

**DOCUMENTS FOR
WHAT HAPPENED
TO THE
CONSTITUTION
PRESENTATION**

**A STORY ABOUT A CORPORATE
TAKEOVER THAT HISTORY FORGOT
TO TELL YOU ABOUT**

&

**HOW THEY MADE THE UNITED
STATES “PERSON”
AN ENEMY AND SLAVE**

*mark allen wasmuth
The Rabbit Hole Research Group
Consistently digging for TRUTH*

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THE DECLARATION OF INDEPENDENCE

IN CONGRESS, JULY 4, 1776

The unanimous Declaration of the thirteen united States of America

When in the Course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.--That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed, -- That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness. Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and accordingly all experience hath shewn, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same Object evinces a design to reduce them under absolute Despotism, it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future security.-- Such has been the patient sufferance of these Colonies; and such is now the necessity which constrains them to alter their former Systems of Government. The history of the present King of Great Britain is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute Tyranny over these States. To prove this, let Facts be submitted to a candid world.

We, therefore, the Representatives of the united States of America, in General Congress, Assembled, appealing to the Supreme Judge of the world for the rectitude of our intentions, do, in the Name, and by Authority of the good People of these Colonies, solemnly publish and declare, That these United Colonies are, and of Right ought to be Free and Independent States; that they are Absolved from all Allegiance to the British Crown, and that all political connection between them and the State of Great Britain, is and ought to be totally dissolved; and that as Free and Independent States, they have full Power to levy War, conclude Peace, contract Alliances, establish Commerce, and to do all other Acts and Things which Independent States may of right do. **And for the support of this Declaration, with a firm reliance on the protection of divine Providence, we mutually pledge to each other our Lives, our Fortunes and our sacred Honor**

THE CONSTITUTION FOR THE UNITED STATES

We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

Article 1, Section 10

Time in video 58.10

No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; **make any Thing but gold and silver Coin a Tender in Payment of Debts;** pass any Bill of Attainder, ex post facto Law, or Law impairing the Obligation of Contracts, or grant any Title of Nobility.

Article IV Section 4 - Republican government

The United States shall guarantee to every State in this Union a Republican Form of Government, and shall protect each of them against Invasion; and on Application of the Legislature, or of the Executive (when the Legislature cannot be convened) against domestic Violence

Article VI - Debts, Supremacy, Oaths

Time in video 58.10

The Senators and Representatives before mentioned, and the Members of the several State Legislatures, and all executive and judicial Officers, both of the United States and of the several States, shall be bound by Oath or Affirmation, to support this Constitution; but no religious Test shall ever be required as a Qualification to any Office or public Trust under the United States.

“I do solemnly swear (or affirm) that I will faithfully execute the Office of President of the United States, and will to the best of my Ability, preserve, protect and defend the Constitution of the United States.”

Amendment 4 - Search and Seizure. Ratified 12/15/1791.

Time in video 6.51

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

Amendment 9 - Construction of Constitution. Ratified 12/15/1791.

Time in video 1:24.00

The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

Amendment 10 - Powers of the States and People. Ratified 12/15/1791.

Time in video 1:24.20

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

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by mark allen wasmuth

THE CONSTITUTION FOR THE UNITED STATES

Amendment 14 - Citizenship Rights. Ratified 7/9/1868.

Time in video 14.24

1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

2. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice-President of the United States, Representatives in Congress, the Executive and Judicial officers of a State, or the members of the Legislature thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.

3. No person shall be a Senator or Representative in Congress, or elector of President and Vice-President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disability.

4. The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

5. The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

The Lieber Code

Washington, D.C., April 24, 1863

**Instructions for the Government of Armies of the
United States in the Field by Order of the Secretary of War:**

Index

- [Section I](#)—Martial Law—Military Jurisdiction—Military Necessity—Retaliation
- [Section II](#)—Public and Private Property of the Enemy—Protection of Persons, and Especially of Women: of Religion, the Arts and Sciences—Punishment of Crimes against the Inhabitants of Hostile Countries
- [Section III](#)—Deserters—Prisoners of War—Hostages—Booty on the Battlefield
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- [Section X](#)—Insurrection—Civil War—Rebellion

Section I

Martial Law—Military Jurisdiction—Military Necessity—Retaliation

Article II

Martial Law does not cease during the hostile occupation, except by special proclamation, ordered by the commander in chief; or by special mention in the treaty of peace concluding the war, when the occupation of a place or territory continues beyond the conclusion of peace as one of the conditions of the same.

Article III

Martial Law in a hostile country consists in the suspension, by the occupying military authority, of the criminal and civil law, and of the domestic administration and government in the occupied place or territory, and in the substitution of military rule and force for the same, as well as in the dictation of general laws, as far as military necessity requires this suspension, substitution, or dictation.

THE LIEBER CODE / GENERAL ORDERS 100

April 24, 1863

Time in video 3.00

The commander of the forces may proclaim that the administration of all civil and penal law shall continue either wholly or in part, as in times of peace, unless otherwise ordered by the military authority.

Article VII

Martial Law extends to property, and to persons, whether they are subjects of the enemy or aliens to that government.

Article XXIII

Commanding generals may cause the magistrates and civil officers of the hostile country to take the oath of temporary allegiance or an oath of fidelity to their own victorious government or rulers, and they may expel everyone who declines to do so. But whether they do so or not, the people and their civil officers owe strict obedience to them as long as they hold sway over the district or country, at the peril of their lives.

Section II

Public and Private Property of the Enemy—Protection of Persons, and Especially of Women: of Religion, the Arts and Sciences—Punishment of Crimes against the Inhabitants of Hostile Countries

Article XXXI

A victorious army appropriates all public money, seizes all public movable property until further direction by its government, and sequesters for its own benefit or of that of its government all the revenues of real property belonging to the hostile government or nation. The title to such real property remains in abeyance during military occupation, and until the conquest is made complete.

Article XXXII

A victorious army, by the martial power inherent in the same, may suspend, change, or abolish, as far as the martial power extends, the relations which arise from the services due, according to the existing laws of the invaded country, from one citizen, subject, or native of the same to another.

The commander of the army must leave it to the ultimate treaty of peace to settle the permanency of this change.

NO TREATY WAS SIGNED ENDING THE CIVIL WAR

Time in video 5.20

Appomattox Court House National Historical Park - Frequently Asked Que...

<http://www.nps.gov/apco/faqs.htm>


National Park Service
U.S. Department of the Interior



Appomattox Court House National Historical Park Frequently Asked Questions



Where's the courthouse, where the surrender took place? The surrender occurred in the village of Appomattox Court House, Virginia in a private home owned by the McLean family. In Virginia many of the towns which were county seats were called "Court House". The building is spelled courthouse (one word) and the town is Court House (two words).

Where was the treaty signed? There was no treaty signed to end the Civil War. The surrender at Appomattox Court House was a military surrender of an army which was surrounded. The Confederate government never surrendered and even had it wanted to the United States government would likely not have accepted. To do so would have legally acknowledged the existence of the Confederate States of America and would have legitimized it and given it certain legal status internationally. Treaties are between two nations and the U.S. would never concede the legal existence of the Confederacy - even though it had a government, armies, taxes and all the trappings of a modern government.

What happened to Confederate President Jefferson Davis? Davis was captured by Federal troops on May 10th in Irwinville, Georgia. He was held prisoner at Fort Monroe in Virginia for approximately two years while the U.S. government tried to build a case to try him for treason. He was ultimately released without a trial. Many scholars feel that the U.S. government was concerned that if they tried Davis for treason it would lead to a case on the constitutionality of secession.

Who was present during the surrender meeting? Over the years a great deal of time and research has been done by National Park Service Curators and Historians in an attempt to accurately answer this question. In addition to who was in the room, much effort has been expended to determine how the room was furnished, how each of the officers were dressed, and etc. In 2002 a new Park Handbook was created which contains much of this information. Along with the "Handbook," the Park Service contracted with a well known Civil War Artist, Keith Rocco to create an image of the surrender meeting based upon all of the research which had been done. The handbook and the print are both available through the park bookstore (434-352-2136).



Did You Know?

On April 10, 1865 Generals Lee and Grant met a second time at Appomattox Court House, Virginia. At that second meeting General Lee requested that his men be given evidence that they were paroled prisoners - to protect them from arrest or harassment. 28,231 parole passes were issued to Confederates.

Last Updated: December 03, 2008 at 16:08 EST

SENATE DOCUMENT 43, 1933
THE STATE OWNS EVERYTHING

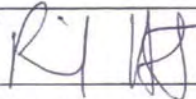
Time in video 5.36

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WASHINGTON : 1933

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SENATE DOCUMENT 43, 1933
THE STATE OWNS EVERYTHING

Time in video 5.36

73d CONGRESS }
1st Session }

SENATE

{ DOCUMENT
No. 43 }

CONTRACTS PAYABLE IN GOLD

AN ARTICLE ENTITLED
"CONTRACTS PAYABLE IN GOLD", BY GEORGE
CYRUS THORPE, SHOWING THE LEGAL
EFFECT OF AGREEMENTS TO
PAY IN GOLD



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

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SENATE DOCUMENT 43, 1933

THE STATE OWNS EVERYTHING

Time in video 5.36

"CONTRACTS PAYABLE IN GOLD"

9

to coin money and regulate its value. The end sought to be accomplished is to maintain as "money" that which Congress expressly is empowered to coin, for that power is to "coin money" and not merely to stamp coins. The parity act became necessary in order to maintain the circulation of specie as money and in order effectively to regulate the value of coined money. The end sought to be accomplished by the parity act, therefore, is legitimate and within the scope of the Constitution. The parity act is an appropriate means plainly adapted to the end in view, i. e., to standardize money for use as a national medium of exchange. It is only by virtue of law that gold coin is money or legal tender; it is only by virtue of law that paper notes are money or legal tender; and it is only by virtue of law that either coin or paper has a declared value; and only by virtue of law can coin and paper be maintained at a parity in order to afford a proper medium of exchange. A parity law therefore is a necessary complement to the currency laws.

The ultimate ownership of all property is in the State; individual so-called "ownership" is only by virtue of Government, i. e., law, amounting to mere user; and use must be in accordance with law and subordinate to the necessities of the State. The fact that citizens, at a given time, may prefer specie to currency, or vice versa, can not prevent Congress from enacting those laws which it deems necessary to the maintenance of a proper monetary system. If the law makes specie and currency equivalent for purposes of payment, a failure to pay a given sum in specie, according to contract, cannot possibly beget an obligation to pay a greater sum in legal-tender notes, whatever premium men may choose to give for gold, when forced to obtain it for a specific purpose, or when impelled by a spirit of speculation, or by distrust of Government. (*Brown v. Welch*, supra.)

While the courts cannot control our citizens' preferences for one kind of money over another kind, or prevent them from giving a premium for the one or the other kind of money, when the fiscal affairs of the Government necessitate the adoption of a certain policy, expressed in constitutional legislative enactment, such as the maintenance of a monetary system consisting of specie and currency, to be acceptable interchangeably as to the value of the dollar, the courts should not give effect to a stipulation impugning the power of the legislature to make such laws, and should not apply those laws to the construction of contracts in such a way as to defeat the legitimate purposes of those laws, upon the enforcement of which the very existence of the Government may depend, or, at least, the aggregate well-being of the whole people is contemplated.

As it is not strictly correct to say that a contract is "invalid" merely because the courts will not enforce it, since enforcement may be withheld from valid promises because some provision of law prohibits enforcement, such, for example, as the statute of limitations, or the want of a legal consideration, valid contracts may be made and carried out between parties, without regard to legal limitations, so long as the jurisdiction of courts is not invoked to enforce the agreement. But when judicial enforcement is sought, the courts must find all pertinent constitutional laws tacitly written into every contract they construe.

So a contract to pay dollars tacitly includes the laws of the United States defining "dollar" and regulating the value thereof and pre-

THE ORIGINAL 13TH AMENDMENT

Time in video 9.18



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*Making
information
work
for all
Texans*

The following pages contain the Constitution of the United States with the 13 Amendments to the Constitution; the Bill of Rights; and the Constitution of Virginia.

I do hereby certify that the following twenty-five (25) pages, (the cover page and pages 16-39) are a true and correct photocopy of the original publication, *The Revised Code of The Laws of Virginia: Being A Collection Of All Such Acts Of The General Assembly, Of A Public And Permanent Nature, As Are Now In Force; With A General Index, Volume I*, Richmond: printed by Thomas Ritchie, Printer To The Commonwealth, 1819, now archived at the Sam Houston Regional Library and Research Center of the Archives & Information Services Division, of the Texas State Library and Archives Commission.

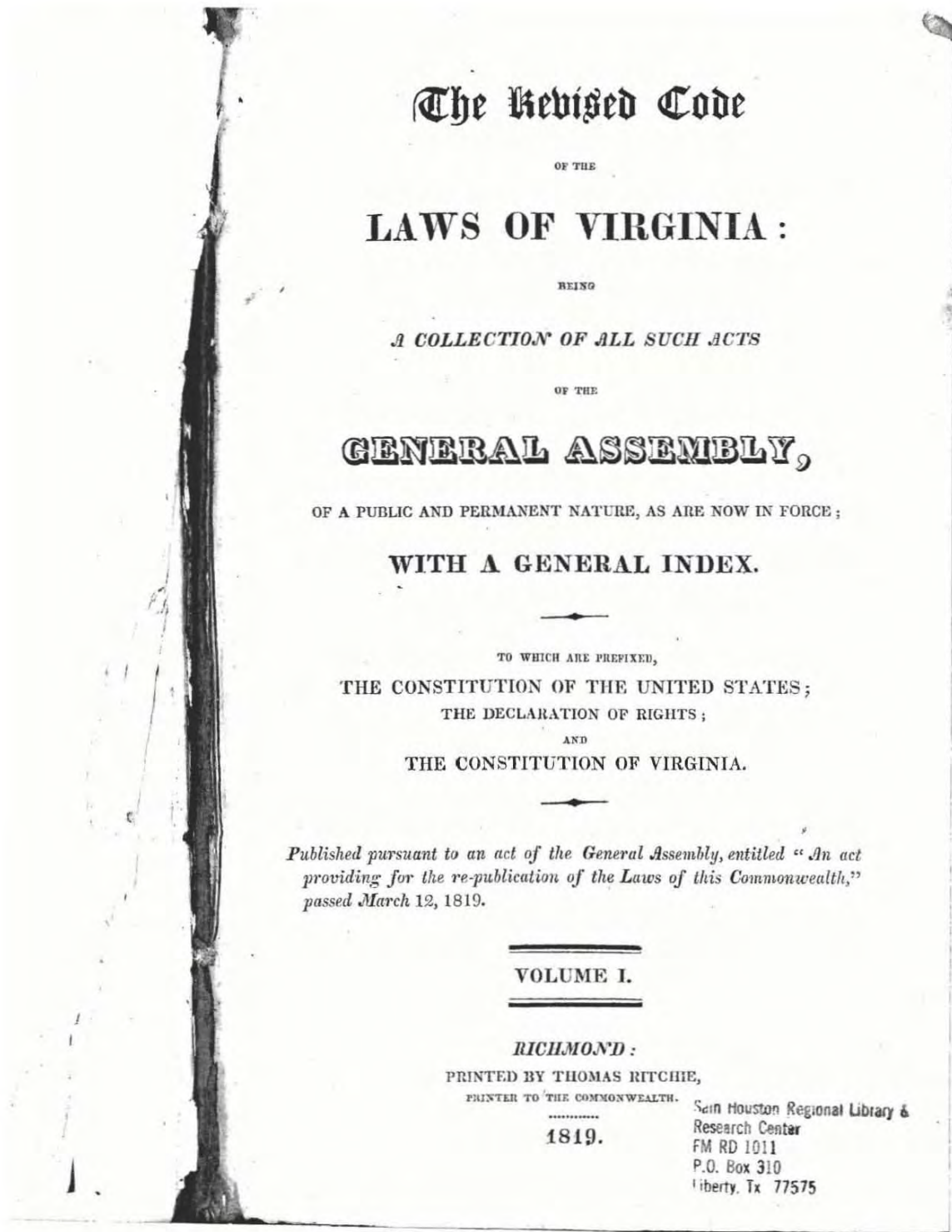
Witness my hand and Seal of Office at Liberty, Texas on the 3rd day of July, 2008.

Sandra M. Burrell, Archives Processor
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THE ORIGINAL 13TH AMENDMENT

Time in video 9.18

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Federal Constitution.

A. D. 1788—9.
A. R. C. 13.

ARTICLE 12.*

[* See ante, art. 2, § 1, cl. 5.]
Actual mode of electing the president and vice president of the United States.

1. THE electors shall meet in their respective states, and vote by ballot for president and vice president, one of whom, at least, shall not be an inhabitant of the same state with themselves; they shall name in their ballots the person voted for as president, and in distinct ballots the person voted for as vice president; and they shall make distinct lists of all persons voted for as president, and of all persons voted for as vice president, and of the number of votes for each, which lists they shall sign and certify, and transmit sealed to the seat of the government of the United States, directed to the president of the senate; the president of the senate shall, in the presence of the senate and house of representatives, open all the certificates, and the votes shall then be counted; the person having the greatest number of votes for president, shall be the president, if such number be a majority of the whole number of electors appointed; and if no person have such majority, then, from the persons having the highest number, not exceeding three, on the list of those voted for as president, the house of representatives shall choose immediately, by ballot, the president. But in choosing the president, the votes shall be taken by states, the representation from each state having one vote: a quorum for this purpose shall consist of a member or members from two-thirds of the states, and a majority of all the states shall be necessary to a choice. And if the house of representatives shall not choose a president whenever the right of choice shall devolve upon them, before the fourth day of March next following, then the vice president shall act as president, as in the case of the death or other constitutional disability of the president.

2. THE person having the greatest number of votes as vice president, shall be the vice president, if such number be a majority of the whole number of electors appointed; and if no person have a majority, then, from the two highest numbers on the list, the senate shall choose the vice president: a quorum for the purpose shall consist of two thirds of the whole number of senators; and a majority of the whole number shall be necessary to a choice.

3. BUT no person constitutionally ineligible to the office of president, shall be eligible to that of vice president of the United States.

ARTICLE 13.

Citizenship forfeited by the acceptance, from a foreign power, of any title of nobility, office, or emolument of any kind, &c.
[See ante, art. 1, § 9, cl. 2.]

IF any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honor, or shall, without the consent of congress, accept and retain any present, pension, office, or emolument of any kind whatever, from any emperor, king, prince, or foreign power, such person shall cease to be a citizen of the United States, and shall be incapable of holding any office of trust or profit under them, or either of them.

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ARTICLE XIII

If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honor, or shall, without the consent of Congress, accept and retain any present, pension, office, or emolument of any kind whatsoever., from any emperor, king, prince, or foreign power, such person shall cease to be a citizen of the United States, and shall be incapable of holding any office of trust or profit under them, or either of them.

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THE 14TH AMENDMENT MADE EVERYONE SLAVES

Congressional Record 1967

Time in video 14.20

WHAT IS A UNITED STATES CITIZEN?

1. *"Citizenship of the United States does not entitle citizen to privileges and immunities of citizen of state, since privileges of one are not the same as the other."* K. Tashiro et al v. Jorden Secretary of State, May 20, 1927 (S.F.12346) 255 P. 545.
2. *"Both before and after the 14th Amendment the federal Constitution, it has not been necessary for a person to be a citizen of the United States in order to be a citizen of his state".* United States v. Cruikshank, 92 US. 542, 549, 23 L.Ed. 588 (1875); Slaughter House Cases.
3. President Johnson's March 2, 1867 veto message to Congress on the Reconstructions Acts (14th Amendment) stated *"neither blacks nor whites can be relieved from the slavery, which the bill imposes upon them"*.

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THE 14TH AMENDMENT MADE EVERYONE SLAVES

Congressional Record 1967

Time in video 14.20

June 13, 1967

CONGRESSIONAL RECORD — HOUSE

15641

groups from other nations. This bipartisan organization is doing something more than just talking about international understanding—it is doing something about it.

If mankind is ever to abolish war from the face of the earth, we first must break down the barriers of mistrust and suspicion among the peoples of the world. There is no better way to accomplish this than through just such programs as this one conducted by the American Council of Young Political Leaders.

These young people will be the leaders of the world in years to come. They will be better leaders, more understanding and tolerant leaders, if they are able to expand their knowledge of other nations, other peoples, and other political systems.

This is why, Mr. Speaker, I am so pleased with the work being done by the American Council of Young Political Leaders. They have my wholehearted support in their program to further world understanding.

THE 14TH AMENDMENT—EQUAL PROTECTION LAW OR TOOL OF USURPATION

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. RARICK] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. RARICK. Mr. Speaker, arrogantly ignoring clearcut expressions in the Constitution of the United States, the declared intent of its drafters notwithstanding, our unelected Federal judges read out prohibitions of the Constitution of the United States by adopting the fuzzy haze of the 14th amendment to legislate their personal ideas, prejudices, theories, guilt complexes, aims, and whims.

Through the cooperation of intellectual educators, we have subjected ourselves to accept destructive use and meaning of words and phrases. We blindly accept new meanings and changed values to alter our traditional thoughts.

We have tolerantly permitted the habitual misuse of words to serve as a vehicle to abandon our foundations and goals. Thus, the present use and expansion of the 14th amendment is a sham—serving as a crutch and hoodwink to precipitate a quasi-legal approach for overthrow of the tender balances and protections of limitation found in the Constitution.

But, interestingly enough, the 14th amendment—whether ratified or not—was but the expression of emotional outpouring of public sentiment following the War Between the States.

Its obvious purpose and intent was but to free human beings from ownership as a chattel by other humans. Its aim was no more than to free the slaves.

As our politically appointed Federal judiciary proceeds down their chosen

path of chaotic departure from the peoples' government by substituting their personal law rationalized under the 14th amendment, their actions and verbiage brand them and their team as secessionists—rebels with pens instead of guns—seeking to divide our Union.

They must be stopped. Public opinion must be aroused. The Union must and shall be preserved.

Mr. Speaker, I ask to include in the Record, following my remarks, House Concurrent Resolution 208 of the Louisiana Legislature urging this Congress to declare the 14th amendment illegal. Also, I include in the Record an informative and well-annotated treatise on the illegality of the 14th amendment—the play toy of our secessionist judges—which has been prepared by Judge Leander H. Perez, of Louisiana.

The material referred to follows:

H. CON. RES. 208

A concurrent resolution to expose the unconstitutionality of the 14th amendment to the Constitution of the United States; to interpose the sovereignty of the State of Louisiana against the execution of said amendment in this State; to memorialize the Congress of the United States to repeal its joint resolution of July 28, 1868, declaring that said amendment had been ratified; and to provide for the distribution of certified copies of this resolution

Whereas the purported 14th Amendment to the United States Constitution was never lawfully adopted in accordance with the requirements of the United States Constitution because eleven states of the Union were deprived of their equal suffrage in the Senate in violation of Article V, when eleven southern states, including Louisiana, were excluded from deliberation and decision in the adoption of the Joint Resolution proposing said 14th Amendment; said Resolution was not presented to the President of the United States in order that the same should take effect, as required by Article I, Section 7; the proposed amendment was not ratified by three-fourths of the states, but to the contrary fifteen states of the then thirty-seven states of the Union rejected the proposed 14th Amendment between the dates of its submission to the states by the Secretary of State on June 16, 1866 and March 24, 1868, thereby nullifying said Resolution and making it impossible for ratification by the constitutionally required three-fourths of such states; said southern states which were denied their equal suffrage in the Senate had been recognized by proclamations of the President of the United States to have duly constituted governments with all the powers which belong to free states of the Union, and the Legislatures of seven of said southern states had ratified the 13th Amendment which would have failed of ratification but for the ratification of said seven southern states; and

Whereas the Reconstruction Acts of Congress unlawfully overthrew their existing governments, removed their lawfully constituted legislatures by military force and replaced them with rump legislatures which carried out military orders and pretended to ratify the 14th Amendment; and

Whereas in spite of the fact that the Secretary of State in his first proclamation, on July 20, 1865, expressed doubt as to whether three-fourths of the required states had ratified the 14th Amendment, Congress nevertheless adopted a resolution on July 28, 1868, unlawfully declaring that three-fourths of the states had ratified the 14th Amendment and directed the Secretary of State to so proclaim, said Joint Resolution of Congress and the resulting proclamation of the

Secretary of State included the purported ratifications of the military enforced rump legislatures of ten southern states whose lawful legislatures had previously rejected said 14th Amendment, and also included purported ratifications by the legislatures of the States of Ohio and New Jersey although they had withdrawn their legislative ratifications several months previously, all of which proves absolutely that said 14th Amendment was not adopted in accordance with the mandatory constitutional requirements set forth in Article V of the Constitution and therefore the Constitution itself strikes with nullity the purported 14th Amendment.

Now therefore be it resolved by the Legislature of Louisiana, the House of Representatives and the Senate concurring:

(1) That the Legislature go on record as exposing the unconstitutionality of the 14th Amendment, and interposes the sovereignty of the State of Louisiana against the execution of said 14th Amendment against the State of Louisiana and its people;

(2) That the Legislature of Louisiana opposes the use of the invalid 14th Amendment by the Federal courts to impose further unlawful edicts and hardships on its people;

(3) That the Congress of the United States be memorialized by this Legislature to repeal its unlawful Joint Resolution of July 28, 1868, declaring that three-fourths of the states had ratified the 14th Amendment to the United States Constitution;

(4) That the Legislatures of the other states of the Union be memorialized to give serious study and consideration to take similar action against the validity of the 14th Amendment and to uphold and support the Constitution of the United States which strikes said 14th Amendment with nullity; and

(5) That copies of this Resolution, duly certified, together with a copy of the treatise on "The Unconstitutionality of the 14th Amendment" by Judge L. H. Perez, be forwarded to the Governors and Secretaries of State of each state in the Union, and to the Secretaries of the United States Senate and House of Congress, and to the Louisiana Congressional delegation, a copy hereof to be published in the Congressional Record.

VALE M. DELONY,

Speaker of the House of Representatives.
C. C. AVCOCK,
Lieutenant Governor and President
of the Senate.

THE 14TH AMENDMENT IS UNCONSTITUTIONAL

The purported 14th Amendment to the United States Constitution is and should be held to be ineffective, invalid, null, void and unconstitutional for the following reasons:

1. The Joint Resolution proposing said Amendment was not submitted to or adopted by a Constitutional Congress. Article I, Section 3, and Article V of the U.S. Constitution.

2. The Joint Resolution was not submitted to the President for his approval. Article I, Section 7.

3. The proposed 14th Amendment was rejected by more than one-fourth of all the States then in the Union, and it was never ratified by three-fourths of all the States in the Union. Article V.

I. THE UNCONSTITUTIONAL CONGRESS

The U.S. Constitution provides: Article I, Section 3. "The Senate of the United States shall be composed of two Senators from each State."

Article V provides: "No State, without its consent, shall be deprived of its equal suffrage in the Senate."

The fact that 23 Senators had been unlawfully excluded from the U.S. Senate, in order to secure a two-thirds vote for adoption of the Joint Resolution proposing the 14th Amendment is shown by Resolutions of pro-

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by mark allen wasmuth

THE 14TH AMENDMENT MADE EVERYONE SLAVES

Congressional Record 1967

Time in video 14.20

15642

CONGRESSIONAL RECORD — HOUSE

June 13, 1967

test adopted by the following State Legislatures:

The New Jersey Legislature by Resolution of March 27, 1868, protested as follows:

"The said proposed amendment not having yet received the assent of the three-fourths of the states, which is necessary to make it valid, the natural and constitutional right of this state to withdraw its assent is undeniable * * *"

"That it being necessary by the constitution that every amendment to the same should be proposed by two-thirds of both houses of congress, the authors of said proposition, for the purpose of securing the assent of the requisite majority, determined to, and did, exclude from the said two houses eighty representatives from eleven states of the union, upon the pretence that there were no such states in the Union; but, finding that two-thirds of the remainder of the said houses could not be brought to assent to the said proposition, they deliberately formed and carried out the design of mutilating the integrity of the United States senate, and without any pretext or justification, other than the possession of the power, without the right, and in palpable violation of the constitution, ejected a member of their own body, representing this state, and thus practically denied to New Jersey its equal suffrage in the senate, and thereby nominally secured the vote of two-thirds of the said houses."¹

The Alabama Legislature protested against being deprived of representation in the Senate of the U.S. Congress.²

The Texas Legislature by Resolution on October 15, 1868, protested as follows:

"The amendment to the Constitution proposed by this joint resolution as Article XIV is presented to the Legislature of Texas for its action thereon, under Article V of that Constitution. This Article V, providing the mode of making amendments to that instrument, contemplates the participation by all the States through their representatives in Congress, in proposing amendments. As representatives from nearly one-third of the States were excluded from the Congress proposing the amendments, the constitutional requirement was not complied with; it was violated in letter and in spirit; and the proposing of these amendments to States which were excluded from all participation in their initiation in Congress, is a nullity."³

The Arkansas Legislature, by Resolution on December 17, 1866, protested as follows:

"The Constitution authorized two-thirds of both houses of Congress to propose amendments; and, as eleven States were excluded from deliberation and decision upon the one now submitted, the conclusion is inevitable that it is not proposed by legal authority, but in palpable violation of the Constitution."⁴

The Georgia Legislature, by Resolution on November 9, 1866, protested as follows:

"Since the reorganization of the State government, Georgia has elected Senators and Representatives. So has every other State. They have been arbitrarily refused admission to their seats, not on the ground that the qualifications of the members elected did not conform to the fourth paragraph, second section, first article of the Constitution, but because their right of representation was denied by a portion of the States having equal but not greater rights than themselves. They have in fact been forcibly excluded; and, inasmuch as all legislative power granted by the States to the Congress is defined, and this power of exclusion is not among the powers expressly or by implication, the assemblage, at the capitol, of representatives from a portion of the States, to the exclusion of the representatives of another portion,

cannot be a constitutional Congress, when the representation of each State forms an integral part of the whole.

"This amendment is tendered to Georgia for ratification, under that power in the Constitution which authorizes two-thirds of the Congress to propose amendments. We have endeavored to establish that Georgia had a right, in the first place, as a part of the Congress, to act upon the question, 'Shall these amendments be proposed?' Every other excluded State had the same right.

"The first constitutional privilege has been arbitrarily denied. Had these amendments been submitted to a constitutional Congress, they never would have been proposed to the States. Two-thirds of the whole Congress never would have proposed to eleven States voluntarily to reduce their political power in the Union, and at the same time, disfranchise the larger portion of the intellect, integrity and patriotism of eleven co-equal States."⁵

The Florida Legislature, by Resolution of December 5, 1866, protested as follows:

"Let this alteration be made in the organic system and some new and more startling demands may or may not be required by the predominant party previous to allowing the ten States now unlawfully and unconstitutionally deprived of their right of representation to enter the Halls of the National Legislature. Their right to representation is guaranteed by the Constitution of this country and there is no act, not even that of rebellion, can deprive them of its exercise."⁶

The South Carolina Legislature by Resolution of November 27, 1866, protested as follows:

"Eleven of the Southern States, including South Carolina, are deprived of their representation in Congress. Although their Senators and Representatives have been duly elected and have presented themselves for the purpose of taking their seats, their credentials have, in most instances, been laid upon the table without being read, or have been referred to a committee, who have failed to make any report on the subject. In short, Congress has refused to exercise its Constitutional functions, and decide either upon the election, the return, or the qualification of these selected by the States and people to represent us. Some of the Senators and Representatives from the Southern States were prepared to take the test oath, but even these have been persistently ignored, and kept out of the seats to which they were entitled under the Constitution and laws.

