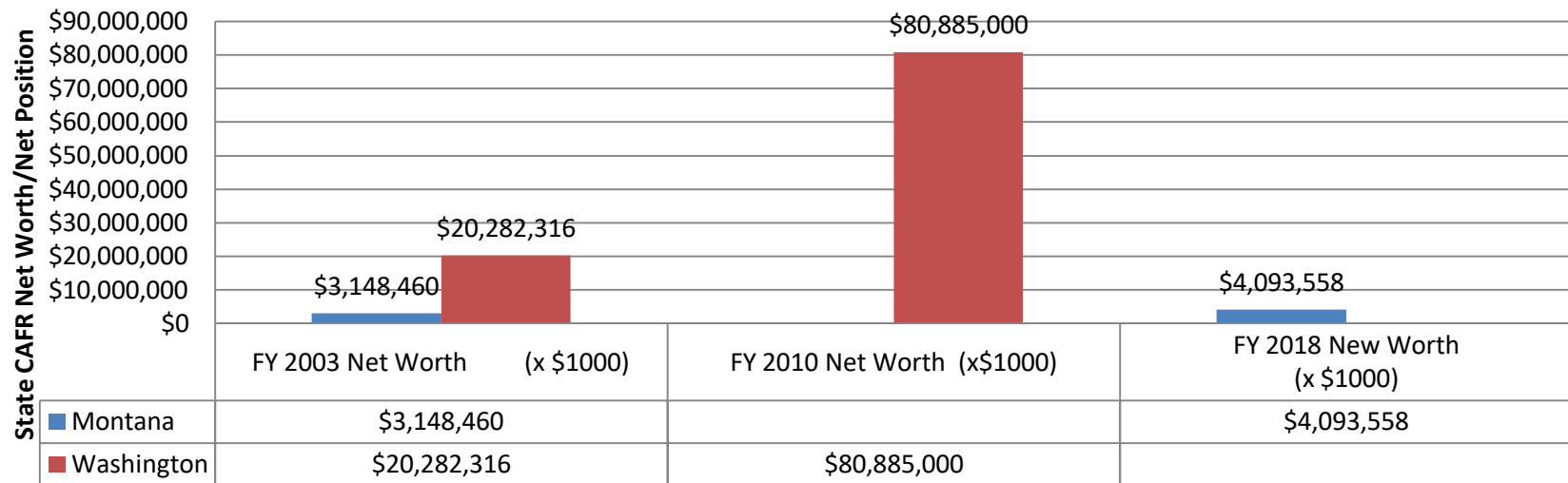
In chart below, see the Net Worth of the State of Montana increasing while the State increases the individual income tax taking AND Property Tax Taking!  
This does not represent the will of the people.





The message in the chart below shows the states net worth and net position is growing at the expense of the individual state Citizens. You can see that the larger state Washington with a population of approximately 7.5 million is increasing their surplus much more that the smaller state of Montana with a population hovering around one million. This does not represent the will of the people.

**Montana & Washington State Net Worth/Net Position Growth (x \$1000)**



Notes:

- 1) Montana State FY 2003 Net Worth data is from: <http://www.cafрман.com/Articles/Art-WA-S1.htm>
- 2) [Montana State FY 2018 CAFR Summary.](#)
- 3) [Montana State CAFR 2009 – 2018 CAFR Summary.](#)
- 4) [Montana State 2018 CAFR](#) (Note: Appears to be taken down on State site link to see 2019 thru 2021)
- 5) Washington State FY 2003 Net Worth data is from: <http://www.cafрман.com/Articles/Art-WA-S1.htm>.
- 6) [Washington State FY 2010 Net Worth data.](#)

These state funds total in the billions of dollars and become slush funds the tax payers never hear about because they would demand these funds be credited back to them. Silence is golden! The state and their Municipal children circle their wagons when this truth is disclosed. No official will acknowledge this.