"Hence this amendment has not been proposed by 'two-thirds of both Houses' of a legally constituted Congress, and is not, Constitutionally or legitimately, before a single Legislature for ratification."⁷

The North Carolina Legislature protested by Resolution of December 6, 1866 as follows:

"The Federal Constitution declares, in substance, that Congress shall consist of a House of Representatives, composed of members apportioned among the respective States in the ratio of their population, and of a Senate, composed of two members from each State. And in the Article which concerns Amendments, it is expressly provided that 'no State, without its consent, shall be deprived of its equal suffrage in the Senate.' The contemplated Amendment was not proposed to the States by a Congress thus constituted. At the time of its adoption, the eleven seceding States were deprived of representation both in the Senate and House, although they all, except the State of Texas, had Senators and Representatives duly elected and claiming their privileges under

the Constitution. In consequence of this, these States had no voice on the important question of proposing the Amendment. Had they been allowed to give their votes, the proposition would doubtless have failed to command the required two-thirds majority. * * *

If the votes of these States are necessary to a valid ratification of the Amendment, they were equally necessary on the question of proposing it to the States; for it would be difficult, in the opinion of the Committee, to show by what process in logic, men of intelligence could arrive at a different conclusion."⁸

II. JOINT RESOLUTION INEFFECTIVE

Article I, Section 7 provides that not only every bill which shall have been passed by the House of Representatives and the Senate of the United States Congress, but that:

"Every order, resolution, or vote to which the concurrence of the Senate and House of Representatives may be necessary (except on a question of adjournment) shall be presented to the President of the United States; and before the same shall take effect, shall be approved by him, or being disapproved by him shall be repassed by two-thirds of the Senate and House of Representatives, according to the rules and limitations prescribed in the case of a bill."

The Joint Resolution proposing the 14th Amendment⁹ was never presented to the President of the United States for his approval, as President Andrew Johnson stated in his message on June 23, 1866.¹⁰ Therefore, the Joint Resolution did not take effect.

III. PROPOSED AMENDMENT NEVER RATIFIED BY THREE-FOURTHS OF THE STATES

1. Premitting the ineffectiveness of said resolution, as above, fifteen (15) States out of the then thirty-seven (37) States of the Union rejected the proposed 14th Amendment between the date of its submission to the States by the Secretary of State on June 16, 1866 and March 24, 1869, thereby further nullifying said resolution and making it impossible for its ratification by the constitutionally required three-fourths of such States, as shown by the rejections thereof by the Legislatures of the following states:

Texas rejected the 14th Amendment on October 27, 1866.¹¹
Georgia rejected the 14th Amendment on November 9, 1866.¹²
Florida rejected the 14th Amendment on December 6, 1866.¹³
Alabama rejected the 14th Amendment on December 7, 1866.¹⁴
North Carolina rejected the 14th Amendment on December 14, 1866.¹⁵
Arkansas rejected the 14th Amendment on December 17, 1866.¹⁶
South Carolina rejected the 14th Amendment on December 20, 1866.¹⁷
Kentucky rejected the 14th Amendment on January 8, 1867.¹⁸

⁹ North Carolina Senate Journal, 1866-67, pp. 32 and 93.

¹⁰ 14 Stat. 358 etc.

¹¹ Senate Journal, 39th Congress, 1st sess., p. 563, and House Journal p. 889.

¹² House Journal 1866, pp. 578-584—Senate Journal 1866, p. 471.

¹³ House Journal 1866, p. 68—Senate Journal 1866, p. 72.

¹⁴ House Journal 1866, p. 76—Senate Journal 1866, p. 8.

¹⁵ House Journal 1866, pp. 210-213—Senate Journal 1866, p. 183.

¹⁶ House Journal 1866-1867, p. 183—Senate Journal 1866-1867, p. 138.

¹⁷ House Journal 1866, pp. 288-291—Senate Journal 1866, p. 282.

¹⁸ House Journal 1866, p. 284—Senate Journal 1866, p. 230.

¹⁹ House Journal 1867, p. 80—Senate Journal 1867, p. 62.

¹ New Jersey Acts, March 27, 1868.

² Alabama House Journal 1866, pp. 210-213.

³ Texas House Journal, 1866, p. 577.

⁴ Arkansas House Journal, 1866, p. 287.

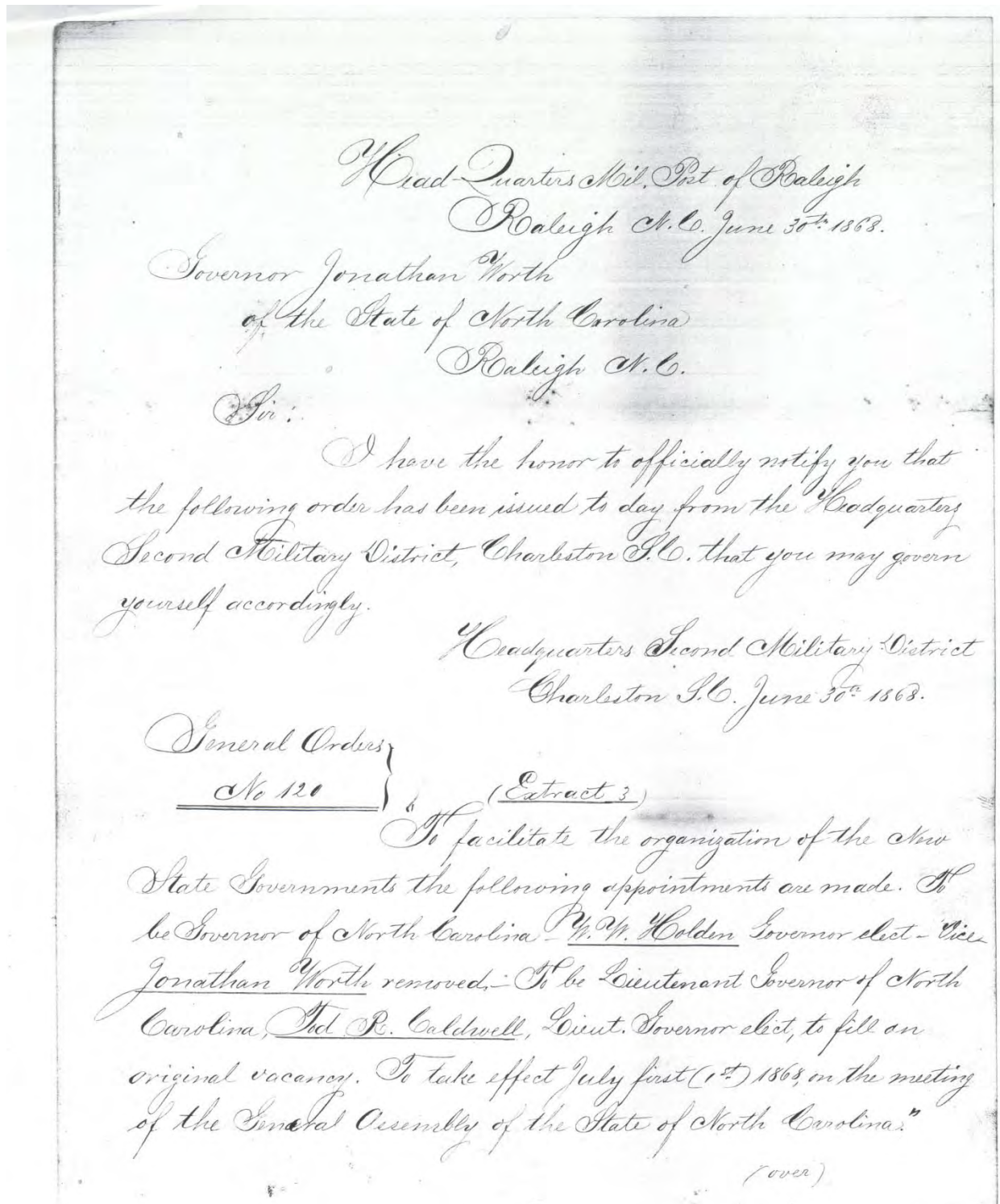
⁵ Georgia House Journal, November 9, 1866, pp. 65-67.

⁶ Florida House Journal, 1866, p. 76.

⁷ South Carolina House Journal, 1866, pp. 33 and 34.

**GENERAL ORDERS 120
TO GOVERNOR WORTH, 1868**

Time in video 18.10



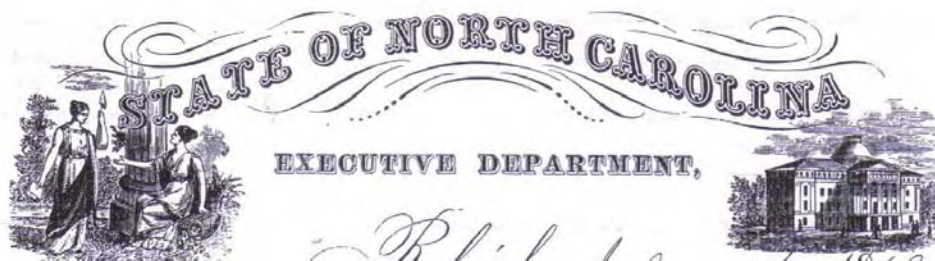
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by mark allen wasmuth

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LETTER FROM WORTH TO
W.W. HOLDEN 1868

Time in video 18.40



Raleigh July 1st 1868.

Gen. W. W. Holden

Raleigh, N. C.

Sir :-

Yesterday morning I was verbally notified by Chief Justice Pearson that, in obedience to a telegram from Genl. Canby, he would to-day, at 10 O'clock A.M., administer to you the oaths required, preliminary to your entering upon the discharge of the duties of Civil Governor of the State; and that, therefore, you would demand possession of my office.

I intimated to the Judge my opinion that such proceeding was premature even under the reconstruction legislation of Congress, and that I should, probably decline to surrender the office to you.

At sun-down yesterday evening, I received from Col. Williams, Commandant of this Military Post, an extract from the general orders, No. 120, of Genl. Canby, as follows :-

LETTER FROM WORTH TO
W.W. HOLDEN 1868

Time in video 18.40

"Head Quarters 2nd. Military District
Charleston, S. C., June 30th 1868.

Genl. Orders }
No. 120. }

(Extract)

To facilitate the organization of the new State governments, the following appointments are made. To be Governor of North Carolina W. W. Holden, Governor elect, vice, Jonathan Worth removed. To be Lieutenant Governor of North Carolina Tod R. Caldwell, Lieutenant Governor elect, to fill an original vacancy. To take effect July 1st 1868, on the meeting of the General Assembly of North Carolina?

I do not recognize the validity of the late election under which you, and those co-operating with you, claim to be invested with the civil government of the State. You have no evidence of your election, save the certificate of a Major General of the United States Army. I regard all of you as, in effect, appointees of the Military power of the United States - and not as "deriving your powers from the consent of those you claim to govern." Knowing, however, that you are backed by military force here, which I could not resist, if I would, I do not deem it necessary to offer a futile opposition, but vacate the office without the ceremony

LETTER FROM WORTH TO
W.W. HOLDEN 1868

Time in video 18.40

any of actual eviction, offering no further opposi-
tion than this my protest. I would submit to
actual expulsion in order to bring before the
Supreme Court of the United States the question
as to the constitutionality of the legislation under
which you claim to be the rightful Governor
of the State, if the past action of that tribunal
furnished any hope of a speedy trial. I surren-
der the office to you under what I deem milita-
ry duress, without stopping, as the occasion would
well justify, to comment upon the singular coin-
cidence that the present State Government is sur-
rendered, as without legality, to him whose own
official sanction, but three years ago, declared
it valid.

I am, Very Respectfully
Jonathan Worth
Governor of North Carolina.

UNITED STATES BECOMES A CORPORATION

FORTY-FIRST CONGRESS. Sess. III. CH. 61, 62. 1871.

419

For expenses under the neutrality act, twenty thousand dollars.

Neutrality.
1818, ch. 88.
Vol. iii. p. 447.
Persons
charged with
crime.

For expenses incurred under instructions of the Secretary of State, of bringing home from foreign countries persons charged with crimes, and expenses incident thereto, including loss by exchange, five thousand dollars.

For relief and protection of American seamen in foreign countries, one hundred thousand dollars.

American sea-
men.

For expenses which may be incurred in acknowledging the services of masters and crews of foreign vessels in rescuing American citizens from shipwreck, five thousand dollars.

Rescuing sea-
men.

For payment of the seventh annual instalment of the proportion contributed by the United States toward the capitalization of the Scheldt dues, fifty-five thousand five hundred and eighty-four dollars; and for such further sum, not exceeding five thousand dollars, as may be necessary to carry out the stipulations of the treaty between the United States and Belgium.

Scheldt dues.
Vol. xiii. p. 649.

To pay to the government of Great Britain and Ireland, the second and last instalment of the amount awarded by the commissioners under the treaty of July one, eighteen hundred and sixty-three, in satisfaction of the claims of the Hudson's Bay and of the Puget Sound Agricultural Company, three hundred and twenty-five thousand dollars in gold coin: *Provided*, That before payment shall be made of that portion of the above sum awarded to the Puget Sound Agricultural Company, all taxes legally assessed upon any of the property of said company covered by said award, before the same was made, and still unpaid, shall be extinguished by said Puget Sound Agricultural Company; or the amount of such taxes shall be withheld by the government of the United States from the sum hereby appropriated.

Award to Hud-
son's Bay and
Puget Sound Ag-
ricultural Com-
panies.
Vol. xiii. p. 651.

Certain taxes
to be settled be-
fore payment of
award;

or amount
withheld.

APPROVED, February 21, 1871.

CHAP. LXII. — *An Act to provide a Government for the District of Columbia.*

Feb. 21, 1871.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all that part of the territory of the United States included within the limits of the District of Columbia be, and the same is hereby, created into a government by the name of the District of Columbia, by which name it is hereby constituted a body corporate for municipal purposes, and may contract and be contracted with, sue and be sued, plead and be impleaded, have a seal, and exercise all other powers of a municipal corporation not inconsistent with the Constitution and laws of the United States and the provisions of this act.

Vol. xvii. p. 18.

District of Co-
lumbia consti-
tuted a body cor-
porate for mun-
icipal purposes.

Powers, &c.

SEC. 2. *And be it further enacted*, That the executive power and authority in and over said District of Columbia shall be vested in a governor, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall hold his office for four years, and until his successor shall be appointed and qualified. The governor shall be a citizen of and shall have resided within said District twelve months before his appointment, and have the qualifications of an elector. He may grant pardons and respites for offenses against the laws of said District enacted by the legislative assembly thereof; he shall commission all officers who shall be elected or appointed to office under the laws of the said District enacted as aforesaid, and shall take care that the laws be faithfully executed.

Governor, ap-
pointment, and
term of office;

qualifications;

powers and
duties.

SEC. 3. *And be it further enacted*, That every bill which shall have passed the council and house of delegates shall, before it becomes a law, be presented to the governor of the District of Columbia; if he approve, he shall sign it, but if not, he shall return it, with his objections, to the house in which it shall have originated, who shall enter the objections at

Veto power.

TRADING WITH THE ENEMY ACT

Time in video 21.10

40 Stat 411 The Making of a Enemy

SIXTY-FIFTH CONGRESS. SESS. I. CHS. 105, 106. 1917.

411

ized as authorized by existing law: *Provided*, That the pay of the grades of general and lieutenant general shall be \$10,000 and \$9,000 a year, respectively, with allowances appropriate to said grades as determined by the Secretary of War: *And provided*, That brigadier generals of the Army shall hereafter rank relatively with rear admirals of the lower half of the grade. And, hereafter, the chief of any existing staff corps, department, or bureau, except as is otherwise provided for the Chief of Staff, shall have the rank, pay, and allowances of major general.

Approved, October 6, 1917.

Provisos.
Pay and allowances.

Brigadier generals to rank with rear admirals.
Chiefs of bureaus, etc., made major generals.

CHAP. 106.—An Act To define, regulate, and punish trading with the enemy, and for other purposes.

October 6, 1917.
[H. R. 4960.]

[Public, No. 91.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the "Trading with the enemy Act."

Trading with the Enemy Act.

SEC. 2. That the word "enemy," as used herein, shall be deemed to mean, for the purposes of such trading and of this Act—

Terms defined.
"Enemy."

(a) Any individual, partnership, or other body of individuals, of any nationality, resident within the territory (including that occupied by the military and naval forces) of any nation with which the United States is at war, or resident outside the United States and doing business within such territory, and any corporation incorporated within such territory of any nation with which the United States is at war or incorporated within any country other than the United States and doing business within such territory.

Persons residing in enemy country or trading therein.

Foreign corporations included.

(b) The government of any nation with which the United States is at war, or any political or municipal subdivision thereof, or any officer, official, agent, or agency thereof.

Government, officials, etc.

(c) Such other individuals, or body or class of individuals, as may be natives, citizens, or subjects of any nation with which the United States is at war, other than citizens of the United States, wherever resident or wherever doing business, as the President, if he shall find the safety of the United States or the successful prosecution of the war shall so require, may, by proclamation, include within the term "enemy."

Other designated persons.

The words "ally of enemy," as used herein, shall be deemed to mean—

"Ally of enemy."

(a) Any individual, partnership, or other body of individuals, of any nationality, resident within the territory (including that occupied by the military and naval forces) of any nation which is an ally of a nation with which the United States is at war, or resident outside the United States and doing business within such territory, and any corporation incorporated within such territory of such ally nation, or incorporated within any country other than the United States and doing business within such territory.

Persons residing, or trading, in country thereof.

Corporations.

(b) The government of any nation which is an ally of a nation with which the United States is at war, or any political or municipal subdivision of such ally nation, or any officer, official, agent, or agency thereof.

Government, officials, etc.

(c) Such other individuals, or body or class of individuals, as may be natives, citizens, or subjects of any nation which is an ally of a nation with which the United States is at war, other than citizens of the United States, wherever resident or wherever doing business, as the President, if he shall find the safety of the United States or the successful prosecution of the war shall so require, may, by proclamation, include within the term "ally of enemy."

Other designated persons.

TRADING WITH THE ENEMY ACT

Time in video 21.10

40 Stat 411 The Making of a Enemy

SIXTY-FIFTH CONGRESS. SESS. I. CH. 106. 1917.

419

or presentation or demand served or made on the alien property custodian in accordance with the law and the terms of such instrument or contract and under such rules and regulations as the President shall prescribe; and such notice and such presentation and demand shall have, in all respects, the same force and effect as if duly served or made upon the enemy or ally of enemy personally: *Provided*, That no such rule or regulation shall require that notice or presentation or demand shall be served or made in any case in which, by law or by the terms of said instrument or contract, no notice, presentation, or demand was, prior to the passage of this Act, required; and that in case where, by law or by the terms of such instrument or contract, notice is required, no longer period of notice shall be required: *Provided further*, That if, on any such disposition of property, a surplus shall remain after the satisfaction of the mortgage, pledge, lien, or other right in the nature of security, notice of that fact shall be given to the President pursuant to such rules and regulations as he may prescribe, and such surplus shall be held subject to his further order.

Effect.

Proviso.
Limitation on notice, etc., requirements.

Disposal of surplus after satisfaction, etc.

(b) That any contract entered into prior to the beginning of the war between any citizen of the United States or any corporation organized within the United States, and an enemy or ally of an enemy, the terms of which provide for the delivery, during or after any war in which a present enemy or ally of enemy nation has been or is now engaged, of anything produced, mined, or manufactured in the United States, may be abrogated by such citizen or corporation by serving thirty days' notice in writing upon the alien property custodian of his or its election to abrogate such contract.

Abrogation of contracts made prior to the war with an enemy, of American products, etc.

Notice to custodian.

(c) The running of any statute of limitations shall be suspended with reference to the rights or remedies on any contract or obligation entered into prior to the beginning of the war between parties neither of whom is an enemy or ally of enemy, and containing any promise to pay or liability for payment which is evidenced by drafts or other commercial paper drawn against or secured by funds or other property situated in an enemy or ally of enemy country, and no suit shall be maintained on any such contract or obligation in any court within the United States until after the end of the war, or until the said funds or property shall be released for the payment or satisfaction of such contract or obligation: *Provided, however*, That nothing herein contained shall be construed to prevent the suspension of the running of the statute of limitations in all other cases where such suspension would occur under existing law.

Statutes of limitation suspended as to contracts for paying notes, etc., of enemies abroad.

Proviso.
Other suspensions not affected.

Sec. 9. That any person, not an enemy, or ally of enemy, claiming any interest, right, or title in any money or other property which may have been conveyed, transferred, assigned, delivered, or paid to the alien property custodian hereunder, and held by him or by the Treasurer of the United States, or to whom any debt may be owing from an enemy, or ally of enemy, whose property or any part thereof shall have been conveyed, transferred, assigned, delivered, or paid to the alien property custodian hereunder, and held by him or by the Treasurer of the United States, may file with the said custodian a notice of his claim under oath and in such form and containing such particulars as the said custodian shall require; and the President, if application is made therefor by the claimant, may, with the assent of the owner of said property and of all persons claiming any right, title, or interest therein, order the payment, conveyance, transfer, assignment or delivery to said claimant of the money or other property so held by the alien property custodian or by the Treasurer of the United States or of the interest therein to which the President shall determine said claimant is entitled: *Provided*, That no such order by the President shall bar any person from the prosecution of any suit at law or in equity against the claimant to establish any right, title

Claims by other than enemies against property held by custodian.

President may order payment, conveyance, etc.

Proviso.
Rights against claimants not barred.

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by mark allen wasmuth

THE UNITED STATES MAKES ALL PERSONS AN ENEMY

48 Stat 1, March 9, 1933

Time in video 21.00

TITLE I

SECTION 1. The actions, regulations, rules, licenses, orders and proclamations heretofore or hereafter taken, promulgated, made, or issued by the President of the United States or the Secretary of the Treasury since March 4, 1933, pursuant to the authority conferred by subdivision (b) of section 5 of the Act of October 6, 1917, as amended, are hereby approved and confirmed.

Proclamations, orders, etc., issued since March 4, 1933; approval.

Post, p. 343.

Trading with the Enemy Act, amended. Vol. 40, pp. 415, 988, amended.

Foreign exchange, export or hoarding of coin, bullion, etc.

Regulatory powers of President during national emergency.

SEC. 2. Subdivision (b) of section 5 of the Act of October 6, 1917 (40 Stat. L. 411), as amended, is hereby amended to read as follows:

“(b) During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, investigate, regulate, or prohibit, under such rules and regulations as he may prescribe, by means of licenses or otherwise, any transactions in foreign exchange, transfers of credit between or payments by banking institutions as defined by the President, and export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency, by any person within the United States or any place subject to the jurisdiction thereof; and the President may require any person engaged in any transaction referred to in this subdivision to furnish under oath, complete information relative thereto, including the production of any books of account, contracts, letters or other papers, in connection therewith in the custody or control of such person, either before or after such transaction is completed. Whoever willfully violates any of the provisions of this subdivision or of any license, order, rule or regulation issued thereunder, shall, upon conviction, be fined not more than \$10,000, or, if a natural person, may be imprisoned

Compulsory testimony, etc.

Punishment for violation.

CONGRESS REDEFINES THE MEANING OF THE WORD PERSON

To mean a Corporation

Time in video 23.18

THIRTY-SEVENTH CONGRESS. SESS. II. CH. 119. 1862.

459

thousand dollars, twenty-five dollars. Any person or persons who make for sale photographs, ambrotypes, daguerreotypes, or pictures on glass, metal, or paper, by the action of light, shall be regarded a photographer under this act.

31. Lawyers shall pay ten dollars for each license. Every person whose business it is, for fee or reward, to prosecute or defend causes in any court of record or other judicial tribunal of the United States or of any of the States, or give advice in relation to causes or matters pending therein, shall be deemed to be a lawyer within the meaning of this act.

Lawyers.

Post, pp. 714
727.

32. Physicians, surgeons, and dentists shall pay ten dollars for each license. Every person (except apothecaries) whose business it is, for fee and reward, to prescribe remedies or perform surgical operations for the cure of any bodily disease or ailment, shall be deemed a physician, surgeon, or dentist, as the case may be, within the meaning of this act.

Physicians,
surgeons, den-
tists.

Post, p. 727.

33. Claim agents and agents for procuring patents shall pay ten dollars for each license. Every person whose business it is to prosecute claims in any of the executive departments of the federal government, or procure patents, shall be deemed a claim or patent agent, as the case may be, under this act.

Claim and pa-
tent agents.

SEC. 65. *And be it further enacted*, That where the annual gross receipts or sales of any apothecaries, confectioners, eating-houses, tobacco-nists, or retail dealers, shall not exceed the sum of one thousand dollars, such apothecaries, confectioners, eating-houses, and retail dealers shall not be required to take out or pay for license, anything in this act to the contrary notwithstanding; the amount or estimated amount of such annual sales to be ascertained or estimated in such manner as the Commissioner of Internal Revenue shall prescribe, and so of all other annual sales or receipts, where the rate of the license is graduated by the amount of sales or receipts.

Certain apoth-
ecaries, &c. need
not take out li-
cense.

SEC. 66. *And be it further enacted*, That nothing contained in the preceding sections of this act, laying duties on licenses, shall be construed to require a license for the sale of goods, wares, and merchandise made or produced and sold by the manufacturer or producer at the manufactory or place where the same is made or produced; to vintners who sell, at the place where the same is made, wine of their own growth; nor to apothecaries, as to wines or spirituous liquors which they use exclusively in the preparation or making up of medicines for sick, lame, or diseased persons; nor shall the provisions of paragraph number twenty-seven extend to physicians who keep on hand medicines solely for the purpose of making up their own prescriptions for their own patients.

Licenses not to
be required for
sale of certain ar-
ticles by certain
persons.

SEC. 67. *And be it further enacted*, That no license hereinbefore provided for, if granted, shall be construed to authorize the commencement or continuation of any trade, business, occupation, or employment therein mentioned, within any State or Territory of the United States in which it is or shall be specially prohibited by the laws thereof, or in violation of the laws of any State or Territory: *Provided*, Nothing in this act shall be held or construed so as to prevent the several States, within the limits thereof, from placing a duty, tax, or license, for State purposes, on any business matter or thing on which a duty, tax, or license is required to be paid by this act.

Licenses under
this act not to
authorize any
traffic prohibited
by the laws of
any State.

States may
tax, &c. any
article taxed, &c.
herein.

MANUFACTURES, ARTICLES, AND PRODUCTS.

SPECIFIC AND AD VALOREM DUTY.

SEC. 68. *And be it further enacted*, That on and after the first day of August, eighteen hundred and sixty-two, every individual, partnership, firm, association, or corporation, (and any word or words in this act indicating or referring to person or persons shall be taken to mean and include

Manufactures,
articles, and pro-
ducts.

Specific and ad
valorem duty.

Word "person"
to include part-
nerships, corpora-
tions, &c.

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by mark allen wasmuth

CONGRESS REDEFINES THE MEANING OF THE WORD PERSON

To mean a Corporation

Time in video 23.18

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THIRTY-SEVENTH CONGRESS. Sess. II. CH. 119. 1862.

partnerships, firms, associations, or corporations, when not otherwise designated or manifestly incompatible with the intent thereof,) shall comply with the following requirements, that is to say :

Before commencing manufacture, persons to furnish to assistant assessor sworn statement, &c.

First. Before commencing, or, if already commenced, before continuing, any such manufacture for which he, she, or they may be liable to be assessed, under the provisions of this act, and which shall not be differently provided for elsewhere, within thirty days after the date when this act shall take effect, he, she, or they shall furnish to the assistant assessor a statement, subscribed and sworn to, or affirmed, setting forth the place where the manufacture is to be carried on, name of the manufactured article, the proposed market for the same, whether foreign or domestic, and generally the kind and quality manufactured or proposed to be manufactured.

To make monthly returns.

Second. He shall within ten days after the first day of each and every month, after the day on which this act takes effect, as hereinbefore mentioned, or on or before a day prescribed by the Commissioner of Internal Revenue, make return of the products and sales or delivery of such manufacture in form and detail as may be required, from time to time, by the Commissioner of Internal Revenue.

Form of statements and returns.

Third. All such returns, statements, descriptions, memoranda, oaths and affirmations, shall be in form, scope, and detail as may be prescribed, from time to time, by the Commissioner of Internal Revenue.

Duties on manufactures to be paid monthly.

SEC. 69. *And be it further enacted*, That upon the amounts, quantities, and values of produce, goods, wares, merchandise, and articles manufactured and sold, or delivered, hereinafter enumerated, the manufacturer thereof, whether manufactured for himself or for others, shall pay to the collector of internal revenue within his district, monthly, or on or before a day to be prescribed by the Commissioner of Internal Revenue, the duties on such manufactures: *Provided*, That when thread is manufactured and sold or delivered exclusively for knitted fabrics, or for weaving or spooling, as provided for in the seventy-fifth section of this act, the duties shall be assessed on the articles finished and prepared for use or consumption to the party so finishing or preparing the same, and any party so finishing or preparing any cloth or other fabrics of cotton, wool, or other materials, whether imported or otherwise, shall be considered the manufacturer thereof for the purposes of this act; and for neglect to pay such duties within ten days after demand, either personal or written, left at his, her, or their house or place of business, or manufactory, the amount of such duties may be levied upon the real and personal property of any such manufacturer. And such duties, and whatever shall be the expenses of levy, shall be a lien from the day prescribed by the Commissioner for their payment aforesaid, in favor of the United States upon the said real and personal property of such manufacturer, and such lien may be enforced by distraint, as provided in the general provisions of this act. *And provided, further*, That in all cases of goods manufactured, in whole or in part, upon commission, or where the material is furnished by one party and manufactured by another, if the manufacturer shall be required to pay under this act the tax hereby imposed, such person or persons so paying the same shall be entitled to collect the amount thereof of the owner or owners, and shall have a lien for the amount thus paid upon the manufactured goods: *And provided, further*, That the taxes on all articles manufactured and sold, in pursuance of contracts bona fide made before the passage of this act, shall be paid by the purchasers thereof, under regulations to be established by the Commissioner of Internal Revenue.

Duties, &c. to be a lien.

Duties on goods manufactured on commission, &c.,

on articles manufactured and sold prior to the passage of this act.

Goods, &c. to be forfeited for neglect, &c. to pay duties.

SEC. 70. *And be it further enacted*, That, for neglect or refusal to pay the duties provided by this act on manufactured articles, as aforesaid, the goods, wares, and merchandise manufactured and unsold by such manufacturer, shall be forfeited to the United States, and may be sold or disposed of for the benefit of the same, in manner as shall be prescribed by

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by mark allen wasmuth

**THE DOCUMENTED FACTS OF THE U.S. PERSON BEING A
ENEMY OF THE UNITED STATES
SENATE REPORT 93-549**

Time in video 24.20

93d Congress }
1st Session } Senate

{ Report
{ No. 93-549

EMERGENCY POWERS STATUTES:

PROVISIONS OF FEDERAL LAW
NOW IN EFFECT DELEGATING TO THE
EXECUTIVE EXTRAORDINARY AUTHORITY
IN TIME OF NATIONAL EMERGENCY

REPORT
OF THE
SPECIAL COMMITTEE ON THE
TERMINATION OF THE NATIONAL EMERGENCY
UNITED STATES SENATE



NOVEMBER 19, 1973

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1973
24-509 O

I

SPECIAL COMMITTEE ON THE
TERMINATION OF THE NATIONAL EMERGENCY

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by *mark allen wasmuth*

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THE DOCUMENTED FACTS OF THE U.S. PERSON BEING A ENEMY OF THE UNITED STATES SENATE REPORT 93-549

Time in video 24.20

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CLIFFORD P. HANSEN, Wyoming

WILLIAM G. MILLER, *Staff Director*
THOMAS A. DINE, *Professional Staff*

II

FOREWORD

Since March 9, 1933, the United States has been in a state of declared national emergency. In fact, there are now in effect four presidentially-proclaimed states of national emergency: In addition to the national emergency declared by President Roosevelt in 1933, there are also the national emergency proclaimed by President Truman on December 16, 1950, during the Korean conflict, and the states of national emergency declared by President Nixon on March 23, 1970, and August 15, 1971.

These proclamations give force to 470 provisions of Federal law. These hundreds of statutes delegate to the President extraordinary powers, ordinarily exercised by the Congress, which affect the lives of American citizens in a host of all-encompassing manners. This vast range of powers, taken together, confer enough authority to rule the country without reference to normal Constitutional processes.

Under the powers delegated by these statutes, the President may: seize property; organize and control the means of production; seize commodities; assign military forces abroad; institute martial law; seize and control all transportation and communication; regulate the operation of private enterprise; restrict travel; and, in a plethora of particular ways, control the lives of all American citizens.

With the melting of the cold war--the developing detente with the Soviet Union and China, the stable truce of over 20 years duration between North and South Korea, and the end of U.S. involvement in the war in Indochina--there is no present need for the United States Government to continue to function under emergency conditions.

The Special Committee on the Termination of the National Emergency was created¹ to examine the consequences of terminating the declared states of national emergency that now prevail; to recommend what steps the Congress should take to ensure that the termination can be accomplished without adverse effect upon the necessary tasks of

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THE DOCUMENTED FACTS OF THE U.S. PERSON BEING A ENEMY OF THE UNITED STATES

SENATE REPORT 93-549

Time in video 24.20

REPORT

[Pursuant to S. Res. 9, 93d Cong.]

INTRODUCTION

A - A BRIEF HISTORICAL SKETCH OF THE ORIGINS OF EMERGENCY POWERS NOW IN FORCE

A majority of the people of the United States have lived all of their lives under emergency rule. For 40 years, freedoms and governmental procedures guaranteed by the Constitution have, in varying degrees, been abridged by laws brought into force by states of national emergency. The problem of how a constitutional democracy reacts to great crises, however, far antedates the Great Depression. As a philosophical issue, its origins reach back to the Greek city-states and the Roman Republic. And, in the United States, actions taken by the Government in times of great crises have from, at least, the Civil War in important ways, shaped the present phenomenon of a permanent state of national emergency.

American political theory of emergency government was derived and enlarged from John Locke, the English political-philosopher whose thought influenced the authors of the Constitution. Locke argued that the threat of national crisis-unforeseen, sudden, and potentially catastrophic-required the creation of broad executive

(1)

emergency powers to be exercised by the Chief Executive in situations where the legislative authority had not provided a means or procedure of remedy. Referring to emergency power in the 14th chapter of his Second Treatise on Civil Government as "prerogative"; Locke suggested that it:

...should be left to the discretion of him that has the executive power...since in some governments the lawmaking power is not always in being and is usually too numerous, and so too slow for the dispatch requisite to executions, and because, also it is impossible to foresee and so by laws to provide for all accidents and necessities that may concern the public, or make such laws as will do no harm, if they are executed with an inflexible rigour on all occasions and upon all persons that may come in their way, therefore there is a latitude left to the executive power to do many things of choice; which the laws do not prescribe.

To what extent the Founding Fathers adhered to this view of the executive role in emergencies is a much disputed issue. Whatever their conceptions of this role, its development in practice has been based largely on the manner in which individual Presidents have viewed their office and its functions. Presidents Theodore Roosevelt and

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HARLEY LAPPIN FINDS TITLE 18 IS UNLAWFUL

Internal Memo

Time in video 28.20

Page 1 of 1

Harley G. Lappin

From: "Harley G. Lappin" <harley.lappin@usdoj.gov>
Sent: Monday, July 27, 2009 3:17 PM



Attention all Department Heads, there has been a large volume of inmate Requests for Administrative Remedies questioning the validity of the Bureau's authority to hold or classify them under 18 U.S.C. §§ 4081, et seq., (1948). On the claim that Public Law 80-772 was never passed or signed in the presence of a Quorum or Majority of both Houses of Congress as required by Article I, § 5, Clause 1 of the Constitution. Although most courts have, thus far, relied on *Field v. Clark*, 143 U.S. 649(1892) to avoid ruling on the merits of these claims, however, there have been some which have stated that they were not bound by the *Field* case, but those cases did not involve any Quorum Clause challenge. So out of an abundance of caution, I contacted the Office of Legal Counsel, the National Archives and the Clerk of the House of Representatives to learn that there is no record of any quorum being present during the May 12, 1947 vote on the H.R. 3190 Bill in the House (See 93 Cong.Rec. 5049), and the record is not clear as to whether there was any Senate vote on the H.R. 3190 Bill during any session of the 80th Congress. There is only one Supreme Court case that says in order for any bill to be valid the Journals of both Houses must show that it was passed in the presence of a Quorum. See *United States v. Ballin, Joseph & Co.*, 144 U.S. 1, 3 (1892). The Clerk of the House states that the May 12, 1947 vote was a 'voice vote,' but the Parliamentarian of the House states that a voice vote is only valid when the Journal shows that a quorum is present and that it's unlawful for the Speaker of the House to sign any enrolled bill in the absence of a quorum. On May 12, 1947, a presence of 218 Members in the hall of the House was required to be entered on the Journal in order for the 44 Member 38 to 6 voice vote to be legal. It appears that the 1909 version of the Federal Criminal Code has never been repealed. Therefore, in essence, our only true authority is derived from the 1948 predecessor to Public Law 80-772. "Although adjudication of the constitutionality of congressional enactments has generally been thought to be beyond the jurisdiction of federal administrative agencies, this rule is not mandatory," according to the Supreme Court in the case of *Thunder Basin Coal Co. v. Reich*, 510 U.S. 200, 215 (1994). Therefore, the Bureau under the advise of the Legal Counsel feels that it is in the best interest of public safety to continue addressing all of these Administrative Remedy Requests by stating that only the Congress or courts can repeal or declare a federal statute unconstitutional.

A handwritten signature in dark ink, appearing to read "Harley G. Lappin".

Harley G. Lappin
Director, Federal Bureau of Prisons

7/27/2009

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THE QUEEN CONTROLS YOUR SOCIAL SECURITY

Statutory Instrument 1997

Time in video 38:10

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The text of this Internet version of the Statutory Instrument has been prepared to reflect the text as it was made. The authoritative version is in printed form and is published by The Stationery Office Limited as **The Social Security (United States of America) Order 1997**, ISBN 0 11 0646983, £2.40 sterling. For details of how to obtain a printed copy see How to obtain The Stationery Office Limited titles.

----- STATUTORY INSTRUMENTS -----

1997 No. 1778

SOCIAL SECURITY

The Social Security (United States of America) Order 1997

Made 22nd July 1997

Coming into 1st September force 1997

At the Court at Buckingham Palace, the 22nd day of July 1997

Present, The Queen's Most Excellent Majesty in Council

Whereas at London on the 13th February 1984 an Agreement on social security between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America (hereinafter referred to as "the Agreement") and an Administrative Agreement for the implementation of the Agreement (hereinafter referred to as "the Administrative Agreement")[1] were signed on behalf of those Governments and effect was given to the Agreement by the Social Security (United States of America) Order 1984 (hereinafter referred to as "the Principal Order")[2]:

And Whereas at London on 6th June 1996 a Supplementary Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America (which Supplementary Agreement is set out in Schedule 1 to this Order and is hereinafter referred to as "the Supplementary Agreement") amending the Agreement and a Supplementary Administrative Agreement amending the Administrative Agreement (which Supplementary Administrative Agreement is set out in Schedule 2 to this Order and is hereinafter referred to as "the Supplementary Administrative Agreement")[3] were signed on behalf of those Governments:

And Whereas by Article 3 of the Supplementary Agreement it is provided that the Supplementary Agreement shall enter into force on the first day of the third month following the month in which each Government has received from the other Government written notification that all statutory and

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constitutional requirements have been complied with for entry into force of the Supplementary Agreement:

And Whereas by Article 2 of the Supplementary Administrative Agreement it is provided that the Supplementary Administrative Agreement shall enter into force on the date of entry into force of the Supplementary Agreement:

And whereas written notification in accordance with Article 3 of the Supplementary Agreement was received by each Government on 20th June 1997 and accordingly the Supplementary Agreement and the Supplementary Administrative Agreement enter into force on the 1st September 1997:

And Whereas by section 179(1) (a) and (2) of the Social Security Administration Act 1992[4] it is provided that Her Majesty may by Order in Council make provision for modifying or adapting that Act and the Social Security Contributions and Benefits Act 1992[5] in their application to cases affected by agreements with other Governments providing for reciprocity in matters specified in the said section:

Now, therefore, Her Majesty, in pursuance of section 179(1)(a) and (2) of the Social Security Administration Act 1992 and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows: -

Citation and commencement

1. This Order may be cited as the Social Security (United States of America) Order 1997 and shall come into force on 1st September 1997.

Modification of the Social Security Administration Act 1992 and the Social Security Contributions and Benefits Act 1992 and amendment of the Principal Order

2. The Social Security Administration Act 1992 and the Social Security Contributions and Benefits Act 1992 shall be modified and the Principal Order shall be amended so as to give effect to the Agreement as modified by the Supplementary Agreement set out in Schedule 1 to this Order and to the Administrative Agreement as modified by the Supplementary Administrative Agreement set out in Schedule 2 to this Order, so far as the same relate to England, Wales and Scotland.

Amendment of Order

3. The reference to the Social Security (United States of America) Order 1984 shall be omitted in the Schedule to the Social Security (Reciprocal Agreements) Order 1988[6] and in Schedules 2 and 3 to the Social Security (Reciprocal Agreements) Order 1995[7].

THE VATICAN OWNS IT ALL

Papal Decree 1213

Time in video 39.00

Pope Innocent III placed the kingdom of England under an interdict for five years between 1208 and 1213 after King John (King of England, reigned from 6 April 1199 until his death) refused to accept the pope's appointee Stephen Langton as Archbishop of Canterbury. In November 1209, King John was excommunicated, and in February 1213, Innocent III threatened stronger measures unless King John submitted. The papal terms for submission were accepted in the presence of the papal legate Pandulph in May 1213; in addition, John offered to surrender the Kingdom of England to God and the Saints Peter and Paul for a feudal service of 1,000 marks annually, 700 for England and 300 for Ireland.

King John's 'Act of Vassalage' to the Pope. May 15, 1213, surrounded by Bishops, Barons, Knights and various Nobles of the Realm, King John took an oath of fealty to the Pope on his knees before Pandulph. The occasion was the surrender of the Crown to the Pope. King John then made his submission, in the House of the Knights Templar.

“On April 21, 1214, the Pope, in Rome, formally accepted King John’s surrender of his kingdoms and his pledge of vassal (together with the moneys paid in tribute); and three months later, in July 1214, Pope Innocent III raised the interdict against the English. Thus the Pope assured the English of ‘access to Heaven,’ from which they had been ‘barred’ by their king’s opposition to the Church Nazarene, or Communist, totalitarianism and denial of civil rights to mankind”.

SOURCE: British Museum Publication G.R.C. Davis, entitled Magna Carta(211). And American Counsel of Christian Laymen: How Red is the Federal Counsel of Churches

Charter of Submission from the King of England, 1213

John, by the grace of God king of England, lord of Ireland, Duke of Normandy

"By this charter attested by our golden seal we wish it to be known to you all that...we offer and freely yield to God and to SS Peter and Paul...and to the Holy Roman Church our mother, and to our lord Pope Innocent III and his Catholic successors, the whole kingdom of England and the whole kingdom of Ireland with all their rights and appurtenances for the remission of our sins and the sins of our whole family.... And now, receiving back these kingdoms from God and the Roman Church, and holding them as a feudatory vassal...we have pledged and sworn our fealty henceforth to our lord aforesaid, Pope Innocent III...and we bind in perpetuity our successors and legitimate heirs that without question they must similarly render fealty and acknowledge homage to the Supreme Pontiff holding office at the time...

...in lieu of all service and payment which we should render for them [the fiefs], the Roman Church is to receive annually...one thousand marks sterling...."

The Pope can abolish any law in the United States. Elements of Ecclesiastical Law Vol. 1, 53-54

The Pope claims to own the entire planet through the laws of Conquest and Discovery. Papal Bulls of 1495 & 1493

The Pope has ordered the genocide and enslavement of Millions of people. Papal Bulls of 1455 & 1493

The Pope’s ‘Laws are obligatory on everyone. Bened. XIV., De Syn. Dioec. lib. ix, c. vii., n.4. Prati, 1844 Syllabus prop 28, 29, 44

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THE NATIONAL LAWYERS GUILD

The Legal Bulwark of the Communist Part

House Report 3123, 1950

Time in video 42.00

Union Calendar No. 1078

81st Congress, 2d Session

House Report No. 3123

REPORT ON THE NATIONAL LAWYERS GUILD

Legal Bulwark of the Communist Party



SEPTEMBER 17, 1950
(Original release date)

September 21, 1950.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed

Prepared and Released by the
COMMITTEE ON UN-AMERICAN ACTIVITIES, U. S. HOUSE OF REPRESENTATIVES
WASHINGTON, D. C.

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THE NATIONAL LAWYERS GUILD
The Legal Bulwark of the Communist Part
House Report 3123, 1950

Time in video 42.00

Union Calendar No. 1078

81st CONGRESS } HOUSE OF REPRESENTATIVES } REPORT
2d Session } } No. 3123

**REPORT ON THE NATIONAL LAWYERS GUILD—LEGAL
BULWARK OF THE COMMUNIST PARTY**

SEPTEMBER 21, 1950.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. Wood, from the Committee on Un-American Activities, submitted
the following

R E P O R T

[Pursuant to H. Res. 5, 79th Cong., 1st sess.]

The National Lawyers Guild is the foremost legal bulwark of the Communist Party, its front organizations, and controlled unions. Since its inception it has never failed to rally to the legal defense of the Communist Party and individual members thereof, including known espionage agents. It has consistently fought against national, State, and local legislation aimed at curbing the Communist conspiracy. It has been most articulate in its attacks upon all agencies of the Government seeking to expose or prosecute the subversive activities of the Communist network, including national, State, and local investigative committees, the Department of Justice, the FBI, and law enforcement agencies generally. Through its affiliation with the International Association of Democratic Lawyers, an international Communist-front organization, the National Lawyers Guild has constituted itself an agent of a foreign principal hostile to the interests of the United States. It has gone far afield to oppose the foreign policies of the United States, in line with the current line of the Soviet Union.

These aims—the real aims of the National Lawyers Guild, as demonstrated conclusively by its activities for the past 13 years of its existence—are not specified in its constitution or statement of avowed purpose. In order to attract non-Communists to serve as a cover for its actual purpose as an appendage to the Communist Party, the National Lawyers Guild poses benevolently as “a professional organization which shall function as an effective social force in the service of the people to the end that human rights shall be regarded as more sacred than property rights.” In the entire history of the guild there is no record of its ever having condemned such instances

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THE NATIONAL LAWYERS GUILD

The Legal Bulwark of the Communist Part

House Report 3123, 1950

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2

THE NATIONAL LAWYERS GUILD

of the violation of human rights as found in Soviet slave labor camps and in the series of Moscow trials, which shocked the civilized world.

The National Lawyers Guild was formally organized at a convention held in the Washington Hotel in Washington, D. C., on February 19-22, 1937. National headquarters were established in the Nation's Capital, where they remain today.

Communists publicly hailed the founding of the National Lawyers Guild. New Masses, a weekly publication of the Communist Party, featured an article entitled "Defense for the Counsel—The Need for the National Lawyers Guild" in its issue of June 14, 1938 (pp. 19-21). This article, written by Charles Recht, an attorney for the Soviet Government and a member of the guild, observed that—

With the growth of the American Labor Party in New York, and kindred progressive movements throughout the United States, the lawyers, who in many of the smaller communities are the nerve centers of political activities, will be an invaluable aid in galvanizing the latent liberal elements of the country into a political force. The National Lawyers Guild can and will form one of the most important adjuncts to a progressive movement representing the interests of the workers and farmers.

The International Labor Defense, which was cited by former Attorney General Francis Biddle as "the legal arm of the Communist Party," also enthusiastically welcomed the new front, the National Lawyers Guild. The ILD stated in its 1936-37 yearbook that—

The emergence of the National Lawyers Guild is regarded by the International Labor Defense as a heartening expression of the devotion of thousands of American attorneys to the American principle of democracy, and a concrete step on their part in the struggle to maintain and enlarge democratic rights (p. 64).

Earl Browder, testifying before the House Committee on Un-American Activities on September 6, 1939, in his capacity as general secretary of the Communist Party, admitted that the National Lawyers Guild was a Communist transmission belt.

This has been corroborated by Louis F. Budenz, former member of the National Committee of the Communist Party and one-time managing editor of its official newspaper, the Daily Worker. Testifying before the House Committee on Un-American Activities on April 3, 1946, Mr. Budenz described the National Lawyers Guild as a working ally of the Communist Party and stated that members of the guild would be under the influence of the party while "officers would be Communists or fellow travelers." Testifying again before the committee on July 20, 1948, Mr. Budenz said:

In the National Lawyers Guild there is a complete duplicate of the Communist Party's hopes and aspirations in that field, although there are a number of non-Communists in the National Lawyers Guild. In fact, some of their lawyers locally are not Communists, but they play the Communist game either wittingly or unwittingly.

INTERCEDES FOR INDIVIDUAL COMMUNISTS

The National Lawyers Guild, as an organization, has intervened in the major court cases which have involved individual Communist leaders or officials of Communist-front organizations or unions. In every instance, the guild has interceded on the Communist side.

The guild submitted a brief *amicus curiae* in the case of Robert Wood, an Oklahoma Communist official who was convicted of criminal syndicalism in that State in 1940. When, in the same year, avowed Communist Ben Gold and other leaders of the Communist-controlled

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GRACE COMMISSION REPORT

None of Your Income Taxes Goes To
Provide The Service You Expect

Time in video 48:20



THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

EMBARGOED FOR RELEASE
10 a.m., Thursday, January 12, 1984

CONTACTS:

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President's Private Sector Survey
On Cost Control
(202) 466-5170

Fred Bona
W. R. Grace & Co.
(212) 819-6000

PRESIDENT'S COST CONTROL COMMISSION DISCLOSES \$424 BILLION IN WASTE

WASHINGTON, January 12--Waste in the federal government amounts to at least \$424 billion over three years, disclosed businessman J. Peter Grace, chairman of the President's Private Sector Survey on Cost Control, a businessmen's study commission of efficiency in government.

"The 2,478 cost-cutting, revenue-enhancing recommendations we have made can be achieved without raising taxes, without weakening America's needed defense build-up and without in any way harming necessary social welfare programs," Mr. Grace will say in a report to President Reagan, when he formally presents the 656 page, two-volume report to the President at the White House on Monday, January 16th.

"Because we are starting from a deficit of \$195 billion," Mr. Grace will stress, "every dollar we can stop spending is a dollar that the government does not have to borrow."

Without implementing the savings of the Private Sector Survey recommendations, and assuming that outlays and revenues increase at rates comparable to the 1975 to 1983 experience, the deficit in year 2000 becomes about \$2 trillion. If the

(more)

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by mark allen wasmuth

GRACE COMMISSION REPORT

None of Your Income Taxes Goes To Provide The Service You Expect

Time in video 48:20

Importantly, any meaningful increases in taxes from personal income would have to come from lower and middle income families, as 90 percent 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 percent 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 seven days.

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

- o One-third of all their taxes is consumed by waste and inefficiency in the Federal Government as we identified in our survey.
- o Another one-third of all their taxes escapes collection from others as the underground economy blossoms in direct proportion to tax increases and places even more pressure on law abiding taxpayers, promoting still more underground economy -- a vicious circle that must be broken.
- o With two-thirds of everyone's personal income taxes wasted or not collected, 100 percent of what is collected is absorbed solely by interest on the Federal debt and by 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.

Our survey studied the small as well as the major items of cost savings, items of broad national impact as well as those of a more localized nature. I believe you will be interested in a few random examples of what we found:

- o In the Northwest, the Federal Power Marketing Administration is selling subsidized power at one-third of market rates. If the Federal power were priced at market, there would be a three-year

THE KISSINGER REPORT

NSSM 200

Time in video 50:35

National Security Study Memorandum

NSSM 200

Implications of Worldwide Population Growth
for U.S. Security and Overseas Interests
(*THE KISSINGER REPORT*)

December 10, 1974

CLASSIFIED BY Harry C. Blaney, III
SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE
OF EXECUTIVE ORDER 11652 AUTOMATICALLY DOWN-
GRADED AT TWO YEAR INTERVALS AND DECLASSIFIED
ON DECEMBER 31, 1980.

This document can only be declassified by the White House.

Declassified/Released on 7/3/89

under provisions of E.O. 12356

by F. Graboske, National Security Council

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Policy Recommendations

26. There is no single approach which will "solve" the population problem. The complex social and economic factors involved call for a comprehensive strategy with both bilateral and multilateral elements. At the same time actions and programs must be tailored to specific countries and groups. Above all, LDCs themselves must play the most important role to achieve success.

27. Coordination among the bilateral donors and multilateral organizations is vital to any effort to moderate population growth. Each kind of effort will be needed for worldwide results.

28. World policy and programs in the population field should incorporate two major objectives:

- (a) actions to accommodate continued population growth up to 6 billions by the mid-21st century without massive starvation or total frustration of developmental hopes; and
- (b) actions to keep the ultimate level as close as possible to 8 billions rather than permitting it to reach 10 billions, 13 billions, or more.

29. While specific goals in this area are difficult to state, our aim should be for the world to achieve a replacement level of fertility, (a two- child family on the average), by about the year 2000. This will require the present 2 percent growth rate to decline to 1.7 percent within a decade and to 1.1 percent by 2000 compared to the U.N medium projection, this goal would result in 500 million fewer people in 2000 and about 3 billion fewer in 2050. Attainment of this goal will require greatly intensified population programs. A basis for developing national population growth control targets to achieve this world target is contained in the World Population Plan of Action.

30. The World Population Plan of Action is not self-enforcing and will require vigorous efforts by interested countries, U.N. agencies and other international bodies to make it effective. U.S. leadership is essential. The strategy must include the following elements and actions:

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YOU CAN NOT BE FORCED TO PAY DEBT IN ANY TYPE OF CURRENCY

HJR 192

Time in video 58.00


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By virtue of the authority vested in me by the Archivist of the United States, I certify on his behalf,

Under the seal of the National Archives of the United States, that the attached reproduction(s) is a true and

reproduction of documents in his custody.



SIGNATURE	
<i>Cynthia G. Fox</i>	
NAME CYNTHIA G. FOX	DATE <i>Aug 3, 2008</i>
TITLE DEPUTY DIRECTOR, ARCHIVES TEXTUAL SERVICES DIV.	
NAME AND ADDRESS OF DEPOSITORY NATIONAL ARCHIVES AND RECORDS ADMINISTRATION 700 PENNSYLVANIA AVENUE, NW WASHINGTON, DC 20408	

NA FORM 14007 (10-86)

and are therefore subject to proper regulation and restriction; and areas the existing emergency has disclosed that provisions of obligations which purport to give the obligee a right to require payment in gold or a particular kind of coin or currency of the United States, or in an amount in money of the United States measured thereby, obstruct the power of the Congress to regulate the value of the money of the United States, and are inconsistent with the declared policy of the Congress to maintain at all times the equal power of every dollar, coined and issued by the United States, in the markets and in the payment of debts. Now, therefore, be it

Resolved, That the Senate and House of Representatives of the United States of America in Congress assembled, (a) every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold or a particular kind of coin or currency, or in an amount in money of the United States measured thereby, is declared to be against public policy; and no such provision shall be contained in or made with respect to any obligation hereafter incurred. Every obligation, heretofore or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts. Any such provision contained in any law authorizing obligations to be issued by or under authority of the United States, is hereby repealed, but the repeal of any such provision shall not invalidate any other provision or authority contained in such law.

(b) As used in this resolution, the term "obligation" means an obligation (including every obligation of and to the United States, excepting currency) payable in money of the United States; and the term "coin or currency" means coin or currency of the United

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H. J. Res. 192

(PUBLIC RESOLUTION No. 10 73d CONGRESS)

Seventy-third Congress of the United States of America;

At the First Session,

Begun and held at the City of Washington on Thursday, the ninth day of March, one thousand nine hundred and thirty-three.

JOINT RESOLUTION

To assure uniform value to the coins and currencies of the United States.

Whereas the holding of or dealing in gold affect the public interest, and are therefore subject to proper regulation and restriction; and Whereas the existing emergency has disclosed that provisions of obligations which purport to give the obligee a right to require payment in gold or a particular kind of coin or currency of the United States, or in an amount in money of the United States measured thereby, obstruct the power of the Congress to regulate the value of the money of the United States, and are inconsistent with the declared policy of the Congress to maintain at all times the equal power of every dollar, coined or issued by the United States, in the markets and in the payment of debts. Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold or a particular kind of coin or currency, or in an amount in money of the United States measured thereby, is declared to be against public policy; and no such provision shall be contained in or made with respect to any obligation hereafter incurred. Every obligation, heretofore or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts. Any such provision contained in any law authorizing obligations to be issued by or under authority of the United States, is hereby repealed, but the repeal of any such provision shall not invalidate any other provision or authority contained in such law.

(b) As used in this resolution, the term "obligation" means an obligation (including every obligation of and to the United States, excepting currency) payable in money of the United States; and the term "coin or currency" means coin or currency of the United

H. J. Res 192—2

States, including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations.

SEC. 2. The last sentence of paragraph (1) of subsection (b) of section 43 of the Act entitled "An Act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933, is amended to read as follows:

"All coins and currencies of the United States (including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations) heretofore or hereafter coined or issued, shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, except that gold coins, when below the standard weight and limit of tolerance provided by law for the single piece, shall be legal tender only at valuation in proportion to their actual weight."

Approved

4.40 p.m.

June 5 1933

Franklin D. Roosevelt

Ray I. Avery
Speaker of the House of Representatives.

John N. Garner

Vice President of the United States and
President of the Senate.

ARTICLE VI
SUFFRAGE AND ELIGIBILITY TO OFFICE

Sec. 7. Oath.

Before entering upon the duties of an office, a person elected or appointed to the office shall take and subscribe the following oath:

"I, _____, do solemnly swear (or affirm) that I will support and maintain the Constitution and laws of the United States, and the Constitution and laws of North Carolina not inconsistent therewith, and that I will faithfully discharge the duties of my office as _____, so help me God."

North Carolina General Statutes

§ 105-357. Payment of taxes.

(a) **Medium of Payment.** – Taxes shall be payable in existing national currency. Deeds to real property, notes of the taxpayer or others, bonds or notes of the taxing unit, and payments in kind shall not be accepted in payment of taxes. A taxing unit may not permit the payment of taxes by offset of any bill, claim, judgment, or other obligation owed to the taxpayer by the taxing unit. The prohibition against payment of taxes by offset does not apply to offset of an obligation arising from a lease or another contract entered into between the taxpayer and the taxing unit before July 1 of the fiscal year for which the unpaid taxes were levied.

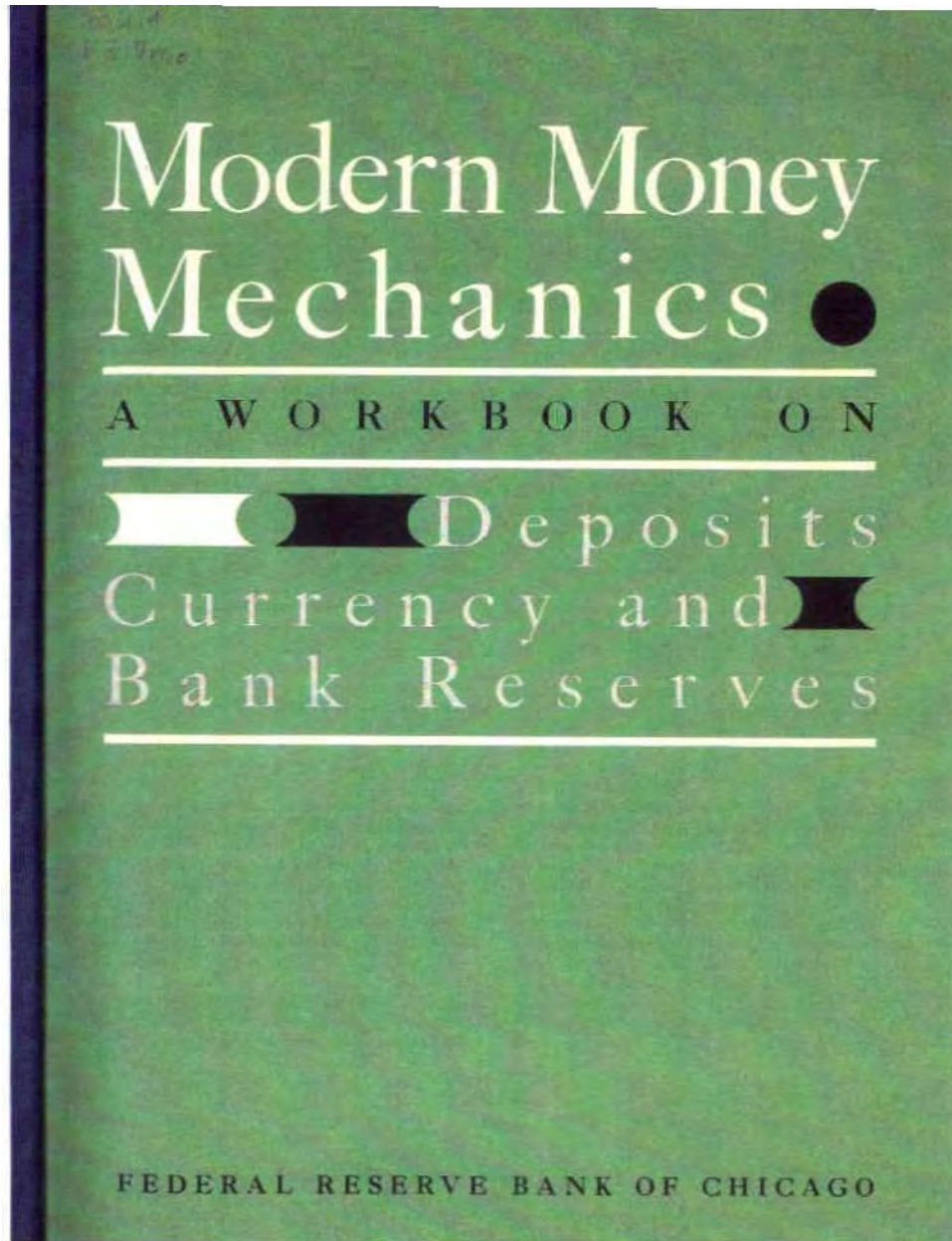
MODERN MONEY MECHANICS

By the FEDERAL RESERVE BANK OF CHICAGO
(1961)

1. page 3 states:
 - 1) *The actual process of money creation takes place primarily in banks.*
 - 2) *They are book entries which result from the crediting of deposits of currency and checks and the proceeds of loans and investments to customers accounts.*
 - 3) *Banks can build up deposits by increasing loans and investment...*
2. page 4 states:
 - 4) *...bankers discovered that they could make loans merely by giving borrowers their promises to pay (bank notes). In this way banks began to create money.*
3. page 6 states:
 - 5) *Of course, they do not really make loans out of money they receive as deposits. If they did this, they would be acting just like financial intermediaries and no additional money would be created.*
 - 6) *What they do when they make loans is to accept promissory notes in exchange for credits they make to the borrowers' deposit accounts'*
4. page 7 states:
 - 7) *(3) Expansion takes place only if the banks which hold these excess reserves increase their loans or investments. Loans are made by crediting the borrower's deposit account i.e., by creating additional deposit money.*
5. page 8 states:
 - 8) *The lending banks, however, do not expect to retain the deposits they created through their loan operations.*
 - 9) *...loan-created deposits may be transferred to other banks, but they remain somewhere in the banking system.*
 - 10) *Any deposit he receives is new Money to him, regardless of its ultimate source.*
 - 11) *Deposits expansion can proceed from investments as well as loans.*
6. page 11 shows a chart and states:
 - 12) *Thus through stage after stage of expansion "money can grow to a total of $6 \frac{2}{3}$ times the new reserves supplied to the banking system...*
 - 13) *.... As the new deposits created by loans at each state are added to those created at all earlier stages and those supplied by the initial reserve-creating action.*
7. Page 26 states:
 - 14) *These new loans add to banks deposits.*

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MODERN MONEY MECHANICS

By the FEDERAL RESERVE BANK OF CHICAGO

(1961)

Modern Money Mechanics

Money is such a routine part of everyday living that its creation and acceptance are ordinarily taken for granted. Although a user may, upon reflection, sense that money must come into being automatically as a result of economic activity or, perhaps, as an outgrowth of some Government operation, just how this happens all too often remains a mystery.