**CAFRMAN** - Please scan down CAFRMAN's excellent reasoning regarding why governments should not carry running surpluses and equates it to stealing, (link at end of this paragraph). All the 50 states he lists showing their CAFR accounting in 2003 are set up the same way. He explains what the CAFR funds are, how the governor and the legislators should budget and the laws which need to change resulting in an economic magic synergistic stimulus to the economy - <http://www.cafrman.com/Articles/Art-MT-S1.htm>.

**Brief History** - There are some 174,000 government entities in the United States according to Walter Burien. Add up all the state, counties and cities and rural municipalities and see if you come close to 174,000.

Comprehensive Annual Financial Reports (CAFR) started in 1946. There were \$26 trillion in local and federal pension funds around 2010. There has been an extraordinary growth of governments in the last 70 to 80 years. According to Walter Burien, there are three groups are behind this operation, i.e. financial cartels, government structure cartels and the manipulated population.

[There has been a 100% increase in property taxes collected in many CAFR counties back east in 2010 time frame plus 100 % plus increase in funds for the judiciary plus 100% plus increase in prisons.](#)

**Rhetorical Questions** - [According to CAFRMAN, Montana State had \\$3.15 billion surplus in FY 2003. \(Must Read\)](#)

- You will see in the chart on Page 9 above, my analysis of the latest Montana State CAFR show a net worth for 2018 of \$4.1 billion which is a growth of some \$1 billion over 15 years for all funds.
- Looking at the chart on Page 7, one can see how the last 10 years of annual net position for the GOVERNMENT FUND ONLY would create a surplus of some \$3.8 billion for the State of Montana.
- It appears the net worth/net position surplus is disappearing. The state/muni corporations CAFR say the surplus is committed, restricted, assigned, nonexpendable, held in trust, et al.
- The estimated net worth (surplus) of your home is your home market value minus liability and selling costs. Very few prudent home owners would risk committing this equity to anticipated future expenses.

- Over the course of 17 years (2001 – 2018) the State of Montana net worth has increased near \$1 billion.
- And this is in addition to the state annual revenue growth which is \$4.093 billion for FY 2018.
- Why is the direct tax taking increasing while the state net worth AND annual revenue is increasing?
- Why aren't our wage & pension taxes and property taxes going down and going away?
- Why doesn't the State use this surplus to reduce the pain from direct tax taking?

**Because that is NOT their goal!**

- It appears the state & municipals goal is to transfer individual wealth & power to themselves at any cost going against the State Constitution wording, see Page 1.
  - Read this [“We all need to think carefully about the following”](#) by Walter Burien.
  - [Read this regarding Municipal CAFR cover up posted in 2011.](#)
  - The more the states and municipal corporations are worth, the more they can borrow.
  - Individual wages, pensions and private property are an asset on the muni/state/fed books.
  - This is why the centralization of government is so important to the Deep State, i.e. it consolidates individual sovereignty and wealth into fewer hands.
  - This is why corporate media is politically motivated and controlled by SIX corporations.
- This centralization of power by the deep state explains the war on public and private property by environmental extremist to turn all public and private land into wilderness, limited use, conservation easements for control of water, shutting down our hydroelectric dams and coal plants, pushing costly green power like solar and wind, using the tribes to take land, natural resources and water subsidized from the state tax payers. Consolidation means less control and less resources for the will of the people and more for the state and its NGO's.

True and honest government including federal, state and municipal public corporations cannot use direct tax taking or any other source of revenue to create surplus. They must be an annual zero sum business. They must credit back the entire surplus. This is legally required in a cooperative and morally required in a public corporation. The elected officials should be indicted on the RICO Act for knowingly misrepresenting the financial need to tax wages, pensions and property of the will of the people. Surplusing and over taxing of labor, pensions and private property is an organized crime operation. Watch Reference 6 video, page 17 .