This workbook is designed to help provide an understanding of the mechanics of money creation. While the process is not a simple one, it is hoped that the careful reader will gain a clearer picture of the fundamental nature of money and how the money system in the United States works.

What is money?

If money is viewed simply as a tool used to facilitate transactions, only those media that are readily accepted in exchange for goods, services and other assets need to be considered. Many things—from stones to cigarettes—have served this monetary function through the ages. Today, in the United States, there are only two kinds of money in use in significant amounts—**currency** (paper money and coins in the pockets and purses of the public) and **demand deposits** (checking accounts in commercial banks).

The amount of currency in use at any time depends solely on the public's preferences. Since

currency and demand deposits are freely convertible into each other at the option of the holder, both are money to an equal degree. However, for specific transactions, one form may be more convenient than the other. When a depositor "cashes" a check, he reduces the amount of deposits and increases the amount of currency in circulation. Conversely, when more currency is in circulation than is needed, some is returned to the banks in exchange for deposits. Currency held in bank vaults is not a part of the money supply available for spending by the nonbank public.

While currency is used for a great variety of small transactions, most of the dollar volume of money payments in our economy is made by check. Eighty per cent, or \$112 billion, of the \$140 billion total money supply at the beginning of 1961 was in the form of demand deposits.

What makes money valuable?

Neither paper currency nor deposits have value as a commodity. Intrinsically, a dollar bill is just a piece of paper. Deposits are merely book entries. Coins do have some intrinsic value as metal, but considerably less than their face amount.

What, then, makes these instruments—checks, paper money and coins—acceptable at face value in payment of all debts and for other

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monetary uses? Mainly, it is the confidence people have that they will be able to exchange such money for real goods and services whenever they choose to do so. This is partly a matter of law; currency has been designated "legal tender" by the Government. Paper currency is a liability of the Government, and demand deposits are liabilities of the commercial banks which stand ready to convert such deposits into currency or transfer their ownership at the request of depositors. Confidence in these forms of money seems also to be tied in some way to the fact that there are assets on the books of the Government and the banks equal to the amount of money outstanding, even though most of these assets themselves are no more than pieces of paper (such as customers' promissory notes) and it is well understood that money is not redeemable in them.

But the real source of money's value is neither its commodity content nor what people think stands behind it. Commodities or services are more or less valuable because there are more or less of them relative to the amounts people want. Money, like anything else, derives its value from its scarcity in relation to its usefulness. Money's usefulness is its unique ability to command other goods and services and to permit a holder to be constantly ready to do so. How much is needed depends on the total volume of transactions in the economy at any given time and the amount of money individuals and businesses want to keep on hand to take care of unexpected or future transactions.

In order to keep the value of money stable, it is essential that the quantity be controlled. Money's value can be measured only in terms of what it will buy. Therefore, changes in its value vary inversely with the general level of prices. If the volume of money rises faster (assuming a constant rate of use) than the production of real goods and services grows under the limitations of time and physical facilities, prices will rise because there is more money per unit of goods. Such a development would reduce the

value of money even though the monetary unit were backed by and redeemable in the soundest assets imaginable. But if, on the other hand, growth in the supply of money does not keep pace with the economy's current production, either prices will fall or, more likely, some resources and production facilities will be less than fully employed.

Just how large the stock of money needs to be in order to handle the work of the economy without exerting undue influence on the price level depends on how intensively the supply is being used. All demand deposits and currency are a part of somebody's spendable funds at any given time, moving from one owner to another as transactions take place. Some holders spend money quickly after they get it, making these dollars available for other uses. Others, however, hold dollars for longer periods. Obviously, when dollars move into hands where they do little or no work more of them are needed to accomplish any given volume of transactions.

Who is responsible for the creation of money?

Changes in the quantity of money may originate with actions of the Federal Reserve System (the central bank), the commercial banks or the public, but the major control rests with the central bank.

The actual process of money creation takes place in the commercial banks. As noted earlier, the demand liabilities of commercial banks are money. They are book entries which result from the crediting of deposits of currency and checks and the proceeds of loans and investments to customers' accounts. Banks can build up deposits by increasing loans and investments so long as they keep enough currency on hand to redeem whatever amounts the holders of deposits want to convert into currency.

This unique attribute of the banking business was discovered several centuries ago. At one

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time bankers were merely middlemen. They made a profit by accepting gold and coins brought to them for safekeeping and lending them to borrowers. But they soon found that the receipts they issued to depositors were being used as a means of payment. These receipts were acceptable as money since whoever held them could go to the banker and exchange them for metallic money.

Then, bankers discovered that they could make loans merely by giving borrowers their promises to pay (bank notes). In this way banks began to create money. More notes could be issued than the gold and coin on hand because only a portion of the notes outstanding would be presented for payment at any one time. Enough metallic money had to be kept on hand, of course, to redeem whatever volume of notes was presented for payment.

Deposits are the modern counterpart of bank notes. It was a small step from printing notes to making book entries to the credit of borrowers which could be spent by the use of checks.

What limits the amount of money banks can create?

If deposit money can be created so easily, what is to prevent banks from making too much, i.e., more than is needed to handle the volume of transactions resulting from optimum use of the nation's productive resources at stable prices? Like its predecessor, the modern bank must keep a considerable amount of currency (or balances with the central bank) on hand. It must be prepared to convert deposit money into currency for those depositors who request currency. It must make remittance on checks written by depositors and presented for payment by other banks (settle adverse clearings). Finally, a member bank* must maintain legal reserves equal to some prescribed percentage of deposits.

How do operating needs and legal requirements affect the amount of deposits that the commercial banking system can create? The public's demand for currency varies greatly, but generally follows a seasonal pattern which is quite predictable. The effects of these swings are usually offset by central bank action and are thus prevented from causing large temporary fluctuations in the quantity of money. Moreover, for all banks taken together, there is no net drain of funds through clearings. A check drawn on one bank will normally be deposited to the credit of another account in the same or another bank. The main factor, therefore, which limits the ability of the banking system to increase demand deposits by expanding loans and investments is the reserves that banks must hold against deposits.

Growth of deposits can continue only to the point where existing reserves are just sufficient to satisfy legal requirements. If reserves of 20 per cent are required, for example, total deposits can expand only until they are five times as large as reserves. Ten million dollars of "excess" reserves, i.e., reserves in excess of the 20 per cent requirement, could support up to \$50 million of additional deposits. The lower the percentage requirement, the greater the expansion power of each reserve dollar. It is this "fractional-reserve system" that sets the potentials and the limits to money creation.

What are bank reserves?

Currency held in member bank vaults may be counted as legal reserves. The major part of member bank reserves, however, is in the form of deposits (reserve balances) at the Federal Reserve Banks. A bank can always obtain re-

*Throughout this booklet, for reasons of simplicity, all commercial banks are assumed to be members of the Federal Reserve System.

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Let us assume that expansion in the money supply is desired. One way the central bank can initiate such an expansion is through purchases of securities in the open market, thus adding to the reserves of member banks. Such purchases (and sales) are called "open market operations."

How do open market purchases add to bank reserves and deposits? The Federal Reserve System, through its New York office, buys \$1,000,000 of Treasury bills from a Government securities dealer in New York. The Federal Reserve Bank pays for the securities with a check issued on itself (and signed by one of its officers). The dealer deposits this check in his account with a commercial bank (Bank A) which sends it for collection and immediate credit to its reserve account at the Federal Reserve Bank of New York. The Federal Reserve System has added \$1,000,000 of securities to its assets which it has paid for in effect by creating member bank reserves. On the commercial bank's books these reserves are matched by \$1,000,000 of additional demand deposits (money) which did not exist before. [See illustration (1).]

How the multiple expansion process works

If the process ended here, there would be no "multiple" expansion, i.e., deposits and bank reserves have changed by the same amount. However, member banks are required to maintain reserves equal to only a fraction of their deposits. Reserves in excess of this amount may be used to increase earning assets—loans and investments. Under current regulations, banks in large cities are required to have a higher percentage of reserves against demand deposits than are banks in smaller communities, but the average for all member banks is about 15 per cent. Assuming, for simplicity, a uniform 15 per cent reserve ratio and further assuming that all commercial banks attempt to remain fully invested, we can now trace the process of expansion in demand deposits which can take place on the basis of the additional reserves provided as a result of the Federal

Reserve System's purchase of securities.

The expansion process may or may not begin with Bank A, depending on what the dealer does with the money he received from the sale of securities. If he immediately writes checks for \$1,000,000 and all of them are deposited in other banks, Bank A loses both deposits and reserves and shows no net change as a result of the System's open market purchase. However, other banks have received them. Most likely, part of the deposits will remain with Bank A and a part will be shifted to a number of other banks as the dealer's checks clear.

It does not really matter where this money is at any given time. The important fact is that these deposits do not disappear. They are in some deposit accounts at all times. All banks together have \$1,000,000 of deposits and reserves that they did not have before. However, they are not required to keep \$1,000,000 of reserves against the \$1,000,000 of deposits. All they need to retain, under a 15 per cent reserve requirement, is \$150,000. The remainder, \$850,000, is "excess reserves." This amount can be loaned or invested. [See illustration (2).]

If business is active, these banks will probably have opportunities to loan the \$850,000. Of course, they do not really make loans out of the money they receive as deposits. If they did this, they would be acting just like financial intermediaries and no additional money would be created. What they do when they make loans is to accept promissory notes in exchange for credits they make to the borrowers' deposit accounts. Loans (assets) and deposits (liabilities) both rise by \$850,000. Reserves are unchanged by the loan transactions. But the deposit credits constitute new additions to the total deposits of the banking system. [See illustration (3).]

This is the beginning of the deposit expansion process. In the first stage of the process total loans and deposits of the commercial banks rise by an amount equal to the excess reserves existing before any loans were made

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(1961)

Deposit Expansion

The amounts in the following illustrations are in thousands of dollars.

- (1) When the Federal Reserve Bank purchases Government securities, the reserve deposit of a member bank is credited. This happens because the seller of the securities deposits the check he receives in payment in his bank (Bank A), and the bank forwards this check to its Reserve Bank for credit to its reserve account.

FEDERAL RESERVE BANK		COMMERCIAL BANK A	
ASSETS	LIABILITIES	ASSETS	LIABILITIES
U. S. Government securities +1,000	Member bank reserve deposits: Bank A +1,000	Reserves with F. R. Bank +1,000	Customer deposit +1,000

This "customer" deposit is likely to be transferred in part to other banks and quickly loses its identity amid the huge inter-bank flow of deposits.

- (2) Some banks now have "excess" reserves on the basis of which deposit expansion can take place.

Total reserves gained from new deposits.....	1,000
Required against new deposits (at 15%).....	150
Excess reserves	850

Expansion—Stage 1

- (3) Expansion takes place only if the banks which hold these excess reserves increase their loans or investments. Loans are made by crediting the borrower's deposit account, i.e., by creating additional deposit money.

STAGE 1 BANKS	
ASSETS	LIABILITIES
Loans +850	Borrower deposits +850

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By the FEDERAL RESERVE BANK OF CHICAGO

(1961)

At the end of Stage 1 deposits have risen by \$850,000, in addition to the original \$1,000,000 provided by the Federal Reserve's action, and \$127,500 (15% of \$850,000) of excess reserves have been absorbed by this additional deposit growth. [See illustration (4).]

The lending banks, however, do not expect to retain the deposits they created through their loan operations. Borrowers write checks which will probably be deposited in other banks. As these are cleared the Federal Reserve Banks debit the reserve accounts of the paying banks (Stage 1 banks) and credit those of the receiving banks. [See illustration (5).]

Whether Stage 1 banks actually do lose the deposits to other banks or whether any or all of the borrowers' checks are redeposited in these same banks makes no difference in the expansion process. Because the lending banks expect to lose these deposits and an equal amount of reserves they are not likely to lend more than their excess reserves. Like the original \$1,000,000 deposit, the loan-created deposits may be transferred to other banks, but they remain somewhere in the banking system. Whichever banks hold them also have equal amounts of reserves, of which all except 15 per cent will be "excess."

Assuming that the banks holding the \$850,000 of deposits created in Stage 1 in turn make loans equal to their excess reserves, then loans and deposits will rise by a further \$722,500 in the second stage of expansion. This process can continue until deposits have risen to the point where all the reserves provided by the purchase of Government securities by the Federal Reserve System are just sufficient to satisfy reserve requirements against those deposits. [See pages 10 and 11.]

An individual banker, of course, is not concerned as to the stages of expansion in which he may be participating. In his operations he is constantly experiencing inflows and outflows of deposits. Any deposit he receives is new money to him, regardless of its ultimate source,

and investments equal to whatever reserves he has in excess of his legal requirements, he will be carrying on the expansion process.

How much can deposits expand in the banking system?

* The total amount of expansion that can take place is illustrated on page 11. Carried through to theoretical limits, the initial \$1,000,000 of reserves is distributed throughout the banking system, gives rise to an expansion of \$5,666,667 of commercial bank credit (loans and investments) and supports a total of \$6,666,667 of deposits under a 15 per cent reserve requirement. The expansion factor for a given amount of excess reserves is thus the reciprocal of the required reserve percentage ($1/15\% = 6\frac{2}{3}$).

Although an individual bank can expand its loans only by the amount of its excess reserves, commercial banks as a group can expand credit by a multiple of any addition to their reserves. This is because the banks as a group are like one large bank in which checks drawn against borrowers' deposits result in credits to accounts of other depositors, with no net change in total deposits or reserves.

Expansion through bank investments

Deposit expansion can proceed from investments as well as loans. Suppose that the demand for loans at some Stage 1 banks is slack. These banks would then probably purchase securities. If the sellers of the securities are customers, the banks would make payment by crediting the customers' demand deposits; deposit liabilities would rise just as they did when loans were made. More likely, these banks would purchase the securities through dealers, paying for them with checks on themselves or on their reserve accounts. These checks would be deposited in the sellers' banks. In either case, the net effects on the banking system are identical with those resulting from the loan operations described above.

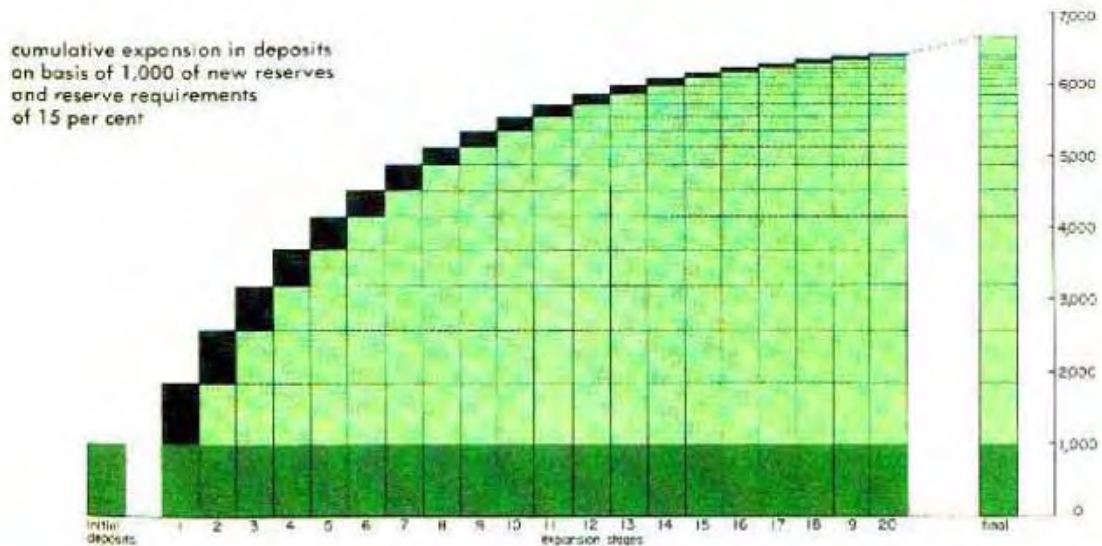
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Thus through stage after stage of expansion, "money" can grow to a total of 6 2/3 times the new reserves supplied to the commercial banking system . . .

	Assets			Liabilities	
	Total	Reserves (Required)	(Excess)	Loans and investments	Demand deposits
Initial reserves provided . . .	1,000	150	850	...	1,000
Expansion — Stage 1	1,000	278	722	850	1,850
Stage 2	1,000	366	614	1,572	2,572
Stage 3	1,000	478	522	2,186	3,186
Stage 4	1,000	556	444	2,708	3,708
Stage 5	1,000	623	377	3,152	4,152
Stage 6	1,000	680	320	3,529	4,529
Stage 7	1,000	728	272	3,849	4,849
Stage 8	1,000	767	231	4,121	5,121
Stage 9	1,000	801	197	4,352	5,352
Stage 10	1,000	833	167	4,549	5,549
...
Stage 20	1,000	961	39	5,448	6,448
...
Final stage	1,000	1,000	0	5,667	6,667

... as the new deposits created by loans at each stage are added to those created at all earlier stages and those supplied by the initial reserve-creating action.



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When a member bank borrows from its Federal Reserve Bank it borrows reserves. The acquisition of reserves in this manner differs in an important way from the cases already illustrated. Banks normally borrow only to make up reserve deficiencies, not to obtain excess reserves. Borrowed reserves, therefore, are reserves on which expansion has already taken place. How can this happen?

In their efforts to accommodate customers as well as to keep fully invested, banks sometimes make loans in anticipation of deposit inflows that fail to materialize or do so less rapidly than expected. These new loans add to bank deposits but not to bank reserves. Unless excess reserves can be tapped, there will not be enough reserves to meet the reserve requirements against the new deposits. Likewise, individual banks may incur deficiencies through unexpected deposit outflows and corresponding losses of reserves through clearings. Other banks receive these deposits and can increase their loans accordingly, but the banks that lost them may not be able to reduce outstanding loans or investments in order to restore their reserves to required levels. In either case, a member bank may borrow reserves temporarily from its Reserve Bank.

Suppose a customer of Bank A wants to borrow \$100. On the basis of the management's judgment that the bank's reserves will rise sufficiently to provide the necessary funds, the customer is accommodated. The loan is made by debiting "loans" and crediting the customer's deposit account. Now Bank A's deposits are increased by \$100. But, if reserves have not risen as expected, Bank A will have a \$15 reserve deficiency, assuming requirements of 15 per cent [see illustration (1)]. It borrows that amount from its Federal Reserve Bank which makes a loan by giving the borrowing bank credit in its reserve account and debiting "discounts and advances." The member bank gains reserves and a corresponding liability, "bills payable" [see illustration (2)]. Since only enough reserves were borrowed to support deposits already in existence, no further expansion on these reserves is possible.

Federal Reserve loans to member banks are extended mainly to cover emergency-type needs. Borrowed reserves must, therefore, be repaid within a relatively short period of time. Even in periods when the total volume of member bank borrowing is rising, some individual banks are repaying debt while others are borrowing.

To repay borrowing, a bank must have gained reserves through either deposit growth or asset liquidation [see illustration (3)]. A bank makes payment by authorizing a debit to its reserve account at the Federal Reserve Bank. Repayment of borrowing, therefore, reduces both reserves and "bills payable" [see illustration (4)].

The adjustments made by some banks to get out of debt, such as sales of securities, tend to transfer reserve shortages to other banks and may force them to borrow, especially in periods of heavy credit demands. In the aggregate, borrowing usually increases in periods of rising business activity when the public's demands for credit are rising more rapidly than reserves are being provided by the System in other ways.

Discount policy is a tool of monetary control

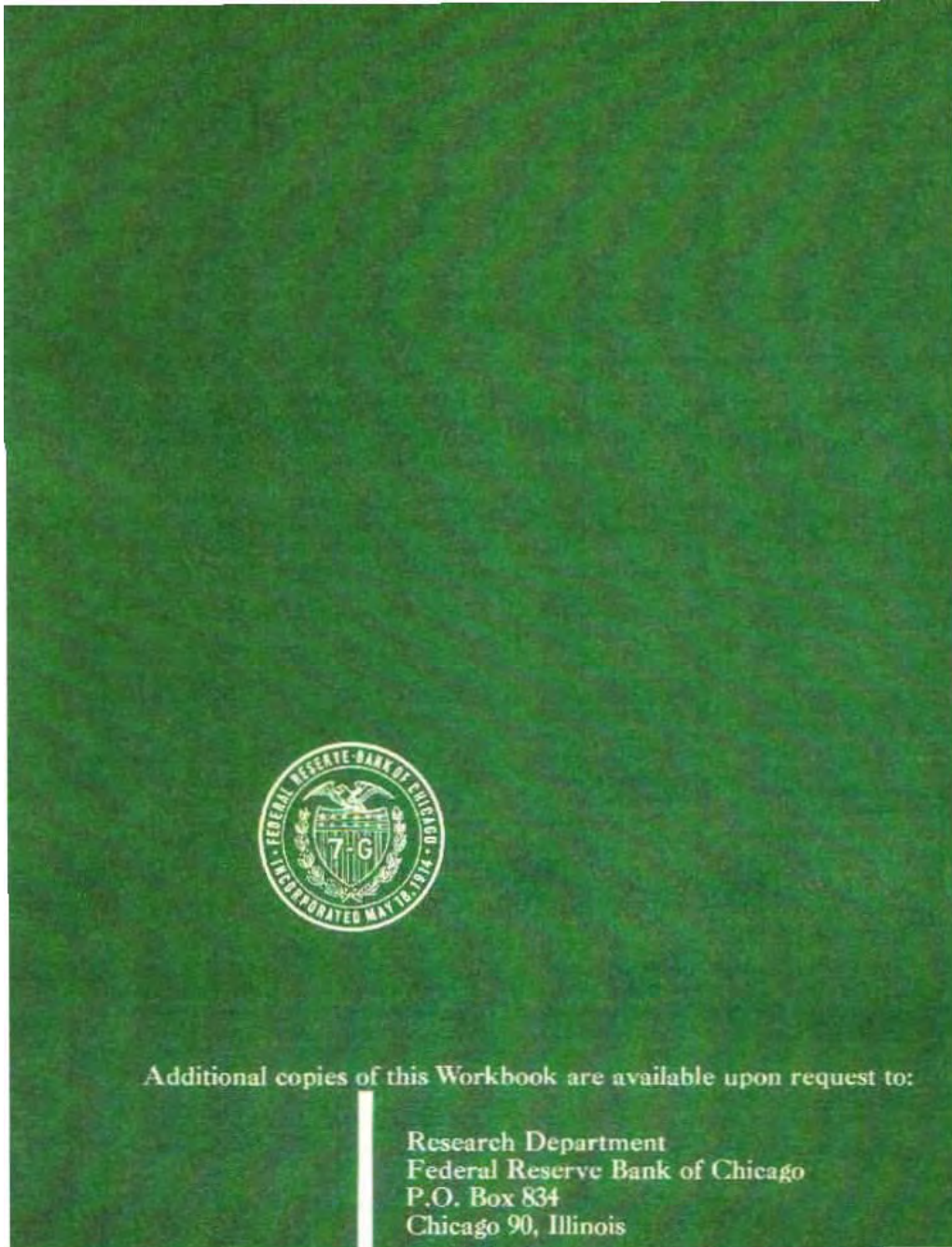
Although reserve expansion through borrowing is initiated by member banks, the amount of reserves that banks can acquire in this way is limited by Federal Reserve discount administration and by control of the rate charged banks on these loans—the discount rate. Loans are made only for approved purposes, and borrowing for extended periods is discouraged. A higher discount rate tends to restrain borrowing by increasing its cost.

Discounting is an important adjunct to the other Federal Reserve tools of control. While the privilege of borrowing offers a "safety valve" to relieve temporarily severe strains on the reserve positions of individual banks, there is a strong incentive to repay borrowing before adding further to loans and investments.

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8. page 8 states:

- 1) *The total amount of expansion that can take place is illustrated on page 11. Carried through to theoretical limits, the initial \$10,000 of reserves distributed within the banking system gives rise to an expansion of \$90,000 in bank credit (loans and investments) and supports a total of \$100,000 in new*

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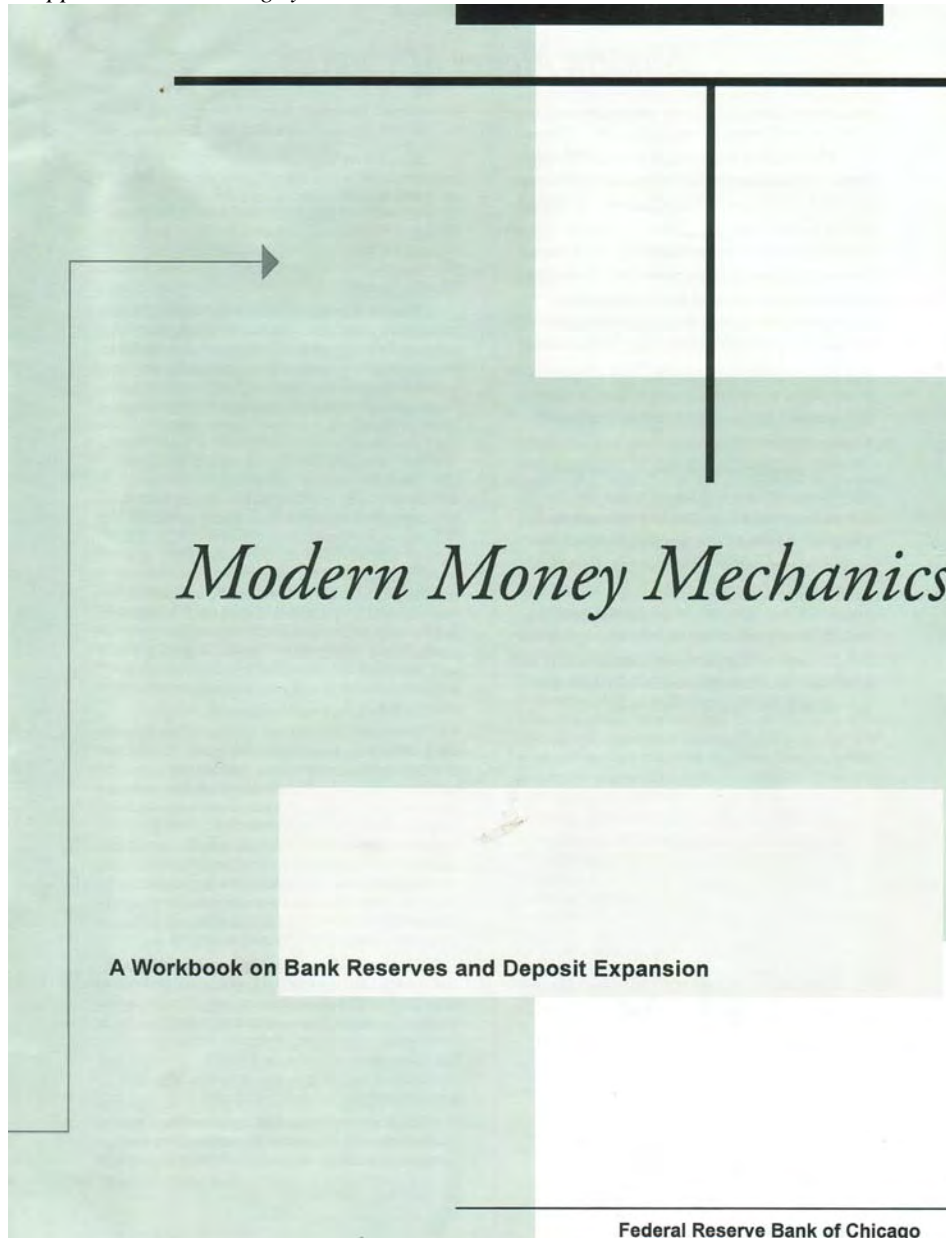
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deposits under a 10 percent reserve requirement. The deposit expansion factor for a given amount of new reserves is thus the reciprocal of the required reserve percentage ($1/.10 = 10$).

9. page 11 states

- 1) *Thus through stage after stage of expansion "money can grow to a total of 10 times the new reserves supplied to the banking system..."*



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transfer between deposit accounts. Moreover, currency is a relatively small part of the money stock. About 69 percent, or \$623 billion, of the \$898 billion total money stock in December 1991, was in the form of transaction deposits, of which \$290 billion were demand and \$333 billion were other checkable deposits.

What Makes Money Valuable?

In the United States neither paper currency nor deposits have value as commodities. Intrinsically, a dollar bill is just a piece of paper, deposits merely book entries. Coins do have some intrinsic value as metal, but generally far less than their face value.

What, then, makes these instruments — checks, paper money, and coins — acceptable at face value in payment of all debts and for other monetary uses? Mainly, it is the confidence people have that they will be able to exchange such money for other financial assets and for real goods and services whenever they choose to do so.

Money, like anything else, derives its value from its scarcity in relation to its usefulness. Commodities or services are more or less valuable because there are more or less of them relative to the amounts people want. Money's usefulness is its unique ability to command other goods and services and to permit a holder to be constantly ready to do so. How much money is demanded depends on several factors, such as the total volume of transactions in the economy at any given time, the payments habits of the society, the amount of money that individuals and businesses want to keep on hand to take care of unexpected transactions, and the foregone earnings of holding financial assets in the form of money rather than some other asset.

Control of the *quantity* of money is essential if its value is to be kept stable. Money's real value can be measured only in terms of what it will buy. Therefore, its value varies inversely with the general level of prices. Assuming a constant rate of use, if the volume of money grows more rapidly than the rate at which the output of real goods and services increases, prices will rise. This will happen because there will be more money than there will be goods and services to spend it on at prevailing prices. But if, on the other hand, growth in the supply of money does not keep pace with the economy's current production, then prices will fall, the nation's labor force, factories, and other production facilities will not be fully employed, or both.

Just how large the stock of money needs to be in order to handle the transactions of the economy without exerting undue influence on the price level depends on how intensively money is being used. Every transaction deposit balance and every dollar bill is a part of somebody's spendable funds at any given time, ready to move to other owners as transactions take place. Some holders spend money quickly after they get it, making these funds available for other uses. Others, however, hold money for longer periods. Obviously, when some money remains idle, a larger total is needed to accomplish any given volume of transactions.

Who Creates Money?

Changes in the quantity of money may originate with actions of the Federal Reserve System (the central bank), depository institutions (principally commercial banks), or the public. The major control, however, rests with the central bank.

The actual process of money creation takes place primarily in banks.¹ As noted earlier, checkable liabilities of banks are money. These liabilities are customers' accounts. They increase when customers deposit currency and checks and when the proceeds of loans made by the banks are credited to borrowers' accounts.

In the absence of legal reserve requirements, banks can build up deposits by increasing loans and investments so long as they keep enough currency on hand to redeem whatever amounts the holders of deposits want to convert into currency. This unique attribute of the banking business was discovered many centuries ago.

It started with goldsmiths. As early bankers, they initially provided safekeeping services, making a profit from vault storage fees for gold and coins deposited with them. People would redeem their "deposit receipts" whenever they needed gold or coins to purchase something, and physically take the gold or coins to the seller who, in turn, would deposit them for safekeeping, often with the same banker. Everyone soon found that it was a lot easier simply to use the deposit receipts directly as a means of payment. These receipts, which became known as notes, were acceptable as money since whoever held them could go to the banker and exchange them for metallic money.

Then, bankers discovered that they could make loans merely by giving their promises to pay, or bank notes, to borrowers. In this way, banks began to create money. More notes could be issued than the gold and coin on hand because only a portion of the notes outstanding would be presented for payment at any one time. Enough metallic money had to be kept on hand, of course, to redeem whatever volume of notes was presented for payment.

Transaction deposits are the modern counterpart of bank notes. It was a small step from printing notes to making book entries crediting deposits of borrowers, which the borrowers in turn could "spend" by writing checks, thereby "printing" their own money.

¹In order to describe the money-creation process as simply as possible, the term "bank" used in this booklet should be understood to encompass all depository institutions. Since the Depository Institutions Deregulation and Monetary Control Act of 1980, all depository institutions have been permitted to offer interest-bearing transaction accounts to certain customers. Transaction accounts (interest-bearing as well as demand deposits on which payment of interest is still legally prohibited) at all depository institutions are subject to the reserve requirements set by the Federal Reserve. Thus all such institutions, not just commercial banks, have the potential for creating money.

Bank Deposits—How They Expand or Contract

Let us assume that expansion in the money stock is desired by the Federal Reserve to achieve its policy objectives. One way the central bank can initiate such an expansion is through purchases of securities in the open market. Payment for the securities adds to bank reserves. Such purchases (and sales) are called "open market operations."

How do open market purchases add to bank reserves and deposits? Suppose the Federal Reserve System, through its trading desk at the Federal Reserve Bank of New York, buys \$10,000 of Treasury bills from a dealer in U.S. government securities.³ In today's world of computerized financial transactions, the Federal Reserve Bank pays for the securities with an "electronic" check drawn on itself.⁴ Via its "Fedwire" transfer network, the Federal Reserve notifies the dealer's designated bank (Bank A) that payment for the securities should be credited to (deposited in) the dealer's account at Bank A. At the same time, Bank A's reserve account at the Federal Reserve is credited for the amount of the securities purchase. The Federal Reserve System has added \$10,000 of securities to its assets, which it has paid for, in effect, by creating a liability on itself in the form of bank reserve balances. These reserves on Bank A's books are matched by \$10,000 of the dealer's deposits that did not exist before. See illustration 1.

How the Multiple Expansion Process Works

If the process ended here, there would be no "multiple" expansion, i.e., deposits and bank reserves would have changed by the same amount. However, banks are required to maintain reserves equal to only a fraction of their deposits. Reserves in excess of this amount may be used to increase earning assets — loans and investments. Unused or excess reserves earn no interest. Under current regulations, the reserve requirement against most transaction accounts is 10 percent.⁵ Assuming, for simplicity, a uniform 10 percent reserve requirement against all transaction deposits, and further assuming that all banks attempt to remain fully invested, we can now trace the process of expansion in deposits which can take place on the basis of the additional reserves provided by the Federal Reserve System's purchase of U.S. government securities.

The expansion process may or may not begin with Bank A, depending on what the dealer does with the money received from the sale of securities. If the dealer immediately writes checks for \$10,000 and all of them are deposited in other banks, Bank A loses both deposits and reserves and shows no net change as a result of the System's open market purchase. However, other banks have received them. Most likely, a part of the initial deposit will remain with Bank A, and a part will be shifted to other banks as the dealer's checks clear.

It does not really matter where this money is at any given time. The important fact is that *these deposits do not disappear*. They are in some deposit accounts at all times. All banks together have \$10,000 of deposits and reserves that they did not have before. However, they are not required to keep \$10,000 of reserves against the \$10,000 of deposits. All they need to retain, under a 10 percent reserve requirement, is \$1,000. The remaining \$9,000 is "excess reserves." This amount can be loaned or invested. See illustration 2.

If business is active, the banks with excess reserves probably will have opportunities to loan the \$9,000. Of course, they do not really pay out loans from the money they receive as deposits. If they did this, no additional money would be created. What they do when they make loans is to accept promissory notes in exchange for credits to the borrowers' transaction accounts. Loans (assets) and deposits (liabilities) both rise by \$9,000. Reserves are unchanged by the loan transactions. But the deposit credits constitute new additions to the total deposits of the banking system. See illustration 3.

³Dollar amounts used in the various illustrations do not necessarily bear any resemblance to actual transactions. For example, open market operations typically are conducted with many dealers and in amounts totaling several billion dollars.

⁴Indeed, many transactions today are accomplished through an electronic transfer of funds between accounts rather than through issuance of a paper check. Apart from the timing of posting, the accounting entries are the same whether a transfer is made with a paper check or electronically. The term "check," therefore, is used for both types of transfers.

⁵For each bank, the reserve requirement is 3 percent on a specified base amount of transaction accounts and 10 percent on the amount above this base. Initially, the Monetary Control Act set this base amount — called the "low reserve tranche" — at \$25 million, and provided for it to change annually in line with the growth in transaction deposits nationally. The low reserve tranche was \$41.1 million in 1991 and \$42.2 million in 1992. The Garn-St Germain Act of 1982 further modified these requirements by exempting the first \$2 million of reservable liabilities from reserve requirements. Like the low reserve tranche, the exempt level is adjusted each year to reflect growth in reservable liabilities. The exempt level was \$3.4 million in 1991 and \$3.6 million in 1992.

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This is the beginning of the deposit expansion process. In the first stage of the process, total loans and deposits of the banks rise by an amount equal to the excess reserves existing before any loans were made (90 percent of the initial deposit increase). At the end of Stage 1, deposits have risen a total of \$19,000 (the initial \$10,000 provided by the Federal Reserve's action plus the \$9,000 in deposits created by Stage 1 banks). See illustration 4. However, only \$900 (10 percent of \$9,000) of excess reserves have been absorbed by the additional deposit growth at Stage 1 banks. See illustration 5.

The lending banks, however, do not expect to retain the deposits they create through their loan operations. Borrowers write checks that probably will be deposited in other banks. As these checks move through the collection process, the Federal Reserve Banks debit the reserve accounts of the paying banks (Stage 1 banks) and credit those of the receiving banks. See illustration 6.

Whether Stage 1 banks actually do lose the deposits to other banks or whether any or all of the borrowers' checks are redeposited in these same banks makes no difference in the expansion process. If the lending banks expect to lose these deposits — and an equal amount of reserves — as the borrowers' checks are paid, they will not lend more than their excess reserves. Like the original \$10,000 deposit, the loan-created deposits may be transferred to other banks, but they remain somewhere in the banking system. Whichever banks receive them also acquire equal amounts of reserves, of which all but 10 percent will be "excess."

Assuming that the banks holding the \$9,000 of deposits created in Stage 1 in turn make loans equal to their excess reserves, then loans and deposits will rise by a further \$8,100 in the second stage of expansion. This process can continue until deposits have risen to the point where all the reserves provided by the initial purchase of government securities by the Federal Reserve System are just sufficient to satisfy reserve requirements against the newly created deposits. (See pages 10 and 11.)

The individual bank, of course, is not concerned as to the stages of expansion in which it may be participating. Inflows and outflows of deposits occur continuously. Any deposit received is new money, regardless of its ultimate source. But if bank policy is to make loans and investments equal to whatever reserves are in excess of legal requirements, the expansion process will be carried on.

How Much Can Deposits Expand in the Banking System?

The total amount of expansion that can take place is illustrated on page 11. Carried through to theoretical limits, the initial \$10,000 of reserves distributed within the banking system gives rise to an expansion of \$90,000 in bank credit (loans and investments) and supports a total of \$100,000 in new deposits under a 10 percent reserve requirement. The deposit expansion factor for a given

amount of new reserves is thus the reciprocal of the required reserve percentage ($1/.10 = 10$). Loan expansion will be less by the amount of the initial injection. The multiple expansion is possible because the banks as a group are like one large bank in which checks drawn against borrowers' deposits result in credits to accounts of other depositors, with no net change in total reserves.

Expansion through Bank Investments

Deposit expansion can proceed from investments as well as loans. Suppose that the demand for loans at some Stage 1 banks is slack. These banks would then probably purchase securities. If the sellers of the securities were customers, the banks would make payment by crediting the customers' transaction accounts; deposit liabilities would rise just as if loans had been made. More likely, these banks would purchase the securities through dealers, paying for them with checks on themselves or on their reserve accounts. These checks would be deposited in the sellers' banks. In either case, the net effects on the banking system are identical with those resulting from loan operations.

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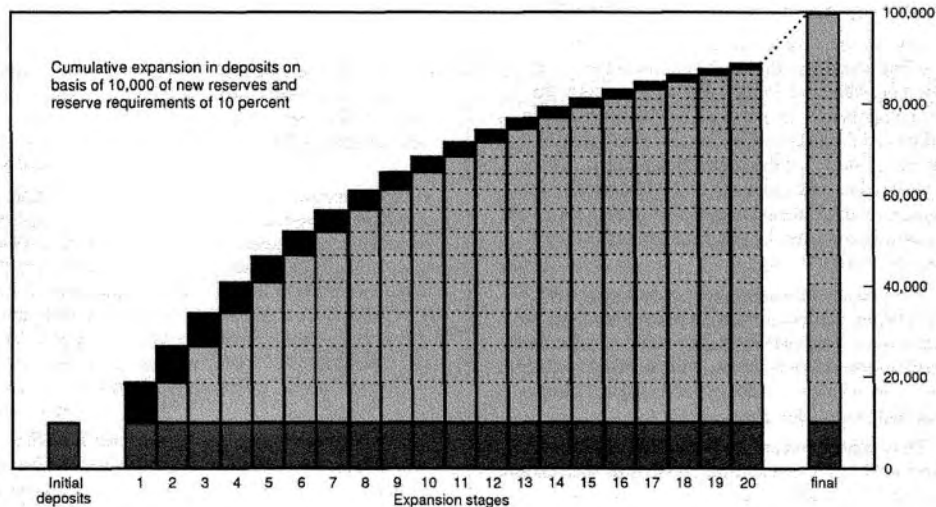
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*Thus through stage after stage of expansion,
"money" can grow to a total of 10 times the new
reserves supplied to the banking system . . .*

	Assets			Liabilities	
	Total	Reserves [Required]	[Excess]	Loans and Investments	Deposits
Initial reserves provided	10,000	1,000	9,000	—	10,000
Expansion — Stage 1	10,000	1,900	8,100	9,000	19,000
Stage 2	10,000	2,710	7,290	17,100	27,100
Stage 3	10,000	3,439	6,561	24,390	34,390
Stage 4	10,000	4,095	5,905	30,951	40,951
Stage 5	10,000	4,686	5,314	36,856	46,856
Stage 6	10,000	5,217	4,783	42,170	52,170
Stage 7	10,000	5,695	4,305	46,953	56,953
Stage 8	10,000	6,126	3,874	51,258	61,258
Stage 9	10,000	6,513	3,487	55,132	65,132
Stage 10	10,000	6,862	3,138	58,619	68,619
.....
.....
Stage 20	10,000	8,906	1,094	79,058	89,058
.....
.....
Final stage	10,000	10,000	0	90,000	100,000

*. . . as the new deposits created by loans
at each stage are added to those created at all
earlier stages and those supplied by the initial
reserve-creating action.*



MONEY, BANKING & MONETARY POLICY

By the Federal Reserve Bank of Dallas
(May, 2007)

Time in video 1:09.00

10. page 11 states:

- 1) *Banks actually create money when they lend it.*



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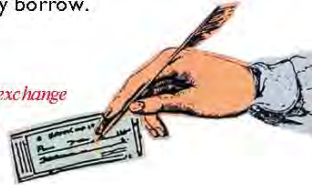
MONEY, BANKING & MONETARY POLICY

By the Federal Reserve Bank of Dallas
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Very little of this money is kept in the bank's vault, however. While the Federal Reserve requires banks to keep a specified percentage of customer deposits on hand (reserves) to meet routine withdrawals, they lend the excess. Banks, like any other business, must make a profit to stay in business. Their profit comes from interest people pay on the money they borrow.

In the United States, checks didn't come into widespread use as a medium of exchange



until deposit

banking became established in the late 1700s.

How Banks Create Money



Banks actually create money when they lend it. Here's how it works: Most of a bank's loans are made to its own customers and are deposited in their checking accounts. Because the loan becomes a new deposit, just like a paycheck does, the bank once again holds a small percentage of that new amount in reserve and again lends the remainder to someone else, repeating the money-creation process many times.

The tricky part of monetary policy is making sure there is enough money in the economy, but not too much. When people have the money to demand more products than the economy can supply, prices go up and the resulting inflation hurts everyone. While in the United States we get concerned when inflation climbs above 3 percent a year, we've been more fortunate than some other countries. Just imagine trying to survive in post-World War II Hungary, for instance, where for awhile inflation averaged nearly 20,000 percent per month!

adjust prices and wages to compensate for the higher prices they believe are on the way.



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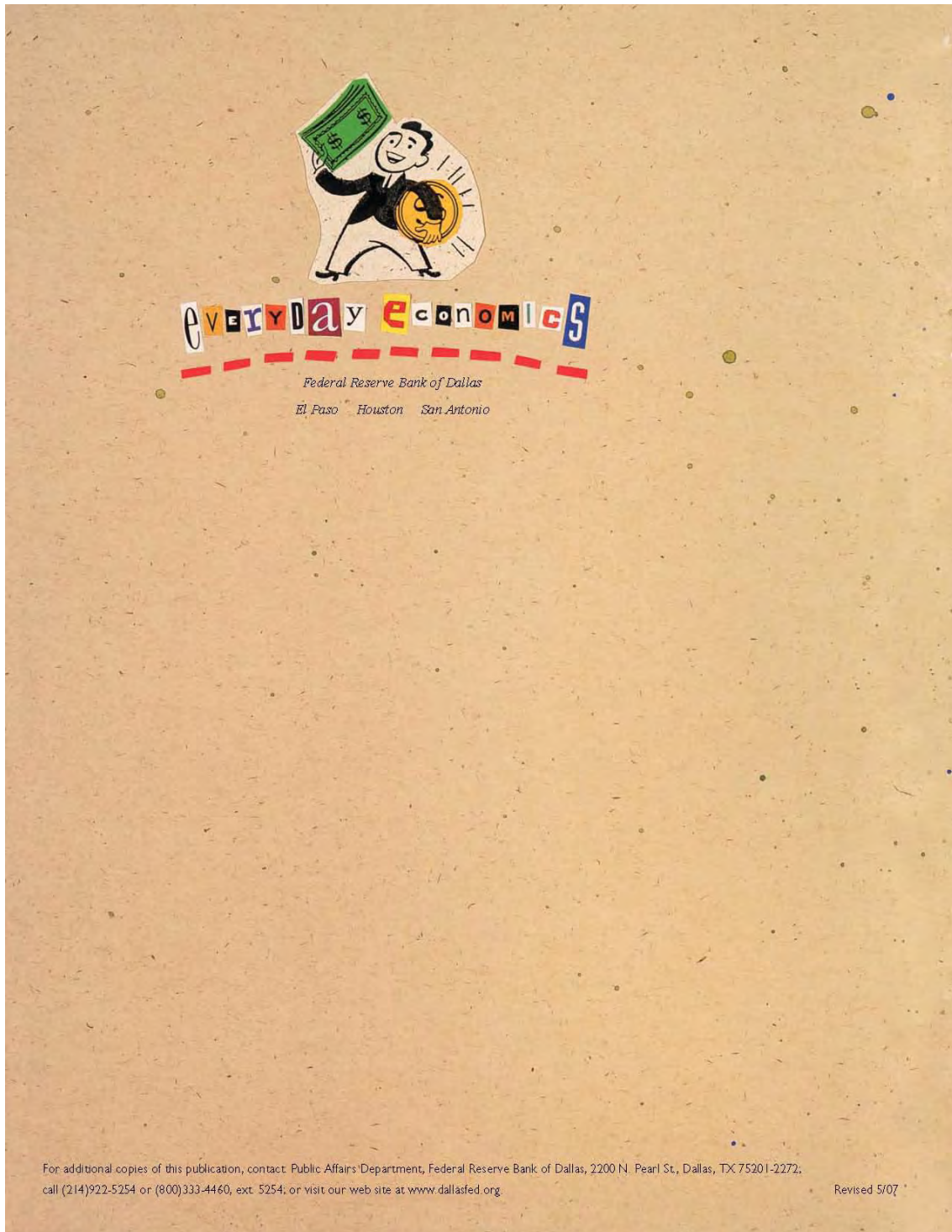
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MONEY, BANKING & MONETARY POLICY

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MONEY AND BANKING

Sixth Edition 1976

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11. Chapter 6 page 144 states:

- 1) *Most people suppose that a bank lends the deposits of its customers. In fact, however, no bank ever lends its deposits.*



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MONEY AND BANKING

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Money & Banking

SIXTH EDITION

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Chapter 6 Creation and Transfer of Deposits

What is a bank deposit? A simple question, isn't it? Anyone can answer it. Unfortunately most people will answer it incorrectly or, at best, inexactly. If, without reading farther, you can accurately define bank deposits, you are the exception.

There is a persistent confusion respecting deposits.

1. Deposits are our most important money. Yet to the bank, the deposits of its customers are not money at all.
2. You take a handful of currency to the bank and deposit it. However, under no circumstances whatever do the bank's deposits consist of currency.
3. Most people suppose that a bank lends the deposits of its customers. In fact, however, no bank ever lends its deposits.

These apparent contradictions result from the fact that we regularly use the word *deposit* in two entirely different, and completely inconsistent, ways. Ambiguity is inevitable unless we clearly specify which meaning the word is to have. We cannot possibly, in an analysis of bank operations, follow the common practice of allowing *deposit* to mean one thing one moment, something entirely different a moment later.

Specifically, we must decide whether we are going to consider a deposit as being the thing that is turned in to the bank—the actual checks on other banks and pieces of silver and **currency**—or as being the sums owed to depositors. These two things are not the same at all, for one is an asset, the other a liability of the bank.

Logically, perhaps, the term *deposit* should refer to the physical asset that one surrenders to the bank. There is no difficulty in understanding what has taken place if we say someone deposited \$50 of currency or made a deposit of \$300. The customer turned in that amount to the bank, and the word **is** used in accordance with the first definition.

But then we say, "The customer has a deposit of \$300," and we have swung over to the second definition. The deposit is an asset of the customer. It cannot possibly be at the same time an asset of the bank. Exactly what is the customer's deposit asset? Certainly it is not the handful of currency or the check the customer turned over to the bank teller, for these are now assets of the bank. The asset the customer received in exchange was a claim on the bank. From the bank's point of view, this deposit, as such, is a liability. When the bank increases its assets (currency, checks on other banks, other negotiable instruments), it increases its liabilities by an equal amount (or sometimes

I BET YOU THOUGHT

By the Federal Reserve Bank of New York
(December 1977)

Time in video 1:09.40

12. page 5 states:

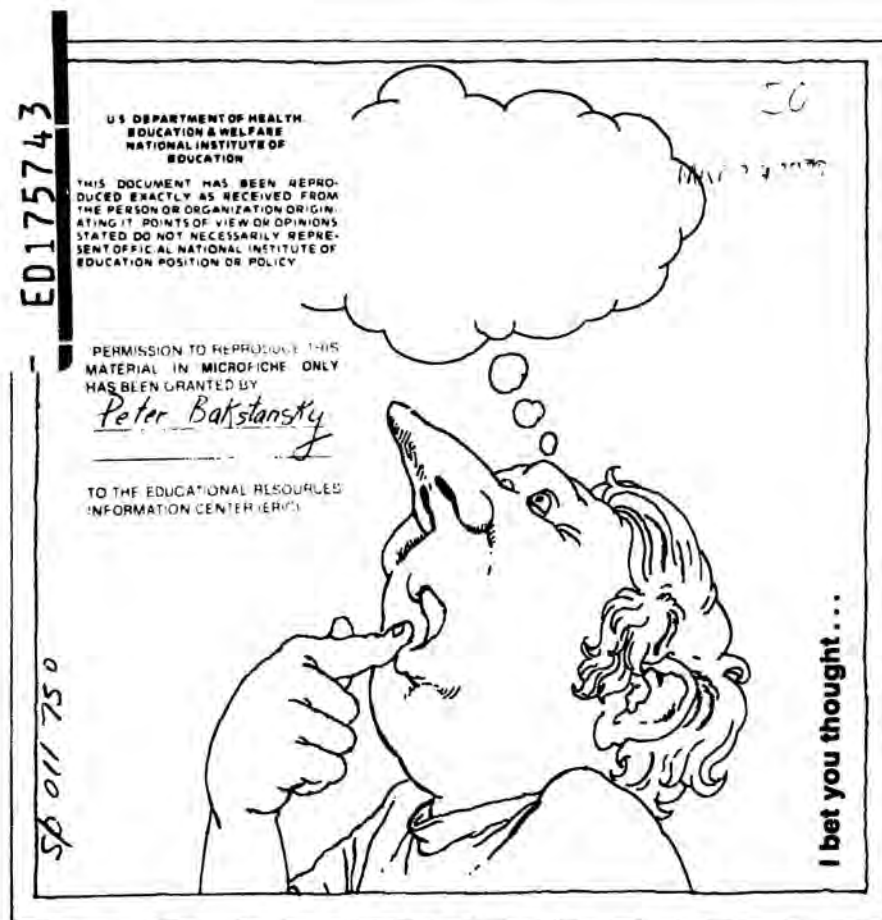
- 1) *Money is anything generally accepted medium of exchange. Not simply coin and paper currency. Money doesn't have to be intrinsically valuable (valuable in itself). Be issued by a government or be in any special form.*
- 2) *Demand deposits are the nation's most common form of money. Comprising about three-quarters of all money in circulation.*

13. page 7 states:

- 1) *But that approval doesn't make cash any more real than checkbook balances.*

14. page 19 states:

- 1) *Checkbook money is "created" by currency deposits.*
- 2) *Commercial banks create checkbook money whenever they grant a loan. Simply by adding new deposit dollars to account on their books in exchange for a borrower's IOU.*



I BET YOU THOUGHT

By the Federal Reserve Bank of New York
(December 1977)

Time in video 1:09.40

Public Information Department
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045

I BET YOU THOUGHT

By the Federal Reserve Bank of New York
(December 1977)

Time in video 1:09.40

Money is simply coin and paper currency. Money is any generally accepted medium of exchange, not simply coin and paper currency. Money doesn't have to be intrinsically valuable (valuable in itself), be issued by a government or be in any special form. In our past, items ranging from iron nails and dried codfish to gun powder and tobacco have served as money.

Anything people generally accept in exchange for items of value is money. Money also is a standard for measuring value and a means of storing purchasing power for future use. Any item that has these three traits is money.

Americans accept three types of money — coin issued by the Treasury, paper currency issued by Federal Reserve Banks, and checkbook balances (demand deposits) at banks.

In analyzing economic activity, many economists take a much broader view of money and include other money-like items immediately available to the public for spending, such as passbook savings and other funds deposited for specific time periods.

Demand deposits are the nation's most common form of money, comprising about three-quarters of all money in circulation. This checkbook money is bookkeeping money created mainly by the nation's commercial banks. Americans prefer using checkbook money because it performs as a more efficient medium of exchange than coin or currency for many transactions. Check writers have with one blank check the potential for spending small or large amounts. Since each check must be signed before funds are transferred, checkbook money cannot easily be stolen. In addition, cancelled checks provide written proof of payments. Since we prize convenience, safety and recordkeeping, it's no wonder that checkbook money is preferred.

Checkbook money works because people are confident in the strength, safety and prudence of the American banking system. Their confidence has been bolstered by Government regulation of commercial banks and Government deposit insurance. The check clearing and collection system of the Federal Reserve, the nation's central bank, has also made checkbook money highly acceptable by speeding checking account transfers nationwide.

We've been big check users for quite awhile. The move began in the post Civil War era, when bank deposits became the dominant form of money held. Today, if all payment transactions were counted, including those for stock, bond and real estate purchases, the dollar volume of check spending to coin and paper currency spending would be enormous.

Only about 3 percent of our money is in coins, and for every 10 cents in small change we keep, we hold about a dollar in paper money. As a nation, we hold only about \$80 billion of cash, compared with \$230 billion of checkbook money.

I BET YOU THOUGHT

By the Federal Reserve Bank of New York
(December 1977)

Time in video 1:09.40

Only coin and currency are real monies because the Government says they're "legal tender."

Coin and currency are "legal tender," money the Government says has to be accepted if offered to settle a debt. But that approval doesn't make cash any more "real" than checkbook balances.

Until the 1860s, "legal tender" applied only to coin, yet even then we used more private bank notes and bank deposits as money than coin. Legal tender designation was given to certain Government-issued paper currency during the Civil War to win public confidence in the paper money. However, there has been no meaningful distinction between "legal tender" and other U.S. money since 1933, when Congress made all coins and currencies legal tender for all public and private debts.

Regardless of what any government says, money must have certain characteristics that make it acceptable. Without those traits, even "legal tender" cannot be successful as money.

Most early monies were not issued by governments. They were commodities, such as salt, cattle and rum, that were widely known and easily sold or used. But commodities proved less than perfect monies. The tobacco used by the early Virginia settlers is an example.

The leaves weren't easily divisible, causing difficulty in "making change." The varying prices for different grades of tobacco made value difficult to determine. It also was hard to carry and store. Temperature and humidity changes caused flaking which devalued the leaves. In short, tobacco lacked many characteristics needed to make it work well as money.

For an item to perform successfully as money it must be durable, divisible, portable and difficult to counterfeit. More important, as the Virginians' experience shows, while any item can serve as money, it won't work well or last long unless it can also serve well as a standard and store of value.

People's willingness to accept money in any form is rooted not in the law but in money's ability to effectively measure and hold value.

I BET YOU THOUGHT

By the Federal Reserve Bank of New York
(December 1977)

Time in video 1:09.40

Checkbook money is "created" by currency deposits.

Commercial banks create checkbook money whenever they grant a loan, simply by adding new deposit dollars to accounts on their books in exchange for a borrower's IOU.

Money creation bookkeeping isn't gimmicky. Far from it. Banks are creating money based on a borrower's promise to repay (the IOU), which, in turn, is often secured or backed by valuable items the borrower owns (collateral).

Someone obtaining an auto loan, for example, might use the new car as collateral. A home improvement loan might be secured by the value of the house being improved. Business loans may be secured by physical assets, such as machines, factories and inventories, or may be "unsecured," backed only by the company's earnings record and expectations or general credit worthiness.

Banks create money by "monetizing" the private debts of businesses and individuals. That is, they create amounts of money against the value of those IOUs.

To create money, however, banks must have "excess" reserves, funds exceeding those they are legally required to hold. Banks belonging to the Federal Reserve System must abide by the System's requirements. Banks that aren't members are subject to the reserve requirements of the state that chartered them.

Even without legal rules, prudent banking dictates that some "required" reserves be held. Bankers know that, on any given day, they will have to pay out coin and currency to people cashing personal checks. They also know that they will have to transfer reserve balances as checks drawn against accounts they hold are presented for payment by other banks. Meeting these routine transactions requires that banks hold some reserve funds.

If a bank has excess reserves, it can create an amount of money equal to that excess; it can grant a loan. Borrowers write checks against their new deposits. When these checks are deposited at other banks, those banks collect payment from the borrower's bank. Bankers know that when other banks present borrowers' checks for payment, they will have to transfer reserves on a dollar-for-dollar basis.

If a bank creates an amount greater than its excess reserves, it also would lose some required reserves and face temporary violation of requirement rules. Prolonged violation of requirement rules subjects banks to penalties. So they tend to match lending to excess reserves. A bank short of required reserves usually will borrow from another bank. Member banks can also borrow from the Federal Reserve.

As newly created checkbook dollars move from bank to bank, banks gaining excess reserves can make additional loans. As a group, banks are capable of creating money in a multiple way. Currently, our banking system theoretically can generate a sevenfold increase in total money creation with a given amount of excess reserves.

Money multiplication, rather than currency deposits, accounts for most of our \$230 billion of checkbook money. Banks hold only about \$34 billion in reserves. Only \$8 billion of that total is cash; the remaining reserves are deposit balances at Federal Reserve Banks. Reserves are the base on which the banking system has generated the bulk of the nation's checkbook money.

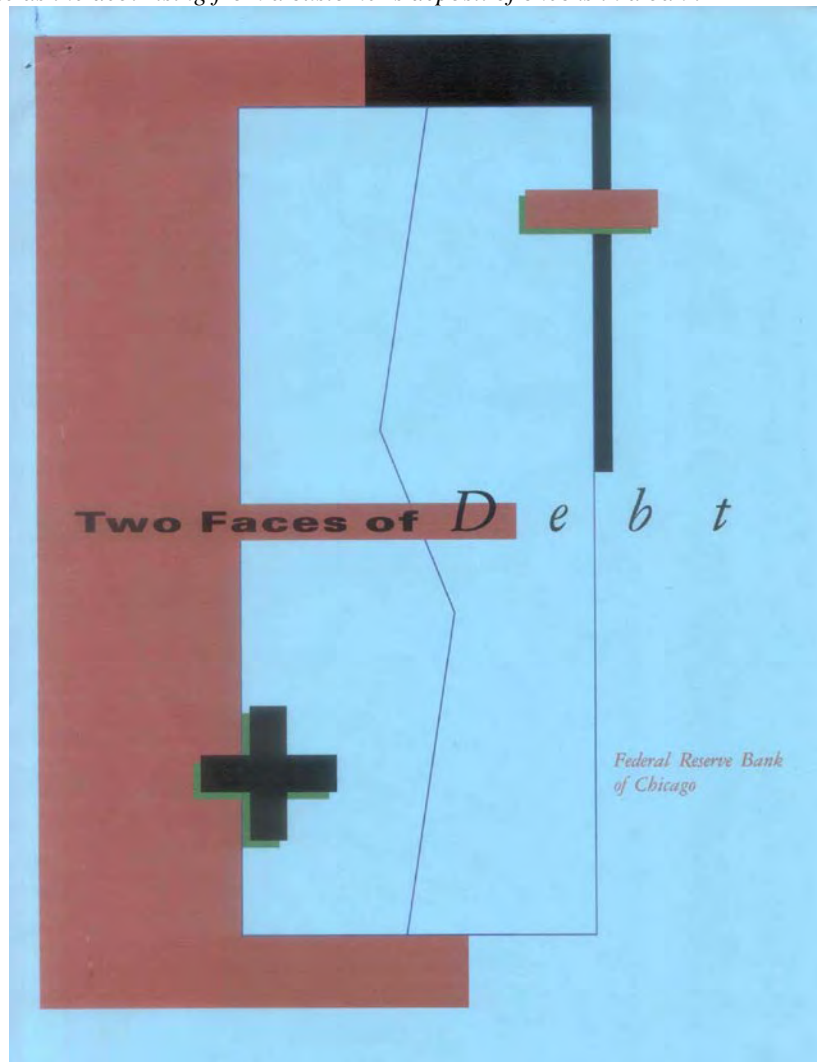
TWO FACES OF DEBT

By the Federal Reserve Bank of Chicago
(rev. ed. September 1992)

Time in video 1:10.20

15. page 19 states:

- 1) *But a depositor's balance rises when the depository institution extends credit either by granting a loan to or by buying securities from the depositor. page 11 states*
- 2) *In exchange for the note or security, the lending or investing institution credits the depositor's account or gives a check that can be deposited at yet another depository at yet another institution.*
- 3) *In this case no one loses a deposit the money supply is increased. New money has been brought into existence,"*
- 4) *"Such newly created funds are in addition to funds that all financial institutions provide in their operations as intermediaries between savers and users of savers"*
- 5) *"A deposit created through lending is a debt that has to be paid on demand of the depositor, just the same as the debt rising from a customer's deposit of checks in a bank"*



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TWO FACES OF DEBT

By the Federal Reserve Bank of Chicago
(rev. ed. September 1992)

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It also provides a means of creating entirely new funds—funds needed to finance the greater volume of new projects and spending that contribute to economic growth.

Again, checkable deposits in commercial banks and savings institutions are debts—liabilities of these depository institutions to their depositors. But checkable deposits are also the money used for most expenditures. How do these deposit liabilities arise?

For an individual institution, they arise typically when a depositor brings in currency or checks drawn on other institutions. The depositor's balance rises, but the currency he or she holds or the deposits someone else holds are reduced a corresponding amount. The public's total money supply is not changed.

But a depositor's balance also rises when the depository institution extends credit—either by granting a loan to or buying securities from the depositor. In exchange for the note or security, the lending or investing institution credits the depositor's account or gives a check that can be deposited at yet another depository institution. In this case, no one else loses a deposit. The total of currency and checkable deposits—the money supply—is increased. New money has been brought into existence by expansion of depository institution credit. Such newly created funds are in addition to funds that all financial institutions provide in their operations as intermediaries between savers and users of savings.