**New Accounting Game** - Another new accounting game in town is called the net position. Net position obscures the original meaning of a very simple accounting principal that Net Worth = Assets – Liabilities. This new accounting scheme allows the state and muni corporations and the feds to add in or subtract out their deferred outflows and inflows of resources to their advantage. This is like adding or subtracting future payments or tax taking into the current accounting year. They bugger the books to make them look better or worse whatever suits the situation. They load the annual Revenue and Asset statements with future streams of takings or expenses and liabilities.

The state will have many reasons why that annual net position/net worth and annual revenue is not real in that the surplus is all committed. The states and muni's do not want to be seen as wealthy so they go out of their way to commit any surplus as far into the future as necessary. They want to make sure none of your wages, pensions and property taxes ever come back to you in the form of credits or dividends or profits or, God forbid, not taking any wages, pensions or private property at all. This type of forward accounting trickery absorbs the surplus in a political virtual world.

Now we have at least two reasons direct tax taking is not required, i.e. it is not necessary and goes against the fundamental and founding charters and the action of the first American Revolution.

CAFR's prove this! The government finance departments do not want you to see this summary level accounting because their flimflam will be obvious. The CAFR reports do not summarize their information like I have done for you herein. It is not easy to put all this data together.

Here is what happens in the liberal State of Washington when they take taxes. This letter from <https://www.freedomfoundation.com/> to my wife and me on 9-20-2013 outlines the fraud going on in Olympia leading to resignations and prosecutions of some officials, i.e. too much \$ to spend. [Link here.](#)

More tax taking leads to more corruption and gross misuse of the tax payers' wages and pensions.

A lady goes to her local government public hearing and asks them why they can't balance their books like she does to keep spending within the house budget. The public official quickly replies that it is different with government! That is the Deep State lie to justify robbing your wages, pensions and private property!

**Just Think** - If you just think of the following three sets of book keeping polices, a light should come on.

- 1) Think of the government CAFR's for the states and their municipal corporations as we have discussed.
- 2) Then think of how a private corporation keeps their books. If it is a public corporation they will usually issue dividends and profits thru a quarterly, semiannual or annual cycle to their investors. If it is a private closed corporation, they will issue profits to the owners.
- 3) If it is a cooperative like the Flathead Electric Cooperative here in Kalispell, Montana serving some 53,000 member customers, they will issue credits to your account to help reduce the billing. As mentioned before, cooperatives must be a net zero business. They cannot hold surplus profit or revenue at the members' expense.

The federal government and its 50 state children plus their 3141 county municipal corporations plus some 170,809 city municipal corporations (174,000 – 3191) , using Walter Burien's 174,000 local government number should all be forced into a cooperative accounting policy.

By now you should have enough evidence that the books are cooked against private property including your hard earned wages and pensions. The current system of accumulating massive wealth and revenue by increasingly taxing individual wages, pensions and private property goes against the Laws of Nature and Natures God, the principals of the first America Revolution and the Christian Bible. One third of the quotations in the Constitution and Declaration of Independence are cited from the Bible.

Massive reserves for Government employee retirement and teachers' labor and retirement plus massive unemployment (Workman's Compensation) and municipal operating cost is not the responsibility of the state Citizen as a direct tax taking upon their wages, pensions and private property! Some of this money belongs to the employee through their wages and the rest belongs to the state and municipal tax payer. Most of the working class in Montana has no retirement and no medical. At the most, the common wage earner may have a very high deductible medical. How does it make sense for the working class or anyone on pensions to afford to contribute to a state or municipal retirement account, workman's compensation and their medical when the tax payer has no surplus themselves while the state has billions in surplus?

**The CAFR Patriots** - Walter Burien of [www.cafr1.com](http://www.cafr1.com), a retired commodity broker and Lieutenant Colonel, USAF (Retired/Deceased) former Auditor/Commander, Air Force Audit Agency Federal Accountant, <http://cafrman.com/> both agree the state and municipal governments are sitting of billions of tax taking. Here is CAFRMAN'S impressive resume - <http://cafrman.com/MyQualifications.htm>.