But individual depository institutions cannot expand credit and create deposits without limit. Furthermore, most of the deposits they create are soon transferred to other institutions. A deposit created through lending is a debt that has to be paid on demand of the depositor, just the same as the debt arising from a customer's deposit of checks or currency in a bank. By writing checks, the borrower can spend the deposit acquired by borrowing. The recipients of these checks deposit them in their depository institutions. In turn, these checks are presented for payment to the institution on which they are drawn. As a result, the newly created deposit can be shifted out of the originating institution, but it remains part of the money supply until the debt is repaid.

No effort is made here to give a detailed explanation of the creation of money through the expansion of deposits and depository institution credit.³ For present purposes, it is enough to point out that these institutions can make additional loans and investments, and thereby increase checkable deposit money, to the extent that they have the required amount of reserves against the increased deposits. The amount of reserves, in turn, is controlled by the Federal Reserve System—the central bank of the United States.

³For a description of this process, see *Modern Money Mechanics: A Workbook on Bank Reserves and Deposit Expansion*, available on request from the Public Information Center, Federal Reserve Bank of Chicago.

A national
debt, if it
is not
excessive,
will be to us
a national
blessing.

Alexander
Hamilton

At the heart
of our national
finances is
a simple,
inescapable
fact... that our
government—
any govern-
ment—
like individuals
and families—
cannot spend
and continue
to spend more
than they take
in without
inviting disaster.

Clarence
Cannon

TWO FACES OF DEBT

By the Federal Reserve Bank of Chicago
(rev. ed. September 1992)

Time in video 1:10.20

The Federal Reserve Bank of Chicago offers
a variety of materials on money and banking,
the financial system, the economy, consumer
credit, and related topics. Information on
these materials is available by contacting:

*Public Information Center
Federal Reserve Bank of Chicago
P.O. Box 834
Chicago, IL 60690-0834
312/322-5111*

FEDERAL RESERVE BANK
OF CHICAGO

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YOUR MONEY AND THE FEDERAL RESERVE SYSTEM

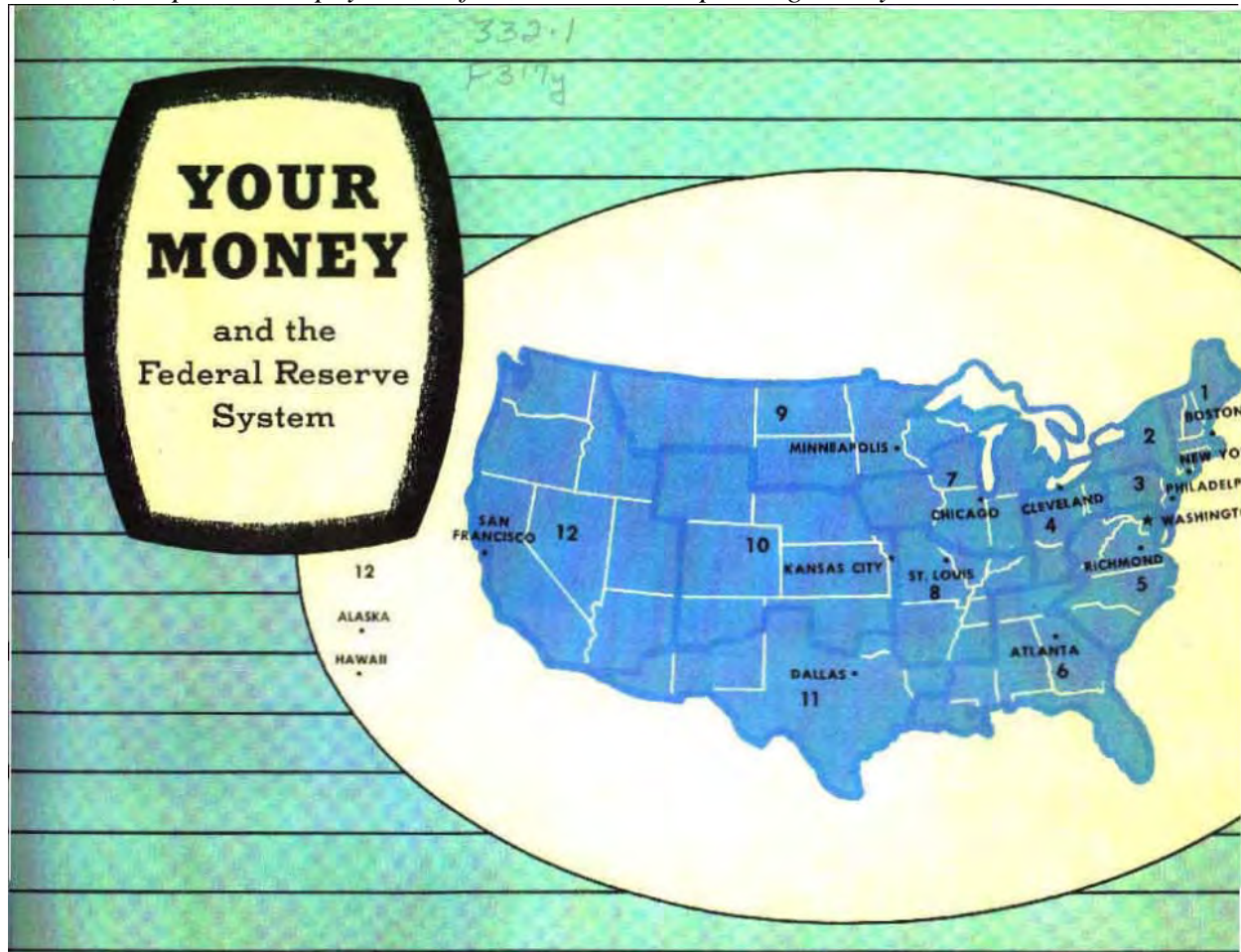
By the Federal Reserve Bank of Minneapolis
(1959, 1960)

16. page 8 states:

- 1) *Commercial banks, however, when providing additional funds to borrowers, also add to the total amount of money available for spending.*

17. page 9 states:

- 1) *When the borrower receives cash or deposit credit, the amount of money available for spending is increased by the amount of the loan.*
- 2) *A promise to pay has, in fact, created new spending money.*



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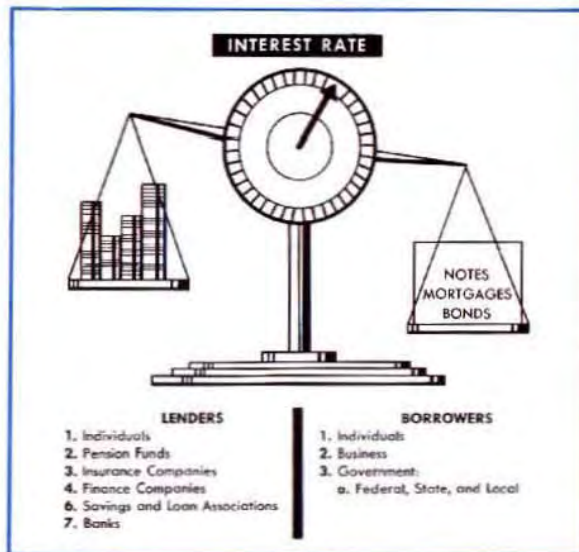
YOUR MONEY AND THE FEDERAL RESERVE SYSTEM

By the Federal Reserve Bank of Minneapolis
(1959, 1960)

Can debt be bought and sold?

Most of the time we think of money in terms of what it will buy. It has value because it can be exchanged now or at some future date for something we need or want. Money, however, can be bargained for the same as any commodity. Those who have money to lend expect to be paid for its use. The amount they can charge (subject to restrictions imposed by law) is determined by the amount the bor-

rower is willing to pay. When there are more lenders than borrowers, the charge for the use of money, or the interest rate, is lower than when there are more borrowers than lenders. The cost of the use of money, therefore, like the price of commodities, fluctuates according to the supply and demand for it.



8

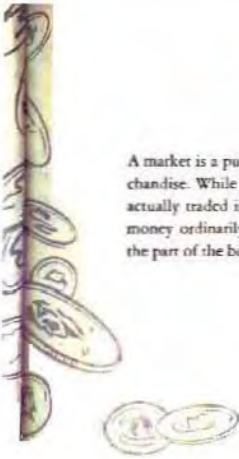
Can banks influence

Most of us are not concerned today as to the kind of money we have to spend. Our interest is more in that we have it to spend. Our individual money supply is the total of coin and currency we have in our pockets plus the balance we have in the bank against which we can write checks. The money supply for the country is the total of everyone's money available for spending.

Banks tell us through their advertisements that they have money to lend us. Indeed, an important function of banks is the extending of credit by making loans. Commercial banks, however, when providing additional funds to borrowers, also add to the total amount of money available for spending.

YOUR MONEY AND THE FEDERAL RESERVE SYSTEM

By the Federal Reserve Bank of Minneapolis
(1959, 1960)



What is traded in the money market?

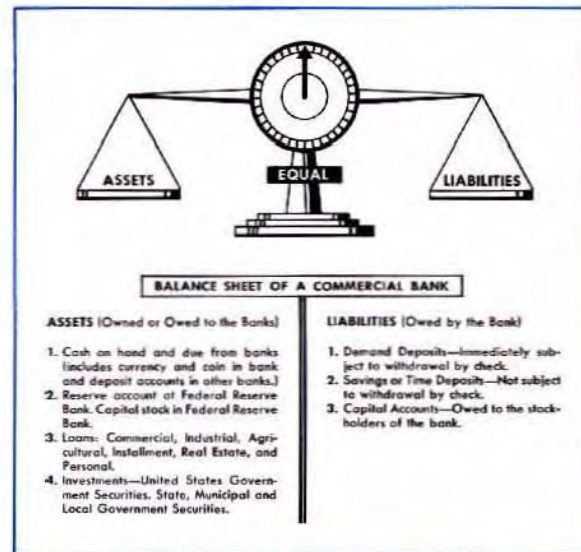
A market is a public or private place for the sale or purchase of merchandise. While money technically can be bought and sold, what is actually traded in a money market is evidence of debt. A lender of money ordinarily exchanges the money he loans for a promise on the part of the borrower to repay. In its simplest form this promise is

commonly called an I.O.U. In more formal business transactions promises to pay take such names as promissory notes, mortgages, and bonds. Whatever the name applied, the form is an evidence of debt. The participants in the money market include individuals, financial institutions, businesses, and Governments.

the money supply?

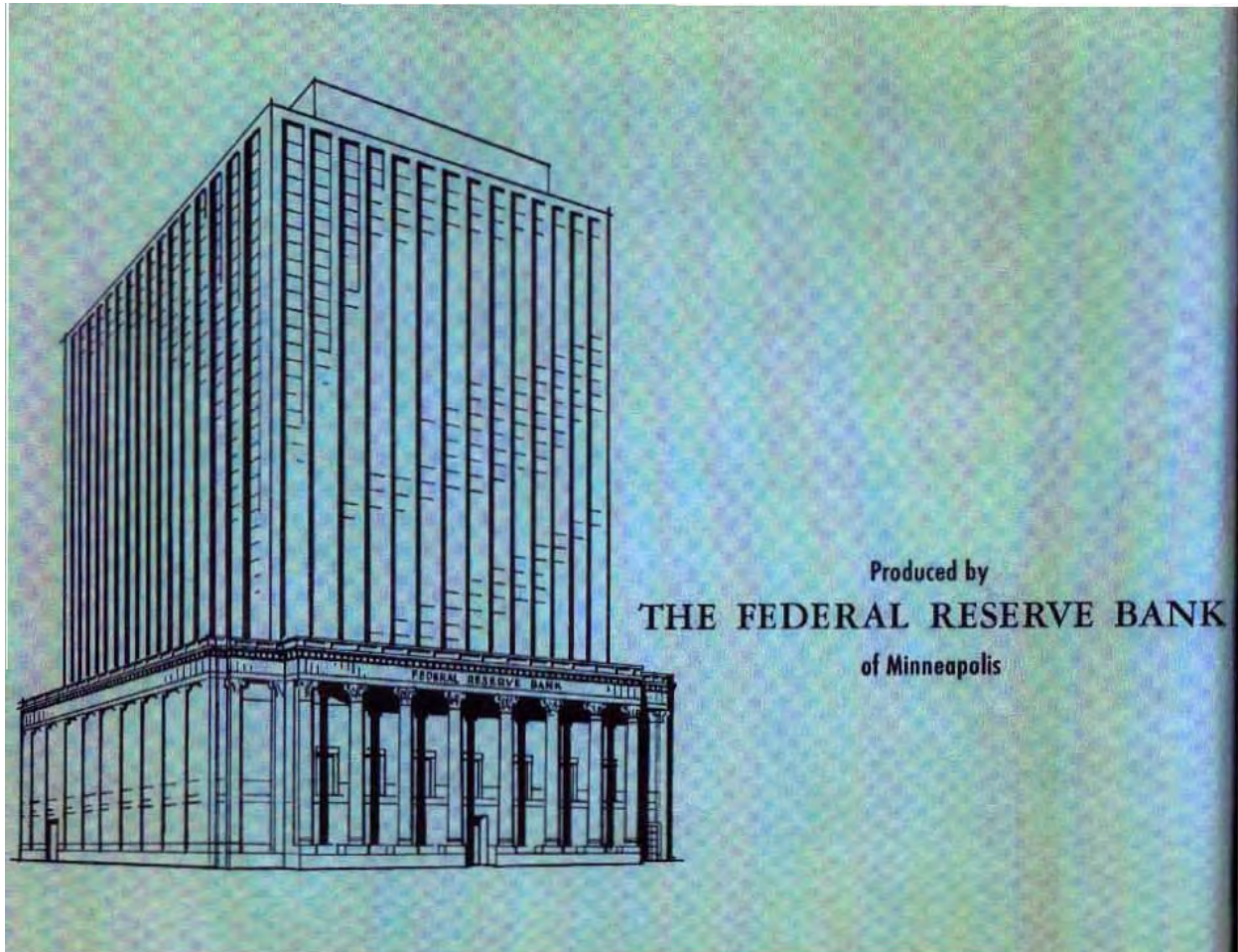
Money is borrowed for a purpose. It is used perhaps to pay bills, buy a car, pay employees, buy merchandise to sell, or for other things. A bank lending money may give the borrower cash in exchange for his promise to pay or give him credit in his deposit account, against which he can draw checks.

Whether the borrower receives cash or deposit credit, the amount of money available for spending is increased by the amount of the loan. A promise to pay has, in fact, created new spending money. When the loan is repaid, spending money is ordinarily used to repay the loan and the amount available for spending is then decreased.



YOUR MONEY AND THE FEDERAL RESERVE SYSTEM

By the Federal Reserve Bank of Minneapolis
(1959, 1960)



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GAAP

Interpretation and Application of GENERALLY ACCEPTED ACCOUNTING PRINCIPLES 2003

Classification of Assets

1. Cash and cash equivalents include cash on hand consisting of coins, currency, undeposited checks; money orders and drafts; deposits in banks; and certain short term, highly liquid investments. **Anything accepted by a bank for deposit would be considered as cash.** Cash must be available for a demand withdrawal. Cash that is restricted as to withdrawal, such as certificates of deposit, would not be included with cash because of the time restrictions. Also, cash must be available for current use in order to be classified as a current asset. Cash that is restricted in use would not be included in cash unless its restrictions will expire within the operating cycle. Cash restricted for a noncurrent use, such as cash designated for the purchase of property or equipment, would not be included in current assets. Per SFAS 95, cash equivalents include short-term, highly liquid investments that (1) are readily convertible to known amounts of cash and (2) are so near their maturity (maturities of three months or less from the date of purchase by the enterprise) that they present negligible risk of changes in value because of changes in interest rates. Treasury bills, commercial paper, and money market funds are all examples of cash equivalents.

UCC § 3-102. (c) SUBJECT MATTER.

- (c) Regulations of the Board of Governors of the Federal Reserve System and operating circulars of the Federal Reserve Banks supersede any inconsistent provision of this Article to the extent of the inconsistency.

1. *In the federal courts, it is well established that a national bank has not power to lend its credit to another by becoming surety, endorser, or guarantor for him.* "Farmers and Miners Bank v. Bluefield Nat 'l Bank, 11 F 2d 83, 271 U.S. 669.
2. *"A national bank has no power to lend its credit to any person or corporation . . .* Bowen v. Needles Nat. Bank, 94 F 925 36 CCA 553, certiorari denied in 20 S.Ct 1024, 176 US 682, 44 LED 637.
3. *"A bank may not lend its credit to another even though such a transaction turns out to have been of benefit to the bank, and in support of this a list of cases might be cited, which-would look like a catalog of ships."* [Emphasis added] Norton Grocery Co. v. Peoples Nat. Bank, 144 SE 505. 151 Va 195.
4. *" . . checks, drafts, money orders, and bank notes are not lawful money of the United States ..."* State v. Neilon, 73 Pac 324, 43 Ore 168.
5. *"Neither, as included in its powers not incidental to them, is it a part of a bank's business to lend its credit. If a bank could lend its credit as well as its money, it might, if it received compensation and was careful to put its name only to solid paper, make a great deal more than any lawful interest on its money would amount to. If not careful, the power would be the mother of panics . . . Indeed, lending credit is the exact opposite of lending money, which is the real business of a bank, for while the latter creates a liability in favor of the bank, the former gives rise to a liability of the bank to another.* I Morse. *Banks and Banking* 5th Ed. Sec 65; Magee, *Banks and Banking*, 3rd Ed. Sec 248." American Express Co. v. Citizens State Bank, 194 NW 429.
6. *"It is not within those statutory powers for a national bank, even though solvent, to lend its credit to another in any of the various ways in which that might be done."* Federal Intermediate Credit Bank v. L 'Harrison, 33 F 2d 841, 842 (1929).
7. *"There is no doubt but what the law is that a national bank cannot lend its credit or become an accommodation endorser."* National Bank of Commerce v. Atkinson, 55 E 471.
8. *"A bank can lend its money, but not its credit."* First Nat'l Bank of Tallapoosa v. Monroe . 135 Ga 614, 69 SE 1124, 32 LRA (NS) 550.
9. *".. . the bank is allowed to hold money upon personal security; but it must be money that it loans, not its credit."* Seligman v. Charlottesville Nat. Bank, 3 Hughes 647, Fed Case No.12, 642, 1039.
10. *"A loan may be defined as the delivery by one party to, and the receipt by another party of, a sum of money upon an agreement, express or implied, to repay the sum with or without interest."* Parsons v. Fox 179 Ga 605, 176 SE 644. Also see Kirkland v. Bailey, 155 SE 2d 701 and United States v. Neifert White Co., 247 Fed Supp 878, 879.
11. *"A bank is not the holder in due course upon merely crediting the depositors account."* Bankers Trust v. Nagler, 229 NYS 2d 142, 143.
12. *"Any false representation of material facts made with knowledge of falsity and with intent that it shall be acted on by another in entering into contract, and which is so acted upon, constitutes 'fraud,' and entitles party deceived to avoid contract or recover damages."* Barnsdall Refining Corn. v. Birnam Wood Oil Co., 92 F 26 817.
13. *"Any conduct capable of being turned into a statement of fact is representation. There is no distinction between misrepresentations effected by words and misrepresentations effected by other acts."* Leonard v. Springer 197 Ill 532. 64 NE 301.
14. *"If any part of the consideration for a promise be illegal, or if there are several considerations for an unseverable promise one of which is illegal, the promise, whether written or oral, is wholly void, as it is impossible to say what part or which one of the considerations induced the promise."* Menominee River Co. v. Augustus Spies L & C Co., 147 Wis 559. 572; 132 NW 1122.
15. *"The contract is void if it is only in part connected with the illegal transaction and the promise single or entire."* Guardian Agency v. Guardian Mut. Savings Bank, 227 Wis 550, 279 NW 83.
16. *"It is not necessary for rescission of a contract that the party making the misrepresentation should have known that it was false, but recovery is allowed even though misrepresentation is innocently made, because it would be unjust to allow one who made false representations, even innocently, to retain the fruits of a bargain induced by such representations."* Whipp v. Iverson, 43 Wis 2d 166.

17. *"A contract ultra vires being unlawful and void, not because it is in itself immoral, but because the corporation, by the law of its creation, is incapable of making it, the courts, while refusing to maintain any action upon the unlawful contract, have always striven to do justice between the parties, so far as could be done consistently with adherence to law, by permitting property or money, parted with on the faith of the unlawful contract, to be recovered back, or compensation to be made for it. In such case, however, the action is not maintained upon the unlawful contract, nor according to its terms; but on an implied contract of the defendant to return, or, failing to do that, to make compensation for, property or money which it has no right to retain. To maintain such an action is not to affirm, but to disaffirm, the unlawful contract."* Central Transp. Co. v. Pullman, 139 U.S. 60, 11 S. Ct. 478, 35 L. Ed. 5:
18. *"When a contract is once declared ultra vires, the fact that it is executed does not validate it, nor can it be ratified, so as to make it the basis of suitor action, nor does the doctrine of estoppels apply."* F& PR v. Richmond, 133 SE 898; 151 Va 195.
19. *"A national bank ... cannot lend its credit to another by becoming surety, indorser, or guarantor for him, such an act; is ultra vires . . ."* Merchants' Bank v. Baird 160 F 642.
20. *"It has been settled beyond controversy that a national bank, under federal Law being limited in its powers and capacity, cannot lend its credit by guaranteeing the debts of another. All such contracts entered into by its officers are ultra vires . . ."* Howard & Foster Co. v. Citizens Nat'l Bank of Union, 133 SC 202, 130 SE 759(1926).
21. *"The doctrine of ultra vires is a most powerful weapon to keep private corporations within their legitimate spheres and to punish them for violations of their corporate charters, and it probably is not invoked too often ..."* Zinc Carbonate Co. v. First National Bank, 103 Wis 125, 79 NW 229. American Express Co. v. Citizens State Bank, 194 NW 430.
22. *"Bank cannot sue without personal knowledge and a copy of the note might not give legal knowledge"*. Monmouth County Social Serve. v P.A.Q 317 N.J Super 187, 193-194 App. Div 1998. See Also: United States Bankruptcy Court N.J. Investors and Lenders/ Debtors June 30, 1993 Bankruptcy no 92- 30754
23. *"Banks must give us the bookkeeping entries with an affidavit or the banks evidence is hearsay evidence. One cannot enter hearsay evidence into the court"*:Supreme Court of Hawaii, Pacific Concrete Federal Credit Union, Plaintiff Appellee v Andrew J.S. Kauanoe, Defendant Appellant no 6362 July 17, 1980
24. *"Banks must have Possession of the promissory note before the banker can collect"* Staff Mort. & Investment Corp., 550 F2d 1228 (9th Cir 1977)
25. First National Bank of Montgomery vs. Jerome Daly, The Justice Court State of Minnesota County Of Scott Township Of Credit River Justice Martin V. Mahoney, the jury stated the following:
 - 1) *That the Plaintiff is not entitled to recover the possession of Lot 19, Fairview Beach, Scott County, Minnesota according to the Plat thereof on file in the Register of Deeds office.*
 - 2) *That because of failure of a lawful consideration the Note and Mortgage dated May 8, 1964 are null and void.*
 - 3) *That the Sheriff's sale of the above described premises held on June 26, 1967 is null and void, of no effect.*
 - 4) *That the Plaintiff has no right title or interest in said premises or lien thereon as is above described.*
- 5) *That any provision in the Minnesota Constitution and any Minnesota Statute binding the jurisdiction of this Court is repugnant to the Constitution of the United States and to the Bill of Rights of the Minnesota Constitution and is null and void and that this Court has jurisdiction to render complete Justice in this Cause.*

STATE OF MINNESOTA

IN JUSTICE COURT

COUNTY OF SCOTT

TOWNSHIP OF CREDIT RIVER
MARTIN V. MAHONEY, JUSTICE

First National Bank of Montgomery,

Plaintiff,

vs.

JUDGMENT AND DECREE

Jerome Daly,

Defendant.

The above entitled action came on before the Court and a Jury of 12 on December 7, 1968 at 10:00 A.M. Plaintiff appeared by its President Lawrence V. Morgan and was represented by its Counsel Theodore R. Mellby. Defendant appeared on his own behalf.

A Jury of Talesmen were called, impaneled and sworn to try the issues in this Case. Lawrence V. Morgan was the only witness called for Plaintiff and Defendant testified as the only witness in his own behalf.

Plaintiff brought this as a Common Law action for the recovery of the possession of Lot 19, Fairview Beach, Scott County, Minn. Plaintiff claimed title to the Real Property in question by foreclosure of a Note and Mortgage Deed dated May 8, 1964 which Plaintiff claimed was in default at the time foreclosure proceedings were started.

Defendant appeared and answered that the Plaintiff created the money and credit upon its own books by bookkeeping entries at the

his own behalf.

Plaintiff brought this as a Common Law action for the recovery of the possession of Lot 19, Fairview Beach, Scott County, Minn. Plaintiff claimed title to the Real Property in question by foreclosure of a Note and Mortgage Deed dated May 8, 1964 which Plaintiff claimed was in default at the time foreclosure proceedings were started.

Defendant appeared and answered that the Plaintiff created the money and credit upon its own books by bookkeeping entry as the consideration for the Note and Mortgage of May 8, 1964 and alleged failure of consideration for the Mortgage Deed and alleged that the Sheriff's sale passed no title to Plaintiff.

The issues tried to the Jury were whether there was a lawful consideration and whether Defendant had waived his rights to complain about the consideration having paid on the Note for almost 3 years.

Mr. Morgan admitted that all of the money or credit which was used as a consideration was created upon their books, that this was standard banking practice exercised by their bank in combination with the Federal Reserve Bank of Minneapolis, another private Bank, further that he knew of no United States Statute or Law that gave the Plaintiff the authority to do this. Plaintiff further claimed that Defendant by using the ledger book created credit and by paying

on the Note and Mortgage waived any right to complain about the Consideration and that Defendant was estopped from doing so.

At 12:15 on December 7, 1968 the Jury returned a unanimous verdict for the Defendant.

Now therefore, by virtue of the authority vested in me pursuant to the Declaration of Independence, the Northwest Ordinance of 1787, the Constitution of the United States and the Constitution and laws of the State of Minnesota not inconsistent therewith;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. That Plaintiff is not entitled to recover the possession of Lot 19, Fairview Beach, Scott County, Minnesota according to the Plat thereof on file in the Register of Deeds office.
2. That because of failure of a lawful consideration the Note and Mortgage dated May 8, 1964 are null and void.
3. That the Sheriff's sale of the above described premises held on June 26, 1967 is null and void, of no effect.
4. That Plaintiff has no right, title or interest in said premises or lien thereon, as is above described.
5. That any provision in the Minnesota Constitution and any Minnesota Statute limiting the Jurisdiction of this Court is repugnant

3. That the Sheriff's sale of the above described premises held on June 26, 1967 is null and void, of no effect.

4. That Plaintiff has no right, title or interest in said premises or lien thereon, as is above described.

5. That any provision in the Minnesota Constitution and any Minnesota Statute limiting the Jurisdiction of this Court is repugnant to the Constitution of the United States and to the Bill of Rights of the Minnesota Constitution and is null and void and that this Court has Jurisdiction to render complete Justice in this Cause.

6. That Defendant is awarded costs in the sum of \$75.00 and execution is hereby issued therefore.

7. A 10 day stay is granted.

8. The following memorandum and any supplemental memorandum made and filed by this Court in support of this Judgment is hereby made a part hereof by reference.

Dated December 9, 1968

BY THE COURT

MARTIN V. MAHONEY
JUSTICE OF THE PEACE
CREDIT RIVER TOWNSHIP
SCOTT COUNTY, MINNESOTA

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TO MARK NAME TABLE

POPULAR NAME TABLE

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See, also, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2005

See, also, Gaylord A. Nelson Apostle Islands National Lakeshore Wilderness Act

See, also, Grey Towers National Historic Site Act of 2004

See, also, H-1B Visa Reform Act of 2004

See, also, Independent Agencies Appropriations Act, 2005

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See, also, L-1 Visa (Intracompany Transferee) Reform Act of 2004

See, also, L-1 Visa and H-1B Visa Reform Act

See, also, Legislative Branch Appropriations Act, 2005

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See, also, Satellite Home Viewer Extension and Reauthorization Act of 2004 (W. J. [unclear])

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See, also, Small Business Reauthorization and Manufacturing Assistance Act of 2004

See, also, Snake River Water Rights Act of 2004

See, also, Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005

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June 3, 1864, ch. 106, 13 Stat. 99

June 20, 1874, ch. 343, 18 Stat. 173 (12 §§ 38, 105, 121, 123, 126, 131, 176; See 31 § 5115)

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May 30, 1908, ch. 229, § 11, 35 Stat. 546 (12 §§ 104)

Currency and Foreign Transactions Reporting Act (CFTRA) (Foreign Bank Secrecy Act of 1970)

Pub.L. 91-508, Title II, Oct. 26, 1970, 84 Stat. 1118 (See 31 §§ 321, 5311 to 5314, 5316 to 5322)

Currency Reduction Suspension Act

Feb. 4, 1868, ch. 6, 15 Stat. 34

Current Tax Payment Act of 1943 (Doughton Current Tax Payment Act of 1943) (Pay-as-you-go Tax Act)

June 9, 1943, ch. 120, 57 Stat. 126

Curt Flood Act of 1998

Pub.L. 105-297, Oct. 27, 1998, 112 Stat. 2824 (15 §§ 1 note, 26b)

Short title, see 15 USCA §§ 1 note, 26b note

Curtis Act (Five Civilized Tribes)

Apr. 26, 1906, ch. 1876, 34 Stat. 137

Custodial Pay Act

Aug. 1, 1942, ch. 543, 56 Stat. 733

Customs Administration Acts

June 10, 1890, ch. 407, 26 Stat. 131

Aug. 5, 1909, ch. 6, § 28, 36 Stat. 91

Sept. 21, 1922, ch. 356, Title IV, 42 Stat. 948 (19 §§ 5, 257, 258, 261; 46 §§ 58, 321, 333)

June 17, 1930, ch. 497, §§ 401, 402, 46 Stat. 708 (19 §§ 1401, 1402)

June 25, 1938, ch. 679, 52 Stat. 1077 (19 §§ 1321, 1467, 1528)

Customs Administrative Act of 1938

Short title, see 19 USCA § 1654 note

June 25, 1938, ch. 679, 52 Stat. 1077 (19 §§ 1304, 1308, 1309, 1314, 1315, 1317, 1321, 1401, 1402, 1451, 1459, 1460, 1467, 1484, 1485, 1491, 1499, 1501, 1516, 1520, 1524, 1528, 1553, 1557, 1558, 1559, 1562, 1563, 1598, 1603, 1607, 1609, 1613, 1623, 1653a, 1709; 46 § 331)

Customs Administrative Act of 1970

Short title, see 19 USCA § 1654 note

Pub.L. 91-271, Titles II, III, June 2, 1970, 84 Stat. 282, 287 (19 §§ 2, 6, 32, 58, 66, 81, 81c, 151, 161, 167 to 169, 261, 267, 282, 293, 341, 528, 1305, 1311, 1315, 1401, 1402, 1432, 1434, 1435, 1438, 1441, 1443 to 1455, 1457, 1467, 1482, 1484, 1485, 1490 to 1493, 1496, 1499, 1501 to 1503, 1505, 1506, 1509 to 1516, 1520, 1521, 1523, 1555, 1557, 1560, 1562, 1564, 1565, 1584, 1586, 1595, 1602 to 1607, 1609, 1610, 1612 to 1614, 1617, 1618, 1623, 1641, 1648)

Customs and Trade Act of 1990

Short title, see 19 USCA § 2101 note

Pub.L. 101-382, Aug. 20, 1990, 104 Stat. 629 (13 § 23 note; 15 §§ 4804 to 4808; 16 §§ 620, 620 notes, 620a to 620j; 19 §§ 58c, 58c notes, 81c, 81c note, 1309, 1309 note, 1313, 1330, 1333, 1466, 1466 note, 1484 note, 1516a, 1553, 1553 note, 1555, 1607, 1613b, 1673b, 1677, 1677 note, 1677f, 2071, 2071 notes, 2075, 2082, 2083, 2101 note, 2112 notes, 2192 to 2194, 2318, 2432, 2432 note, 2435, 2437, 2462, 2463, 2701 notes, 2702, 2703, 2703 notes, 2706, 2902; 20 § 226; 26 §§ 936, 936 note; 42 1313)

Pub.L. 101-508, Title X, §§ 10001(a), (d), 10012, 10013, Nov. 5, 1990, 104 Stat. 1388 to 386, 1388 to 390, 1388 to 391 (19 §§ 58c, 1613, 1613 notes, 2082)

Pub.L. 103-182, Title VI, § 691(c), Dec. 8, 1993, 107 Stat. 2224 (19 § 2083)

Pub.L. 103-437, § 6(d)(35), Nov. 2, 1994, 108 Stat. 4585 (16 § 620i)

Pub.L. 103-465, Title I, § 112(a), Dec. 8, 1994, 108 Stat. 4825 (19 § 1466 note)

Pub.L. 104-295, §§ 27, Oct. 11, 1996, 110 Stat. 3517, 3533 (19 §§ 1466 note, 1553 note)

Customs Border Security Act of 2002

See, also, Trade Act of 2002

Short title, see 19 USCA § 1654 note

Pub.L. 107-210, Div. A, Title III, Aug. 6, 2002, 116 Stat. 972 (19 §§ 58c, 482, 1318, 1330, 1411, 1431a, 1505, 1509, 1583, 1625 note, 1654 note, 2071 note, 2075, 2082 note, 2171)

Pub.L. 107-296, Title IV, § 419(b), Nov. 25, 2002, 116 Stat. 2182 (19 § 2075 note)

Customs Bureau Act

Mar. 3, 1927, ch. 348, 44 Stat. 1381 (19 §§ 13, 52, 2071 to 2073; 21 § 163)

Oct. 13, 2006, Pub.L. 109-347, Title IV, § 402, 120 Stat. 1924 (19 § 2072)

Customs Court Act

See Court of Customs Appeals Act

Customs Courts Act of 1970

Short title, see 28 USC A § 1 note

Pub.L. 91-271, Title I, June 2, 1970, 84 Stat. 274 (28 §§ 253 to 257, 1541, 1582, 2601, 2602, 2631 to 2634, 2639)

Customs Courts Act of 1980

Short title, see 28 USC A § 1 note

Pub.L. 96-417, Oct. 10, 1980, 94 Stat. 1727 (16 § 791; 18 § 6001; 19 §§ 405a, 1305, 1337,

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proof as aforesaid of the completion of the additional sections of the road as aforesaid; and upon the failure of either company to complete either section as aforesaid, to be annually built, the portion of the land remaining uncertified shall become subject to the control and disposition of the legislature of the State of Iowa, to aid in the completion of such road.

SEC. 9. *And be it further enacted*, That all lands hereafter certified to either of the land-grant railroads in said state, and lying opposite any completed section of such road, shall be offered for sale by the company to which they shall be certified within three years from the completion of such section, if then certified; and if not, then within three years from the date of such certificate at reasonable prices; and if not all sold within that period then during the fourth year all such lands remaining unsold shall be exposed to public sale, after previous notice posted at the county seat of the county in which such lands shall be situated, to the highest bidder, and in tracts not exceeding one hundred and sixty acres each.

Lands hereafter certified, to be offered for sale within three years, &c.

When to be exposed to public sale.

APPROVED, June 2, 1864.

CHAP. CIV. — *An Act to incorporate the News-boys' Home.*

June 2, 1864.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Joseph Henry, J. W. Forney, Henry Beard, Sayles J. Bowen, and A. M. Gangwer, their associates and successors, being members of said society, by paying into its treasury the sum of two dollars annually, or life members, by paying fifty dollars at one time, are hereby incorporated and made a body politic, by the name of "The News-boys' Home of Washington City," for the purpose of providing lodgings, meals, and instruction to such homeless and indigent boys as may properly come under the charge of such association, to provide for them a suitable home, board, clothing, and instruction, and to bring them under Christian influence; and by that name shall have perpetual succession, with power to use a common seal, to sue and be sued, to plead and be impleaded in any court of competent jurisdiction within the District of Columbia, to collect subscriptions, make by-laws, rules, and regulations needful for the government of said corporation not inconsistent with the laws of the United States; to have, hold, and receive real estate by purchase, gift, or devise; to use, sell, or convey the same for the purposes and benefit of said corporation, and to choose such officers and teachers as may be necessary, prescribe their duties, and fix the rate of their compensation.

"The News-boys' Home of Washington City" incorporated.

Powers of incorporation.

SEC. 2. *And be it further enacted*, That the officers of said association shall consist of a president, two vice-presidents, secretary, treasurer, and a board of managers, to be composed of fifteen members, the whole to constitute an executive committee, whose duty it shall be to carry into effect the plans and purposes for which said association was formed, all of which officers shall be elected on the first Tuesday in February in each year at the annual meeting of said association, which shall be held on said day; their successors shall be elected and hold their offices for the term of one year, and until their successors shall be duly elected. And in case of a vacancy it shall be filled by the other members of the executive committee.

Officers, &c.

APPROVED, June 2, 1864.

CHAP. CVI. — *An Act to provide a National Currency, secured by a Pledge of United States Bonds, and to provide for the Circulation and Redemption thereof.*

June 3, 1864.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be established in the treasury department a separate bureau, which shall be charged with the execution of this and all other laws that may be passed by congress respecting the issue and regulation of a national currency

1863, ch. 73, §§ 6, 7. Post, p. 634. Currency bureau established.

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to execute to the said treasurer a certificate setting forth the different kinds and the amounts thereof, and that the same are in the possession and custody of the treasurer at the date of such certificate. Such examination may be made by an officer or agent of such association, duly appointed in writing for that purpose, whose certificate before mentioned shall be of like force and validity as if executed by such president or cashier; and a duplicate signed by the treasurer shall be retained by the association.

Examination of associations.

SEC. 26. *And be it further enacted*, That the bonds transferred to and deposited with the treasurer of the United States, as hereinbefore provided, by any banking association for the security of its circulating notes, shall be held exclusively for that purpose, until such notes shall be redeemed, except as provided in this act; but the comptroller of the currency shall give to any such banking association powers of attorney to receive and appropriate to its own use the interest on the bonds which it shall have so transferred to the treasurer; but such powers shall become inoperative whenever such banking association shall fail to redeem its circulating notes as aforesaid. Whenever the market or cash value of any bonds deposited with the treasurer of the United States, as aforesaid, shall be reduced below the amount of the circulation issued for the same, the comptroller of the currency is hereby authorized to demand and receive the amount of such depreciation in other United States bonds at cash value, or in money, from the association receiving said bills, to be deposited with the treasurer of the United States as long as such depreciation continues. And said comptroller, upon the terms prescribed by the Secretary of the Treasury, may permit an exchange to be made of any of the bonds deposited with the treasurer by an association for other bonds of the United States authorized by this act to be received as security for circulating notes, if he shall be of opinion that such an exchange can be made without prejudice to the United States, and he may direct the return of any of said bonds to the banking association which transferred the same, in sums of not less than one thousand dollars, upon the surrender to him and the cancellation of a proportionate amount of such circulating notes: *Provided*, That the remaining bonds which shall have been transferred by the banking association offering to surrender circulating notes shall be equal to the amount required for the circulating notes not surrendered by such banking association, and that the amount of bonds in the hands of the treasurer shall not be diminished below the amount required to be kept on deposit with him by this act: *And provided*, That there shall have been no failure by such association to redeem its circulating notes, and no other violation by such association of the provisions of this act, and that the market or cash value of the remaining bonds shall not be below the amount required for the circulation issued for the same.

Deposited bonds to be held exclusively to secure circulation.

Provision as to interest.

If bonds depreciate, security to be made good.

Bonds may be exchanged, if, &c.;

may be returned upon cancellation of circulating notes. *Provided*.

SEC. 27. *And be it further enacted*, That it shall be unlawful for any officer acting under the provisions of this act to countersign or deliver to any association, or to any other company or person, any circulating notes contemplated by this act, except as hereinbefore provided, and in accordance with the true intent and meaning of this act. And any officer who shall violate the provisions of this section shall be deemed guilty of a high misdemeanor, and on conviction thereof shall be punished by fine not exceeding double the amount so countersigned and delivered, and imprisonment not less than one year and not exceeding fifteen years, at the discretion of the court in which he shall be tried.

The countersigning and delivery of circulating notes, except as permitted by this act, made unlawful. *Penalty*.

SEC. 28. *And be it further enacted*, That it shall be lawful for any such association to purchase, hold, and convey real estate as follows:—

Associations may hold, &c., certain real estate.

First. Such as shall be necessary, for its immediate accommodation in the transaction of its business.

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Real estate.

Second. Such as shall be mortgaged to it in good faith by way of security for debts previously contracted.

Third. Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its dealings.

Fourth. Such as it shall purchase at sales under judgments, decrees, or mortgages held by such association, or shall purchase to secure debts due to said association.

Such associations shall not purchase or hold real estate in any other case or for any other purpose than as specified in this section. Nor shall it hold the possession of any real estate under mortgage, or hold the title and possession of any real estate purchased to secure any debts due to it for a longer period than five years.

No person, &c., to be liable to association for more than, &c.

SEC. 29. *And be it further enacted*, That the total liabilities to any association, of any person, or of any company, corporation, or firm for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall at no time exceed one tenth part of the amount of the capital stock of such association actually paid in: *Provided*, That the discount of bona fide bills of exchange drawn against actually existing values, and the discount of commercial or business paper actually owned by the person or persons, corporation, or firm negotiating the same shall not be considered as money borrowed.

Certain discounts not to be included.

Rate of interest.

SEC. 30. *And be it further enacted*, That every association may take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidences of debt, interest at the rate allowed by the laws of the state or territory where the bank is located, and no more, except that where by the laws of any state a different rate is limited for banks of issue organized under state laws, the rate so limited shall be allowed for associations organized in any such state under this act. And when no rate is fixed by the laws of the state or territory, the bank may take, receive, reserve, or charge a rate not exceeding seven per centum, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run. And the knowingly taking, receiving, reserving, or charging a rate of interest greater than aforesaid shall be held and adjudged a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. And in case a greater rate of interest has been paid, the person or persons paying the same, or their legal representatives, may recover back, in any action of debt, twice the amount of the interest thus paid from the association taking or receiving the same: *Provided*, That such action is commenced within two years from the time the usurious transaction occurred. But the purchase, discount, or sale of a bona fide bill of exchange, payable at another place than the place of such purchase, discount, or sale, at not more than the current rate of exchange for sight drafts in addition to the interest, shall not be considered as taking or receiving a greater rate of interest.

Penalty for taking greater interest.

Action to be commenced in two years.

Amount of money to be kept on hand.

SEC. 31. *And be it further enacted*, That every association in the cities hereinafter named shall, at all times, have on hand, in lawful money of the United States, an amount equal to at least twenty-five per centum of the aggregate amount of its notes in circulation and its deposits; and every other association shall, at all times, have on hand, in lawful money of the United States, an amount equal to at least fifteen per centum of the aggregate amount of its notes in circulation, and of its deposits. And whenever the lawful money of any association in any of the cities hereinafter named shall be below the amount of twenty-five per centum of its circulation and deposits, and whenever the lawful money of any other association shall be below fifteen per centum of its circulation and deposits, such associations shall not increase its liabilities by making any new loans or discounts otherwise than by discounting or purchasing bills of exchange payable at sight, nor make any dividend of its profits until

Liabilities not to be increased until reserve is made good.

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thereof, with a view to prevent the application of its assets in the manner prescribed by this act, or with a view to the preference of one creditor to another, except in payment of its circulating notes, shall be utterly null and void.

Penalty upon directors for violations of this act.

Violation, how to be determined.

Personal liability.

Comptroller may appoint person to examine the affairs of any association.

Duty of such examiner.

Pay.

Penalty upon officers, &c., of association for embezzlement, &c., of funds.

District attorneys to conduct certain suits.

In what courts, suits, &c., under this act may be prosecuted.

SEC. 53. *And be it further enacted*, That if the directors of any association shall knowingly violate, or knowingly permit any of the officers, agents, or servants of the association to violate any of the provisions of this act, all the rights, privileges, and franchises of the association derived from this act shall be thereby forfeited. Such violation shall, however, be determined and adjudged by a proper circuit, district, or territorial court of the United States, in a suit brought for that purpose by the comptroller of the currency, in his own name, before the association shall be declared dissolved. And in cases of such violation, every director who participated in or assented to the same shall be held liable in his personal and individual capacity for all damages which the association, its shareholders, or any other person, shall have sustained in consequence of such violation.

SEC. 54. *And be it further enacted*, That the comptroller of the currency, with the approbation of the Secretary of the Treasury, as often as shall be deemed necessary or proper, shall appoint a suitable person or persons to make an examination of the affairs of every banking association, which person shall not be a director or other officer in any association whose affairs he shall be appointed to examine, and who shall have power to make a thorough examination into all the affairs of the association, and, in doing so, to examine any of the officers and agents thereof on oath; and shall make a full and detailed report of the condition of the association to the comptroller. And the association shall not be subject to any other visitatorial powers than such as are authorized by this act, except such as are vested in the several courts of law and chancery. And every person appointed to make such examination shall receive for his services at the rate of five dollars for each day by him employed in such examination, and two dollars for every twenty-five miles he shall necessarily travel in the performance of his duty, which shall be paid by the association by him examined.

SEC. 55. *And be it further enacted*, That every president, director, cashier, teller, clerk, or agent of any association, who shall embezzle, abstract, or wilfully misapply any of the moneys, funds, or credits of the association, or shall, without authority from the directors, issue or put in circulation any of the notes of the association, or shall, without such authority, issue or put forth any certificate of deposit, draw any order or bill of exchange, make any acceptance, assign any note, bond, draft, bill of exchange, mortgage, judgment, or decree, or shall make any false entry in any book, report, or statement of the association, with intent, in either case, to injure or defraud the association or any other company, body politic or corporate, or any individual person, or to deceive any officer of the association, or any agent appointed to examine the affairs of any such association, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by imprisonment not less than five nor more than ten years.

SEC. 56. *And be it further enacted*, That all suits and proceedings arising out of the provisions of this act, in which the United States or its officers or agents shall be parties, shall be conducted by the district attorneys of the several districts, under the direction and supervision of the solicitor of the treasury.

SEC. 57. *And be it further enacted*, That suits, actions, and proceedings, against any association under this act, may be had in any circuit, district, or territorial court of the United States held within the district in which such association may be established; or in any state, county, or municipal court in the county or city in which said association is located,

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or other uses, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this Act, shall proceed in conformity with the laws of said State.

Approved, December 19, 1913.

CHAP. 5.—An Act Amending an Act entitled "An Act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes," approved March fourth, nineteen hundred and thirteen.

December 22, 1913.
[S. 2689.]

[Public, No. 42.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section twenty-six of the Act approved March fourth, nineteen hundred and thirteen, which authorizes the Secretary of the Treasury to enter into a contract or contracts for the erection of fireproof laboratories for the Bureau of Mines in the city of Pittsburgh, Pennsylvania, and so forth, is hereby amended so as to authorize the Secretary of the Treasury, in his discretion, to accept and expend, in addition to the limit of cost therein fixed, such funds as may be received by contribution from the State of Pennsylvania, or from other sources, for the purpose of enlarging, by purchase, condemnation, or otherwise, and improving the site authorized to be acquired for said Bureau of Mines, or for other work contemplated by said legislation: *Provided*, That the acceptance of such contributions and the improvements made therewith shall involve the United States in no expenditure in excess of the limit of cost heretofore fixed.

Public buildings.
Bureau of Mines laboratories, Pittsburgh, Pa.

Acceptance of additional funds.
Vol. 37, p. 886.

Proviso.
Limit of cost.

Approved, December 22, 1913.

CHAP. 6.—An Act To provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

December 23, 1913.
[H. R. 7857.]

[Public, No. 43.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the short title of this Act shall be the "Federal Reserve Act."

Federal Reserve Act.

Wherever the word "bank" is used in this Act, the word shall be held to include State bank, banking association, and trust company, except where national banks or Federal reserve banks are specifically referred to.

Terms construed.

The terms "national bank" and "national banking association" used in this Act shall be held to be synonymous and interchangeable. The term "member bank" shall be held to mean any national bank, State bank, or bank or trust company which has become a member of one of the reserve banks created by this Act. The term "board" shall be held to mean Federal Reserve Board; the term "district" shall be held to mean Federal reserve district; the term "reserve bank" shall be held to mean Federal reserve bank.

FEDERAL RESERVE DISTRICTS.

Federal reserve districts.

SEC. 2. As soon as practicable, the Secretary of the Treasury, the Secretary of Agriculture and the Comptroller of the Currency, acting as "The Reserve Bank Organization Committee," shall designate not less than eight nor more than twelve cities to be known as Federal reserve cities, and shall divide the continental United States, excluding Alaska, into districts, each district to contain only one of such Federal reserve cities. The determination of said organization

Designation of Federal reserve cities.

Districts.

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hypothecation of United States bonds or other securities which Federal reserve banks are authorized to hold;

(b) To buy and sell, at home or abroad, bonds and notes of the United States, and bills, notes, revenue bonds, and warrants with a maturity from date of purchase of not exceeding six months, issued in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues by any State, county, district, political subdivision, or municipality in the continental United States, including irrigation, drainage and reclamation districts, such purchases to be made in accordance with rules and regulations prescribed by the Federal Reserve Board;

(c) To purchase from member banks and to sell, with or without its indorsement, bills of exchange arising out of commercial transactions, as hereinbefore defined;

(d) To establish from time to time, subject to review and determination of the Federal Reserve Board, rates of discount to be charged by the Federal reserve bank for each class of paper, which shall be fixed with a view of accommodating commerce and business;

(e) To establish accounts with other Federal reserve banks for exchange purposes and, with the consent of the Federal Reserve Board, to open and maintain banking accounts in foreign countries, appoint correspondents, and establish agencies in such countries wheresoever it may deem best for the purpose of purchasing, selling, and collecting bills of exchange, and to buy and sell with or without its indorsement, through such correspondents or agencies, bills of exchange arising out of actual commercial transactions which have not more than ninety days to run and which bear the signature of two or more responsible parties.

Bonds, notes, etc.

Commercial exchange.

Discount rates.

Foreign accounts and agencies.

GOVERNMENT DEPOSITS.

SEC. 15. The moneys held in the general fund of the Treasury, except the five per centum fund for the redemption of outstanding national bank notes and the funds provided in this Act for the redemption of Federal reserve notes may, upon the direction of the Secretary of the Treasury, be deposited in Federal reserve banks, which banks, when required by the Secretary of the Treasury, shall act as fiscal agents of the United States; and the revenues of the Government or any part thereof may be deposited in such banks, and disbursements may be made by checks drawn against such deposits.

No public funds of the Philippine Islands, or of the postal savings, or any Government funds, shall be deposited in the continental United States in any bank not belonging to the system established by this Act: *Provided, however,* That nothing in this Act shall be construed to deny the right of the Secretary of the Treasury to use member banks as depositories.

Government deposits.

Use of reserve bank as fiscal agents, etc.

Deposit of public funds restricted.

Proviso. Use of member banks as depositories.

Federal reserve notes.

NOTE ISSUES.

SEC. 16. Federal reserve notes, to be issued at the discretion of the Federal Reserve Board for the purpose of making advances to Federal reserve banks through the Federal reserve agents as hereinafter set forth and for no other purpose, are hereby authorized. The said notes shall be obligations of the United States and shall be receivable by all national and member banks and Federal reserve banks and for all taxes, customs, and other public dues. They shall be redeemed in gold on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or in gold or lawful money at any Federal reserve bank.

Any Federal reserve bank may make application to the local Federal reserve agent for such amount of the Federal reserve notes hereinbefore provided for as it may require. Such application shall

Issuance authorized.

Receivability.

Redemption.

Applications for, by reserve banks.

Collateral required.

SECTION 16 FEDERAL RESERVE ACT & TITLE 12 SEC 411

You are using Private Money

Title 12 U.S.C. § 411: US Code - Section 411: Issuance to reserve banks; nature of obligation; redemption

Federal Reserve notes, to be issued at the discretion of the Board of Governors of the Federal Reserve System for the purpose of making advances to Federal Reserve banks through the Federal Reserve agents as hereinafter set forth and for no other purpose, are authorized. The said notes shall be obligations of the United States and shall be receivable by all national and member banks and Federal Reserve banks and for all taxes, customs, and other public dues. They shall be redeemed in lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal Reserve Bank.

CONGRESSIONAL RECORD ON THE FEDERAL RESERVE

Congressional Record: Charles A. Lindbergh, R-MN

Time in video 45:30

"This Act establishes the most gigantic trust on Earth. When the President signs this bill, the invisible government by the Monetary Power will be legalized, the people may not know it immediately but the day of reckoning is only a few years removed.... The worst legislative crime of the ages is perpetrated by this banking bill."

"The financial system has been turned over to the Federal Reserve Board. That board administers a finance system by authority of a purely profiteering group. That system is private, conducted for the sole purpose of obtaining the greatest possible profits from the use of other people's money. This (Federal Reserve) Act establishes the most gigantic trust on earth. When the president signs this bill, the invisible government by the monetary power will be legalized. The people may not know it immediately but the day of reckoning is only a few years removed, the worst legislative crime of the ages perpetrated by this banking bill."

Congressional Record: March 3, 1934

Time in video 47.15

Congressman Weideman: "So the paramount issue of today is this: Shall the Government of the United States be run for the benefit of the international bankers or shall the citizens of the United States be given the right to 'life, liberty, and the pursuit of happiness'? Shall we replace the Statue of Liberty with the golden statue erected to the god of greed? Shall we forget that the only time our Savior used force was when he drove the money changers from the temple? Let us reestablish the principle that we all believe in: That all men are entitled to a right to work, to own their own homes, to reap a just reward for their labors, and to enjoy nature's sunshine as God intended. We owe it to our children that we shall not depart and leave them in a condition of bondage and slavery to organized greed and gold."

Congressional Record, April 9, 1934

Time in video 1:13.30

Congressman Patman: "....A Federal Reserve bank has a great privilege. It has the right to issue a blanket mortgage on all the property of all the people of this country. It is called a Federal Reserve note. For that privilege section 16 of the act provides that when the Government prints a Federal Reserve note and guarantees to pay that note and delivers it to a Federal Reserve bank, that Federal Reserve bank shall pay -- it seems to be mandatory -- the rate of interest that is set by the Federal Reserve Board. The law has never been put into effect. The Federal Reserve Board sets the zero rate. Instead of charging an interest rate which the law says they shall charge, they set no rate at all. Therefore, for the use of this great Government credit, these blanket mortgages that are issued against all the property of all the people of this Nation and against the incomes of all the people of this Nation, they do not pay one penny. Not one penny of the stock of the Federal Reserve banks is owned by the Government or the people, but it is owned by private banks exclusively. They do not pay one penny for the use of that great privilege, to the people or to the Government.

(CR, 4-9-1934)

The documents in this booklet are partial copies only

PRESIDENTS HAVE TRIED TO STOP THE FEDERAL RESERVE

Executive Order 11110

Time in video 1:21.00

Executive Order 11110 AMENDMENT OF EXECUTIVE ORDER NO. 10289 AS AMENDED, RELATING TO THE PERFORMANCE OF CERTAIN FUNCTIONS AFFECTING THE DEPARTMENT OF THE TREASURY

By virtue of the authority vested in me by section 301 of title 3 of the United States Code, it is ordered as follows:

Section 1. Executive Order No. 10289 of September 19, 1951, as amended, is hereby further amended by adding at the end of paragraph 1 thereof the following subparagraph (j):

(j) The authority vested in the President by paragraph (b) of section 43 of the Act of May 12, 1933, as amended (31 U.S.C.821 (b)), to issue silver certificates against any silver bullion, silver, or standard silver dollars in the Treasury not then held for redemption of any outstanding silver certificates, to prescribe the denomination of such silver certificates, and to coin standard silver dollars and subsidiary silver currency for their redemption

and --

By revoking subparagraphs (b) and (c) of paragraph 2 thereof.

Sec. 2. The amendments made by this Order shall not affect any act done, or any right accruing or accrued or any suit or proceeding had or commenced in any civil or criminal cause prior to the date of this Order but all such liabilities shall continue and may be enforced as if said amendments had not been made.


John F. Kennedy The White House, June 4, 1963.

PROOF THERE IS A LIEN AGAINST ALL OF YOU

Maryland UCC July 2011

UCC Filing Details

http://sdatacert3.resusa.org/UCC-Charter/UCC_AckDetails.aspx?AckN...

 Maryland Department of Assessments and Taxation Taxpayer Services Division 301 West Preston Street W Baltimore, MD 21201 (2007 vw1.1)
Main Menu Security Interest Filings (UCC) New Search Business Entity Information (Charter/Personal Property) Rate Stabilization Notices Get Forms Certificate of Status Inmate Availability SDAT Home

Taxpayer Services Division
THE FEDERAL RESERVE SYSTEM
Filing Details (Current)
Filing Status: ACTIVE

All records received by the Department through 09/12/2011 are shown.

Debtor Information for File Number: 0000000181425776	
Name	Address
THE FEDERAL RESERVE SYSTEM	20TH STREET, N.W. WASHINGTON, DC 20551
E PLURIBUS UNUM THE UNITED STATES OF AMERICA	1500 PENNSYLVANIA AVENUE, NW WASHINGTON, DC 20220
U.S. DEPARTMENT OF DEFENSE FINANCE AND ACCOUNTING SERVICES	1400 DEFENSE PENTAGON WASHINGTON, DC 20301 - 1400
COMPTROLLER OF MARYLAND	1101 WOOTON PARKWAY ROCKVILLE, MD 20852

Secured Party Information for File Number: 0000000181425776	
Name	Address
THE UNITED STATES DEPARTMENT OF THE TREASURY 1789 (Assignor)	50 MARYLAND AVENUE ROCKVILLE, MD 20850
NORTH AMERICAN WATER AND POWER ALLIANCE (Assignor)	1400 DEFENSE PENTAGON WASHINGTON, DC 20301 - 1400
U.S. TREASURY DEPARTMENT INTERNAL REVENUE SERVICE (IRS) (Assignee)	600 ATLANTIC AVENUE BOSTON, MA 02106

PROOF THERE IS A LIEN AGAINST ALL OF YOU

Maryland UCC July 2011

UCC APPROVAL SHEET

**** EXPEDITED SERVICE ****

**** KEEP WITH DOCUMENT ****

TRANSACTION TYPE	FEES REMITTED
<input checked="" type="checkbox"/> Expedited Fee	\$50.00
<input type="checkbox"/> UO - Original Financing Statement	\$25.00
<input type="checkbox"/> UOA - Original Financing Statement With Assignment	\$25.00
<input type="checkbox"/> UOTU - Original Financing Statement Transferring Utility	\$25.00
<input type="checkbox"/> UMA - Amendment	\$25.00
<input type="checkbox"/> UMDA - Amendment - Debtor Added	\$25.00
<input type="checkbox"/> UMDC - Amendment - Debtor Name Change	\$25.00
<input type="checkbox"/> UMDD - Amendment - Debtor Deleted	\$25.00
<input type="checkbox"/> UMSA - Amendment - Secured Party Added	\$25.00
<input type="checkbox"/> UMSC - Amendment - Secured Party Name Change	\$25.00
<input type="checkbox"/> UMSD - Amendment - Secured Party Deleted	\$25.00
<input type="checkbox"/> UMC - Amendment - Continuation	\$25.00
<input type="checkbox"/> UMT - Amendment - Termination	\$25.00
<input type="checkbox"/> UMZ - Amendment - Assignment	\$25.00
<input type="checkbox"/> UMZP - Amendment - Partial Assignment	\$25.00
<input type="checkbox"/> UMCS - Amendment - Correction Statement	\$25.00
<input checked="" type="checkbox"/> UOMH - Manufactured Home - Original Financing Statement	\$25.00
<input checked="" type="checkbox"/> UOPF - Public Finance - Original Financing Statement	\$25.00
<input checked="" type="checkbox"/> UOPF - Public Finance - Documents Nine (9) Pages or More	\$75.00
<input checked="" type="checkbox"/> Certified Copies	
<input type="checkbox"/> Plain Copies	
TOTAL FEES: <u>198.00</u>	



RECORDED ON 07/28/2011 AT 11:01 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
NO # 0003840037 ACK # 1000362002066027
ORIGINAL FILE NUMBER: 0000000181425776
PAGES: 0005

Other Change(s)

Code

U.S.A. DEPARTMENT OF DEFENSE U.S.A. DEPTA
CLERK, HALL OF JUSTICE
191 NORTH FIRST STREET
SAN JOSE CA 95113-1006

NO FEE TRANSACTION TYPES

- ☐ URC - Copies
- ☐ UNCP - Void - Non-Payment
- ☐ UCC - Cancellation
- ☐ UCR - Reinstatement
- ☐ UCO Departmental Action
- ☐ UCREP - Refund Recordation Tax
- ☐ UCIS - Incorrect ID Number
- ☐ XOVRU - UCC Overrides
- ☐ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

☒ Cash ☐ Check ☐ Credit Card

Number of Checks

COMMENT(S)

Public Finance with assignment

CERTIFIED
COPY MADE

CUST ID: 0002623457
WORK ORDER: 0003840037
DATE: 07-28-2011 11:25 AM
AMT: PAID: \$198.00

The documents in this booklet are partial copies only

PROOF THERE IS A LIEN AGAINST ALL OF YOU
Maryland UCC July 2011

CUST ID: 0002623457
WORK ORDER: 0003840037
DATE: 07-28-2011 11:25 AM
AMT. PAID: \$198.00

UC
FOL

A. NAME & PHONE OF CONTRACT PARTY

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

[U.S.A. DEPARTMENT OF DEFENSE
U.S.A. DEPARTMENT OF HOMELAND SECURITY]
ATT: CLERK, HALL OF JUSTICE-C1110714- 1 43470
46
191 NORTH-FIRST STREET,
SAN JOSE CA 95113-1006

DEPARTMENT OF
TREASURY
& TAXATION

2011 JUL 28 A 11:01

RECEIVED

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

THE FEDERAL RESERVE SYSTEM

OR 1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

20th Street N.W.

CITY

Washington

STATE

DC

POSTAL CODE

20551

COUNTRY

u.s.a.

1d. SEE INSTRUCTIONS

14,300,000,000,000

ADD'L INFO RE ORGANIZATION

DEBTOR

1e. TYPE OF ORGANIZATION

a trust (15 USC)

1f. JURISDICTION OF ORGANIZATION

The United States of America

1g. ORGANIZATIONAL ID #, if any

AG 59880464 A - U.S. S.E.C ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

-E PLURIBUS UNUM- THE UNITED STATES OF AMERICA

OR 2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

1500 Pennsylvania Avenue, NW

CITY

Washington, DC

STATE

d.c.

POSTAL CODE

20220

COUNTRY

u.s.a.

2d. SEE INSTRUCTIONS

14,000,000,000,000

ADD'L INFO RE ORGANIZATION

DEBTOR

2e. TYPE OF ORGANIZATION

a trustee (15 USC)

2f. JURISDICTION OF ORGANIZATION

The United States of America

2g. ORGANIZATIONAL ID #, if any

AG 59880464 A ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

THE UNITED STATES DEPARTMENT OF THE TREASURY 1789

OR 3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

50 Maryland Avenue

CITY

Rockville

STATE

md

POSTAL CODE

20850

COUNTRY

u.s.a.