**More Rhetorical Questions** - Ask yourself more rhetorical questions to visualize what is being pulled off here.

- Is the state Citizen the investor or the asset?
- Why isn't the state and municipal corporations required to distribute back all surplus to the Citizen?
- Why is government becoming wealthier at the expense of Citizen wages, pensions and private property?
- Why weren't the state and their municipal corporations formed originally as cooperatives when the territories were systematically rolled into constitutional states of the union?
- Why is individual income tax taking by the states so excessively large relative to corporations?
- Why is the federal government taking more taxes from individuals in percent AND in dollars than from the corporations? See research link below for proof.
  - [See slides 33 thru 37 of this presentation for the proof.](#)
- Why did not one Montana House or Senate member (150 total) reply to my letter to them on January 19, 2020 regarding the tax gouging of the individual state citizens? [Letter Link](#)
- Why isn't the tax collection sources reversed, i.e. the corporations pay the most and the working families and retired folk pay nothing as it would be in a true and honest Republic?
- If you were a stockholder in a corporation which was traded publically or a cooperative member would you be paying your wages and pensions to keep the corporation or cooperative alive or would you expect to receive dividends and profits from the corporation?
- Why were there no federal taxes on wages before 1913 and no Federal Reserve?
- [Is there too much power in the hands of a few?](#)
- If a private corporation or cooperative or nonprofit organization ran their business like the state and municipal monopoly, they would be broken up using racketeering laws.
- Why were the municipal corporations, a relic of the British royalty and monarchy, allowed to continue after the first American Revolution?

**In summary** - The municipal corporations have far too much power and is empire building on the backs of the state Citizens wages and pensions and private property. They have become too large and too abusive. They are sheltering too much surplus of the taxpayer's hard earned labor. They are cooking the books and corrupting the votes to stay in power. Think sanctuary cities. The state has entangled itself with their municipal children in the tax taking game. There are at least 112 county municipal corporations which are larger than the smaller states. There are at least 31 city municipal corporations larger than the smaller states. And this is 2009 data so it is much worse, i.e. more municipal corporations larger than smaller states. [Link here for this study.](#) As municipal corporations become larger and more powerful, more power is transferred from the people to the relative few council members and bureaucrats and NGO's running the muni monopoly. We must restructure all municipal corporations to a zero sum cooperative where any surplus is credited back to the shareholders and Citizens.

A similar taking occurred post WWI in the power utility industry where Wall Street and their bankers consolidated (sharked out) smaller cooperatives and publicly owned utilities into large private corporations. A poorly regulated public corporation like the states and municipals are just as dangerous as a poorly regulated private corporation. Both can easily become predatory monopolies and they did.

**About Jack** - I am 76 years old and have been conceived, raised and educated in Montana. Both sides of my family have the distinction of being Early Settlers to Montana. Dad and his family were starved out at least twice, once in Sandhills, Nebraska on a sod farm when their 40 head of cattle wandered onto the homestead lake and broke through the ice. They took an "emigrant train" to Montana where they homesteaded along Reservation Creek, east of Billings and starved out again. I have visited the old homestead and the new owners a couple times. Mom's side of the family was drowned out of their Saco, Montana homestead when one of the five children fell into the Milk River. They traded the homestead and additional land along the Milk River for a home and vacant land in Great Falls where Grand Pop restarted his career as a florist and inventor of wreath making machines.

Please don't tell me restructuring municipals into cooperatives will never happen however, you can tell me the world cannot swallow the truth. Look what happen when the British monarchy forced a tax on tea! Ultimately a mere 20,000 colonists took action in a 20 year American Revolution (1763 – 1783) to free themselves from British occupancy and assessment of all their land and labor when America was only some 3 million strong. This was only

two thirds of one percent (.666 %) of the population then. One third of the colonists were for the [mad King George III](#), one third wanted freedom and one third played both sides.

Are you mad enough to fight to free us from the royal municipal monarchy monopoly? Forward this to your friends, family, state representatives, senators and anyone who can help.

We must restructure the corporate state and the municipal corporations (Deep State) into a cooperative (coop) form of state government and local coop government! Remind everyone you are not a tax slave to the state. The state Citizen holds all power in this Republic. You want to do more than vote and you want to be a member and shareholder giving consent to all legislation before being passed. The municipal corporate system does not represent the state Citizen's Free Will; it represents the corporate government first.

Sincerely,

Jack Venrick

Jack Venrick
Rollins, Montana
<a href="http://www.freedomforallseasons.org">www.freedomforallseasons.org</a>
Pioneer Family of Montana - Early Settlers
Pioneer Family of Nebraska
Pioneer Family of Wisconsin
The Boeing Company
30 Years Service - Retired
Montana State University
B.S. Electrical Engineering
M.S. Applied Science -
Business Administration
Industrial Engineering

“You cannot be rid of problems without abandoning illusions”  
Nisargadatta Maharaj



## References (Partial)

**Note:** Start with #4 first for a 15 minutes YouTube summary.

- 1) “Wisconsin’s Real Financial Situation Explained (last art.) <https://realityblogger.wordpress.com/2011/03/>
- 2) “The Big Picture of: government Wealth vs. Private Sector Wealth - <http://cafr1.com/TotalWealth.html>
- 3) “As California Goes So Goes the Rest of Country” - <http://CAFR1.com/lighttheworld.html>
- 4) “The CAFR Swindle – the Biggest Game in Town” - <https://www.youtube.com/watch?v=1pRPBKJQnyU>
- 5) “The Corporation Nation (2010) Movie by Clint Richardson - [https://www.youtube.com/watch?v=rrlO\\_l8hJPU](https://www.youtube.com/watch?v=rrlO_l8hJPU)
- 6) **“The Biggest Game in Town” - Government CAFR shell game** - <https://www.youtube.com/watch?v=jkwtbTjTsE>
- 7) “Devy Kidd – Are States Really Broke or Hiding Assets?” - <https://newswithviews.com/Devy/kidd432.htm>
- 8) “Financing Government Without Taxation” by Professor J. R. Edwards - <http://cafr1.com/JRE.html>
- 9) “State Agencies Have \$4.9 Billion in Ending Fund Balances” - <https://www.youtube.com/watch?v=gJ8YhJyxPQo>
- 10) “The Who and How they Own and Control it ALL - <http://cafr1.com/How.html>
- 11) Taxation – The Only Game in Town - Walter Burien – <https://www.youtube.com/watch?v=bn3hUcmNDdA>
- 12) [Freedom From Municipal Monarchy Monopoly Corporations](#)
- 13) [Freedom From King County WA Muni Corporation - The Great Imposter](#)
- 14) [Freedom From ALL Tax Takings Upon Natural Born State Citizens](#)
- 15) [How Urban Governments Are Promoting Worker Co-Ops](#)
- 16) [The reform to restructure municipalities and services in Finland](#)
- 17) [McKinsey on Cooperatives](#)
- 18) [Local Government Alternatives for Health Coverage FAQs about Municipal Cooperatives](#)
- 19) [Investing in Coops And Understanding Their Financials](#)
- 20) World Net Daily Link to read 4 articles on CAFR 1999 and 2000 – <http://cafr1.com/WND.html>
  - a) Govern't's Money - Hoarding Racket by Joseph Farah
  - b) Secret slush funds new government scam by Sarah Foster
  - c) The government's secret slush funds by Sarah Foster
  - d) The Governments' Secret Trillions by Geoff Metcalf
- 21) The Who and How They Own and Control it ALL - <http://cafr1.com/How.html>