4. This FINANCING STATEMENT covers the following collateral:

1D00247556 , Seal No. 285521
6Z33753691 , Seal No. 285522
6D00242066 , Seal No. 285523
FV26330-2 , Seal No. 285524

[A SECURITY (15 USC)--- COMMERCIAL AFFIDAVIT---NOT A POINT OF LAW]

5. ALTERNATIVE DESIGNATION (if applicable)	<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOB	<input type="checkbox"/> SELLER/BUYER	<input checked="" type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING
6. <input checked="" type="checkbox"/> This FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS. Attach Addendum.	7. Check to REQUEST SEARCH REPORT (S) on Debtor(s) (optional)		<input type="checkbox"/> All Debtors <input type="checkbox"/> Debtor 1 <input type="checkbox"/> Debtor 2			
8. OPTIONAL FILER REFERENCE DATA						

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC-1) (REV. 05/22/02)

The documents in this booklet are partial copies only

For the video presentation go to [YouTube](https://www.youtube.com/watch?v=7mWmWmWmWm) and search the title of this document
by mark allen wasmuth

Page 101 of 121

PROOF THERE IS A LIEN AGAINST ALL OF YOU
Maryland UCC July 2011

UCC APPROVAL SHEET

**** EXPEDITED SERVICE ****

**** KEEP WITH DOCUMENT ****

TRANSACTION TYPE	FEES REMITTED
<input checked="" type="checkbox"/> Expedited Fee	\$50.00
<input type="checkbox"/> UO - Original Financing Statement	\$25.00
<input type="checkbox"/> UOA - Original Financing Statement With Assignment	\$25.00
<input type="checkbox"/> UOTU - Original Financing Statement Transmitting Utility	\$25.00
<input type="checkbox"/> UMA - Amendment	\$25.00
<input type="checkbox"/> UMDA - Amendment - Debtor Added	\$25.00
<input type="checkbox"/> UMD - Amendment - Debtor Name Change	\$25.00
<input type="checkbox"/> UMDD - Amendment - Debtor Deleted	\$25.00
<input type="checkbox"/> UMSA - Amendment - Secured Party Added	\$25.00
<input type="checkbox"/> UMSC - Amendment - Secured Party Name Change	\$25.00
<input type="checkbox"/> UMSD - Amendment - Secured Party Deleted	\$25.00
<input type="checkbox"/> UMC - Amendment - Continuation	\$25.00
<input type="checkbox"/> UMT - Amendment - Termination	\$25.00
<input checked="" type="checkbox"/> UMZ - Amendment - Assignment	\$25.00
<input type="checkbox"/> UMZP - Amendment - Partial Assignment	\$25.00
<input type="checkbox"/> UMCS - Amendment - Correction Statement	\$25.00
<input type="checkbox"/> UOMH - Manufactured Home - Original Financing Statement	\$25.00
<input type="checkbox"/> UOPF - Public Finance - Original Financing Statement	\$25.00
<input checked="" type="checkbox"/> Documents Nine (9) Pages or More	\$75.00
<input type="checkbox"/> Certified Copies	
<input type="checkbox"/> Plain Copies	
TOTAL FEES: <u>186.00</u>	



RECORDED ON 07/28/2011 AT 12:05 PM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
NO # 0003840099 ACK # 1000362002066696
ORIGINAL FILE NUMBER: 0000000181425776
PAGES: 0002

Other Change(s)

Code

THE UNITED STATES OF AMERICA TREASURY DE
CARMEN MILAGROS ORTIZ, USA
1 COURTHOUSE WAY
JOHN JOSEPH HOAKLEY COURTHOUSE
BOSTON MA 02210

NO FEE TRANSACTION TYPES

- ☐ URC - Copies
- ☐ UNCP - Void - Non-Payment
- ☐ UCC - Cancellation
- ☐ UCR - Reinstatement
- ☐ UCO Departmental Action
- ☐ UCREF - Refund Recordation Tax
- ☐ UCIS - Incorrect ID Number
- ☐ XOVRU - UCC Overrides
- ☐ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

☒ Cash ☐ Check ☐ Credit Card

Number of Checks

COMMENT(S):

**CERTIFIED
COPY MADE**

CUST ID: 0002623519
WORK ORDER: 0003840099
DATE: 07-28-2011 12:05 PM
AMT. PAID: \$186.00

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PROOF THERE IS A LIEN AGAINST ALL OF YOU
Maryland UCC July 2011

CUST ID: 0002623519
WORK ORDER: 0003840099
DATE: 07-28-2011 12:05 PM
AMT. PAID: \$186.00

RECEIVED

2011 JUL 28 P 12:05

DEPARTMENT OF
ASSESSMENT
& TAXATION

8. SEND ACKNOWLEDGMENT TO: (Name and Address)

[The United States of America,
Treasury -Department- Internal Re-Venue Service (IRS)]
Att: Carmen Milagros Ortiz, USA
1 Courthouse Way
John Joseph Moakley Courthouse
Boston, MA 02210

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #

181425776

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.



2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 8.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.

☐ DELETE name: Give record name to be deleted in item 6a or 6b.

☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

U.S. TREASURY -DEPARTMENT- INTERNAL RE-VENUE SERVICE (IRS)

OR

7b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

7c. MAILING ADDRESS

FRB-BOS (11 USC), 600 ATLANTIC AVENUE

CITY

BOSTON

STATE

MA

POSTAL CODE

02106

COUNTRY

U.S.A.

7d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

7e. TYPE OF ORGANIZATION
a trustee (15 USC)

7f. JURISDICTION OF ORGANIZATION

The United States Of America

7g. ORGANIZATIONAL ID #, if any

AG 59880464 a

☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

014,300,000,000,000.-

[014,300,000,000,000.-]

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

THE UNITED STATES DEPARTMENT OF THE TREASURY 1789

OR

9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

10. OPTIONAL FILER REFERENCE DATA

FILING OFFICE COPY -- UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

The documents in this booklet are partial copies only

For the video presentation go to [YouTube](https://www.youtube.com/watch?v=UCC3) and search the title of this document
by mark allen wasmuth

Page 104 of 121

PROOF THERE IS A LIEN AGAINST ALL OF YOU
Maryland UCC July 2011

UCC APPROVAL SHEET
**** KEEP WITH DOCUMENT ****

TRANSACTION TYPE **FEES REMITTED**

___ UO - Original Financing Statement	\$25.00
___ UOA - Original Financing Statement with assignment	\$25.00
___ UOTU - Original Financing Statement Transmitting Utility	\$25.00
___ UMA - Amendment	\$25.00
✓ UMDA - Amendment - Debtor Added	\$25.00
___ UMDC - Amendment - Debtor Name Change	\$25.00
___ UMDD - Amendment - Debtor Deleted	\$25.00
___ UMSA - Amendment - Secured Party Added	\$25.00
___ UMSC - Amendment - Secured Party Name Change	\$25.00
___ UMSD - Amendment - Secured Party Deleted	\$25.00
___ UMC - Amendment - Continuation	\$25.00
___ UMT - Amendment - Termination	\$25.00
___ UMZ - Amendment - Assignment	\$25.00
___ UMZP - Amendment - Partial Assignment	\$25.00
___ UMCS - Amendment - Correction Statement	\$25.00
___ UOMH - Manufactured Home - Original Financing Statement	\$25.00
___ UOPF - Public Finance - Original Financing Statement	\$25.00
___ Documents Nine (9) Pages or More	\$75.00
___ Certified Copies	
___ Plain Copies	
TOTAL FEES:	<u>25</u>



RECORDED ON 08/12/2011 AT 10:25 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0003846966 ACK # 1000362002135657
ORIGINAL FILE NUMBER: 0000000181425776
PAGES: 0002

☐ **OTHER CHANGES:**

Code _____

Attention: _____

Mail to Address:

US TREASURY
INTERNAL REVENUE SERVICE
80 CALVERT STREET
ANNAPOLIS MD 21404

NO FEE TRANSACTION TYPES

___ URC - Copies
___ UNCP - Void - Non-Payment
___ UCC - Cancellation
___ UCR - Reinstatement
___ UCO - Departmental Action
___ UCREF - Refund Recordation Tax
___ UCIS - Incorrect ID Number
___ XOVRU - UCC Overrides
___ UMFC - Filing Office Correction Statement

Method of Payment:

Cash ☐ Check ☒ Credit Card ☐

Number of Checks ☐

Comments(s):

Stamp work order and customer number here

CUST ID: 0002630386
WORK ORDER: 0003846966
DATE: 08-12-2011 10:25 AM
RPT. PAID: \$300.00

The documents in this booklet are partial copies only

PROOF THERE IS A LIEN AGAINST ALL OF YOU

Maryland UCC July 2011

CUST ID:0002630386
WORK ORDER:0003846966
DATE:08-12-2011 10:25 AM
AMT. PAID:\$300.00

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
U.S. TREASURY, INTERNAL REVENUE SERVICE Comptroller of Maryland, Enforcement Division Revenue Administration Center 80 Calvert Street Annapolis, MD 21404	

2011 AUG 12 A 10:26

RECORDING
ASSESSMENT
& TAXATION

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 0000000181425776		1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. <input checked="" type="checkbox"/>				
2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.						
3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.						
4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.						
5. AMENDMENT (PARTY INFORMATION): This Amendment affects <input checked="" type="checkbox"/> Debtor <input type="checkbox"/> Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7. <input type="checkbox"/> CHANGE name and/or address. Please refer to the detailed instructions in regards to changing the name/address of a party. <input type="checkbox"/> DELETE name: Give record name to be deleted in item 6a or 6b. <input checked="" type="checkbox"/> ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).						
6. CURRENT RECORD INFORMATION:						
6a. ORGANIZATION'S NAME						
OR						
6b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX		
7. CHANGED (NEW) OR ADDED INFORMATION:						
7a. ORGANIZATION'S NAME						
OR						
7b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX		
7c. MAILING ADDRESS						
BoFA (11 USC), 1101 WOOTTON PARKWAY		CITY	STATE	POSTAL CODE	COUNTRY	
ROCKVILLE		MD	20852	U.S.A.		
7d. SEE INSTRUCTIONS		7e. TYPE OF ORGANIZATION		7f. JURISDICTION OF ORGANIZATION		7g. ORGANIZATIONAL ID #, if any
14,300,000,000,000.00 DEBTOR		a trustee (15 USC)		The United States of America		AG 59880464 A
8. AMENDMENT (COLLATERAL CHANGE): check only one box. Describe collateral <input type="checkbox"/> deleted or <input type="checkbox"/> added, or give entire <input type="checkbox"/> restated collateral description, or describe collateral <input type="checkbox"/> assigned.						

[14,300,000,000,000.-]

AGRICULTURAL LIEN: 1101 WOOTTON PARKWAY ROCKVILLE, MD 20852 USA

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here <input type="checkbox"/> and enter name of DEBTOR authorizing this Amendment.				
9a. ORGANIZATION'S NAME				
THE UNITED STATES DEPARTMENT OF THE TREASURY 1789				
OR				
9b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA

Recording as Deed of Trust in the Real-estate records: INITIAL FINANCING STATEMENT FILE # 0000000181425776

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

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by mark allen wasmuth


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PROOF THERE IS A LIEN AGAINST ALL OF YOU

Maryland UCC July 2011

UCC APPROVAL SHEET

** KEEP WITH DOCUMENT **

<u>TRANSACTION TYPE</u>	<u>FEES REMITTED</u>	
___ UO - Original Financing Statement	\$25.00	 1000362002305342
___ UOA - Original Financing Statement with assignment	\$25.00	
___ UOTU - Original Financing Statement Transmitting Utility	\$25.00	
___ UMA - Amendment	\$25.00	
___ UMDA - Amendment - Debtor Added	\$25.00	
___ UMD - Amendment - Debtor Name Change	\$25.00	
___ UMDD - Amendment - Debtor Deleted	\$25.00	
___ UMSA - Amendment - Secured Party Added	\$25.00	
___ UMSC - Amendment - Secured Party Name Change	\$25.00	
___ UMSD - Amendment - Secured Party Deleted	\$25.00	
___ UMC - Amendment - Continuation	\$25.00	
___ UMT - Amendment - Termination	\$25.00	
___ UMZ - Amendment - Assignment	\$25.00	
___ UMZP - Amendment - Partial Assignment	\$25.00	
___ UMCS - Amendment - Correction Statement	\$25.00	
___ UOMH - Manufactured Home - Original Financing Statement	\$25.00	
___ UOPF - Public Finance - Original Financing Statement	\$25.00	
___ Documents Nine (9) Pages or More	\$75.00	
___ Certified Copies		
___ Plain Copies		
TOTAL FEES:	<u>\$2500</u>	

RECORDED ON 09/23/2011 AT 04:11 PM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0003846966 ACK # 1000362002305342
ORIGINAL FILE NUMBER: 0000000181425776
PAGES: 0003

☐ OTHER CHANGES:

Code _____

Attention: _____

NO FEE TRANSACTION TYPES

- ___ URC - Copies
- ___ UNCP - Void - Non-Payment
- ___ UCC - Cancellation
- ___ UCR - Reinstatement
- ___ UCO - Departmental Action
- ___ UCREF - Refund Recordation Tax
- ___ UCIS - Incorrect ID Number
- ___ XOVRU - UCC Overrides
- ___ UMFC - Filing Office Correction Statement

Mail to Address:

IRS TECHNICAL SUPPORT DIVISION
TREASURY UCC CONTRACT TRUST
INTERNAL REVENUE SERVICE
1500 PENNSYLVANIA AVENUE, NORTH WEST
WASHINGTON DC 20220

Method of Payment:

Cash ☐ Check ☐ Credit Card ☒

Number of Checks ☐

Comments(s):

CUST ID: 0002630386
WORK ORDER: 0003846966
DATE: 09-23-2011 04:05 PM
AMT. PAID: \$500.00

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PROOF THERE IS A LIEN AGAINST ALL OF YOU

Maryland UCC July 2011

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

Circuit Court for MONTGOMERY COUNTY (240) 777-9400

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

IRS Technical Support Division
C/o Treasury UCC Contract Trust
Internal Revenue Service
1500 Pennsylvania Avenue, North West
Washington, District of Columbia 20220
USA

CUST ID: 0002630386
WORK ORDER: 0003846966
DATE: 09-23-2011 04:05 PM
AMT. PAID: \$300.00

1a. INITIAL FINANCING STATEMENT FILE #

0000000181425776

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing

3. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☒ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c, and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor ☒ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.

☐ DELETE name: Give record name to be deleted in item 6a or 6b.

☐ ADD name: Complete item 7a or 7b, and also item 7c, also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

THE UNITED STATES OF AMERICA (Obligor)

OR 6b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

-ent

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

[- SEAL OF THE OFFICE OF SECRETARY OF STATE -]

OR 7b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

7c. MAILING ADDRESS

50 MARYLAND AVE

CITY

ROCKVILLE

STATE

MD

POSTAL CODE

20850

COUNTRY

u.s.a.

7d. SEE INSTRUCTIONS

14,300,000,000,000.

ADD'L INFO RE

ORGANIZATION

DEBTOR

7e. TYPE OF ORGANIZATION

a Fiduciary

7f. JURISDICTION OF ORGANIZATION

The United States of America

7g. ORGANIZATIONAL ID #, if any

AG 59880464 A

☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned

federal identification number: PAYER

RECIPIANT identification number: Social Security Number

Account number: 0000000181425776 Seal No.

Original Issue Discount for *:

\$14,300,000,000,000.-

[Federal Income tax withheld - \$14,300,000,000,000.-]

Description: Public Trust

Original Issue discount on U.S. Treasury obligations*

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment; if this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

THE UNITED STATES OF AMERICA

OR 9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

-ent

10. OPTIONAL FILER REFERENCE DATA

Original Issue Discount COPY: A, B, C form 109-010 cat no 14421R

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

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PROOF THERE IS A LIEN AGAINST ALL OF YOU

Maryland UCC July 2011

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

0000000181425776

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

THE UNITED STATES OF AMERICA (Obligor)

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

— PAYER = Obligor

RECIPIANT = Owner

RECIPIANT = Beneficiary

Re-Public Trust = Obligation

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT AMENDMENT ADDENDUM (FORM UCC3Ad) (REV. 07/29/98)

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DEFINITIONS YOU MUST TO KNOW

26. Unalienable Right:

- 1) **A Right that cannot be aliened: something you do not have to pay to Have, Keep or Gain.**
- 2) **Unalienable:**
 - i. ***Inalienable; incapable of being aliened, that is, sold and transferred***
 - ii. **Aliened:**
 - (1) ***To transfer or makeover to another; to convey or transfer the property of a thing from one person to another; to alienate. Usually applied to the transfer of lands and tenants. Co.Litt. 118; Cowell***
- 3) **Right:**
 - i. ***"That to which a man has a just and valid Claim, whether it be land, a thing, or a privilege of doing something or saying something, Shaw v Proffitt, 57 Or 192, 109 P 584***
 - ii. ***"A State may not impose a charge for the enjoyment of a right granted by the Federal Constitution." Murdock v. Pennsylvania, 319 U.S. 105, at 113.***

27. Lawful:

- 1) ***"According to law. In accord with the spirit of the law, not merely the forms of law". State ex rel. Van Nice v Whealey, 5 SD 427, 431, 59 NW 211. (Ballentines's Law Dictionary)***

28. Legal:

- 1) ***"The undoing of God's Law" 1893 Ninth (Revised in the Tenth Edition) Edition of the Encyclopedia Britannica as***

29. Barrower:

- 1) ***To obtain upon loan from the owner or other person having the right of disposition; to engage the use of money by contract. State ex rel. Kimball v School Dist. 13 NEB 82,88 (Ballentines's Law Dictionary)***

30. Lender:

- 1) ***He from whom a thing is borrowed. The contract of loan confers rights, and imposes duties on the lender. 1. The lender has the right to revoke the loan at his mere pleasure; 9 Cowen, R. 687; 8 Johns. Rep. 432; 1 T. R. 480; 2 Campb. Rep. 464; and is deemed the owner or proprietor of the thing during the period of the loan. (Bouvier's)***

31. Tenant:

- 1) ***One who occupies the premises of another in subordination to that other person's title and with his assent express or implied. 32 Am J1st L & T § 2. Broadly, any person having a tenancy.***
- 2) ***A tenant, although having exclusive possession, charge and control, is not a owner of the land within a statute making it unlawful for any person to hunt on the land of another without first having obtained permission of the owner. Anno: 2 ALR 799,s 95 ALR 1099 (Ballentines's Law Dictionary)***

32. Owner:

- 1) ***One who has complete dominion over particular property. 42 Am J1st Prop § 37. The person whom the legal or equitable title rests. Anno: ALR 779, s.95 ALR 1086. In common understanding, the Person who, in case of destruction of property, must sustain the loss. 42 Am J1st Prop § 37***

DEFINITIONS YOU MUST TO KNOW

- 2) *As to the Meaning of "owner" as used in statutes relating to the assessment and collection of taxes, see Anno: 2ALR 792 (Ballentines's Law Dictionary)*

33. Money:

- 1) UCC 1-201 (24) *means a medium of exchange currently authorized or adopted by a domestic or foreign government. The [term](#) includes a monetary unit of account established by an intergovernmental [organization](#) or by [agreement](#) between two or more countries.*
- 2) I BET YOU THOUGHT David H. Friedman, Federal Reserve Bank of New York (4th ed. 1984), states: **Money is anything that has value that banks and people accept as money; money does not have to be issued by the government.** *See [Page 67](#) of this Affidavit.*

34. Federal Reserve Note:

- 1) *Private Money to be used as circulating Notes between Federal Reserve Banks Only.* Title 12 Sec 411 *See [Page 93](#)* (when you use their Money you are receiving a benefit privilege from them.. Use Lawful Money Only)

35. Court:

- 1) *"The person and suit of the sovereign; the place where the sovereign sojourns with his regal retinue, wherever that may be."* [Black's Law Dictionary, 5th Edition, page 318.]

36. Court:

- 1) *"An agency of the sovereign created by it directly or indirectly under its authority, consisting of one or more officers, established and maintained for the purpose of hearing and determining issues of law and fact regarding legal rights and alleged violations thereof, and of applying the sanctions of the law, authorized to exercise its powers in the course of law at times and places previously determined by lawful authority".* [Isbill v. Stovall, Tex.Civ.App., 92 S.W.2d 1067, 1070; Black's Law Dictionary, 4th Edition, page 425]

37. License:

- 1) *"A license is a mere permit to do something that without it would be unlawful".* Littleton v. Buress, 82 P. 864, 866; 14 Wyo.173.
- 2) *"In the law of contracts, is a permission, accorded by a competent authority, conferring the right to do some act which without such authorization would be illegal, or would be a trespass or tort."* Blacks Law Dictionary, 2nd Ed. (1910).
- 3) *"The license means to confer on a person the right to do something which otherwise he would not have the right to do."* City of Louisville v. Sebre, 214 S.W. 2D 248; 308 Ky. 420
- 4) *"The object of a license is to confer a right or power which does not exist without it."* Payne v. Massey, 196 S.W. 2D 493; 145 Tex. 273; Shuman v. City of Ft. Wayne, 127 Indiana 109; 26 NE 560, 561 (1891); 194 So 569 (1940).

38. Diminutio:

- 1) Lat. In civil law. Diminution; *a taking away; loss or depravation.*

39. Capite:

- 1) Lat. *By the head.*

40. Capitis Diminutio:

- 1) *"Meaning the diminishing of status through the use of capitalization".* In Roman law. A diminishing or abridgment of personality; a loss or curtailment of a man's status or aggregate of legal attributes and qualifications.

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DEFINITIONS YOU MUST TO KNOW

41. **Capitis Diminutio Minima:** John Doe:

- 1) *"The lowest or least comprehensive degree of loss of status. This occurred where a man's family relations alone were changed. It happened upon the arrogation [pride] of a person who had been his own master, (sui juris,) [of his own right, not under any legal disability] or upon the emancipation of one who had been under the patria potestas. [Parental authority] It left the rights of liberty and citizenship unaltered". See Inst. 1, 16, pr.; 1, 2, 3; Dig. 4, 5, 11; Mackeld. Rom.Law, 144.*

42. **Capitis Diminutio Media:** John DOE:

- 1) *meaning a medium loss of status through the use of capitalization, e.g. John DOE) - A lessor or medium loss of status. This occurred where a man loses his rights of citizenship, but without losing his liberty. It carried away also the family rights.*

43. **Capitis Diminutio Maxima:** JOHN DOE:

- 1) *meaning a maximum loss of status through the use of capitalization, e.g. JOHN DOE or DOE JOHN - The highest or most comprehensive loss of status. This occurred when a man's condition was changed from one of freedom to one of bondage, when he became a slave. It swept away with it all rights of citizenship and all family rights.*
- 2) *"To take advantage of - To use to ones own advantage."* Gage Canadian Dictionary 1983 Sec. 4
- 3) *"States a man's condition changes from freedom to BONDAGE all right of citizenship and family rights are surrendered". Blacks Law Dictionary – Revised 4th Edition 1968,*

44. **People:**

- 1) *Derive from ancient Rome and derived from the Roman term "Plebs" and "Plebian" which is the plural from of Plep. The term described slaves without knowledge, that were bastards, not knowing of whom their father, therefore having NO lineage to their bloodlines and their tribal lands {does the Birth Certificate make more since now?} thereby they become property of the upper class Romans known as "Patricians". Plebian (People) servants, slaves, vassals did not and could not become a citizen and under the protection of the Roman Empire. Citizens of Rome paid a flat tithe or tax of less than 10%. However the PEOPLE were considered enemies of the Empire, due to the fact they were foreign and had to be licensed and taxed according to the gifts granted to them by privilege of DOING business in Rome as to being licensed to operate within the City {of refuge} of Rome.*
- 2) *Term PEOPLE was a confessions of you being a slave and Plebian bastard under Rome. All Caesars are of the Julius {Rite-Blood-Canaanites} they are the Ari or Aries {princes} or Leader of the War or the Military. They are the overlords for the Capotiline Hill [Capital Hill {DC}] as in "Jupiter-Capitol-Inius*

45. **Patricians:**

- 1) *Those knowing of their tribal ancestry and their father, in other words they knew their blood line therefore having knowledge of their tribal constitutions {tribal laws} and their agricultural lands. A Roman citizen knew his father, were*

46. **Person:**

- 1) *"...shall be taken to mean and include partnerships, firms, associations, or corporations, when not otherwise designated of manifestly incompatible with the intent thereof...".*
Congress Redefines the Term Person: 12 Stat 459 *See Page 22*

WHAT ABOUT THE CONSTITUTION?

1. ***"Two national governments exist; one to be maintained under the Constitution, with all its restrictions; the other to be maintained by Congress outside and Independently of that Instrumen t."*** Supreme Court Justice Marshall Harlan (Downes v. Bidwell, 182, U.S. 244 1901)
Time in video 24:40
2. There are NO Judicial Courts or Judges in America and have not been since 1789."***Judges do NOT enforce Statutes and Codes. Executive Administrators enforce Statutes and Codes***". FRC v. GE, 281 U.S. 464 Keller v. Potomac Elec. Co., 261 U.S. 428 1 Stat. 138-178
3. ***"But, indeed, no private person has a right to complain, by suit in court, on the ground of a breach of the Constitution. The Constitution, it is true, is a compact, but he is not a party to it. The States are the parties to it. And they may complain. If they do, they are entitled to redress. Or they may waive the right to complain."*** Padelford, Fay & Co. vs. The Mayor and Aldermen of the City of Savannah. 14 Georgia 438, 520
Time in video 1:23.56
4. However, no statutory or constitutional court (whether it be an appellate or supreme court) can second guess the judgment of a court of record. ***"The judgment of a court of record whose jurisdiction is final, is as conclusive on all the world as the judgment of this court would be. It is as conclusive on this court as it is on other courts. It puts an end to inquiry concerning the fact, by deciding it."*** Ex parte Watkins, 3 Pet., at 202-203. [cited by SCHNECKLOTH v. BUSTAMONTE, 412 U.S. 218, 255 (1973)]

ARE YOU REQUIRED TO HAVE A LICENSE TO DRIVE?

1. *"For while a citizen has the right to travel upon the public highways and to transport his property thereon, that right does not extend to the use of the highways...as a place for private gain. For the latter purpose, no person has a vested right to use the highways of this state, but it is a privilege...which the (state) may grant or withhold at its discretion..."* State v. Johnson, 245 P 1073.
2. *"Undoubtedly the right of locomotion, the right to remove from one place to another according to inclination, is an attribute of personal liberty, and the right, ordinarily, of free transit from or through the territory of any State is a right secured by the 14th Amendment and by other provisions of the Constitution."* - Schactman v Dulles, 96 App D.C. 287, 293.
3. *"The right to travel is part of the Liberty of which the citizen cannot be deprived without due process of law under the Fifth Amendment."* Kent v. Dulles 357 U.S. 116, 125. Reaffirmed in Zemel v. Rusk 33 US 1.
4. *"Where activities or enjoyment, natural and often necessary to the well being of an American citizen, such as travel, are involved, we will construe narrowly all delegated powers that curtail or dilute them... to repeat, we deal here with a constitutional right of the citizen..."* Edwards v. California 314 US 160 (1941).
5. *"The right of the citizen to travel upon the public highways and to transport his property thereon, either by carriage or by automobile, is not a mere privilege which a city may prohibit or permit at will, but a common right which he has under the right to life, liberty, and the pursuit of happiness."* - Thompson v Smith, 154 SE 579.
6. *"The right to make use of an automobile as a vehicle of travel along the highways of the state, is no longer an open question. The owners thereof have the same rights in the roads and streets as the drivers of horses or those riding a bicycle or traveling in some vehicle."* House v. Cramer, 112 N. W. 3; 134 Iowa 374 (1907).
7. *"Complete freedom of the highways is so old and well established a blessing that we have forgotten the days of the Robber Barons and toll roads, and yet, under an act like this, arbitrarily administered, the highways may be completely monopolized, if, through lack of interest, the people submit, then they may look to see the most sacred of their liberties taken from them one by one, by more or less rapid encroachment."* Robertson vs. Department of Public Works, 180 Wash 133, 147.
8. *"...to be free to travel throughout the length and breadth of our land uninhibited by statutes, rules, or regulations which unreasonably burden or restrain this movement."* US Supreme Court, Shapiro v Thompson, 394 US 618, 22 L Ed 2d 600, 89 S Ct 1322.
9. *"If the state does convert your right into a privilege and issue a license and a fee for it, you can ignore the license and a fee and engage the right with impunity."* Shuttlesworth v. Birmingham, 373 US 262 (1962).
10. *"The use of the automobile as a necessary adjunct to the earning of a livelihood in modern life requires us in the interest of realism to conclude that the right to use an automobile on the public highways partakes of the nature of a liberty within the meaning of the Constitutional guarantees..."* Berberian v. Lussier 139 A2d 869, 872 (1958)

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ARE YOU REQUIRED TO HAVE A LICENSE TO DRIVE?

NON-COMMERCIAL TRAVELERS ARE EXEMPT FROM LICENSING

11. *"...a statutory provision that the supervising officials "may" exempt such persons when the transportation is not on a commercial basis means that they "must exempt them."* State v. Johnson, 245 P 1073; 60 C.J.S. section 94 page 581.
12. *"It is clear that a license relates to qualifications to engage in profession, business, trade or calling; thus when merely traveling without compensation or profit, outside of business enterprise or adventure with the corporate state, no license is required of the natural individual traveling for personal business, pleasure and transportation."* Wingfield v. Fielder, (1972) 29 CA3d 213.
13. *"Those who have the right to do something cannot be licensed for what they already have the right to do as such license would be meaningless."* City of Chicago v Collins, 51 N.E. 907 (Ill. 1898).

THE DMV ONLY LICENSES COMMERCIAL MOTOR VEHICLES

14. *"The activity licensed by state DMVs - the operation of motor vehicles - is... related to interstate commerce".* Reno v. Condon, No. 98-1464, Supreme Court of the United States decided January 12, 2000, BRIEF FOR THE PETITIONERS, Seth Waxman, Solicitor General U.S. Department of Justice.
15. USC Title 49 > Subtitle IV > Part B > Chapter 145 > § 14504a (10) Vehicle registration
16. The term "vehicle registration" means the registration of any commercial motor vehicle.

TRAFFIC STATUTES ONLY APPLY TO COMMERCIAL DRIVERS

17. "Users of the highway for transportation of persons and property for hire may be subjected to special regulations not applicable to those using the highway for public purposes." Richmond Baking Co. v. Department of Treasury 18 N.E. 2D 788.

TRAVELERS CANNOT BE STOPPED, ARRESTED, OR PROPERTY CONFISCATED EXCEPT FOR A CRIME

18. *"All citizens of the United States of America have a right to pass and re-pass through every part of it without interruption, as freely as in their own state."* Smith v. Turner, 48 US 283 (1849).
19. *"For a crime to exist, there must be an injured party. There can be no sanction or penalty imposed upon one because of this exercise of Constitutional rights."* Sherar v. Cullen, 481 F. 945.
20. The Fourth Amendment says one cannot be disturbed in their peace. Use of emergency lights, which is a felony when there is no emergency, is a disturbance of one's peace. Cases are dismissed on that alone.
21. *"The Fourth Amendment forbids stopping a vehicle even for the limited purpose of questioning its occupants unless police officers have a founded suspicion of criminal conduct."* United States v. Salinas. United States Court of Appeals, Ninth Circuit, citing United States v. Ramirez-Sandoval, (1989).
22. *"Even assuming that purpose is served to some degree by stopping and demanding identification from an individual without any specific basis for believing he is involved in criminal activity, the guarantees of the Fourth Amendment do not allow it. When such a stop is not based on objective criteria, the risk of arbitrary and abusive police practices exceeds tolerable limits."* Delaware v. Prouse 440 U.S. 648, 653 (1979).

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ARE YOU REQUIRED TO HAVE A LICENSE TO DRIVE?

23. ***Founded suspicion exists when an officer is aware of specific articulable facts, that, together with rational inferences drawn from them, reasonably warrant a suspicion that the person to be detained has committed or is about to commit a crime.*** United States v. Cortez, (1981); United States v. Robert L., (1989).
24. ***"At common law an arrest could not be made of a person charged with a misdemeanor except on warrant of a magistrate."*** Carpenter v. Mills, 29 How. Pr. 473 [Traffic infractions do not even qualify as misdemeanors]
- Declared in the Magna Carta "No one shall be arrested or imprisoned but by the law of the land."*
- This is called the common law and it is made constitutional law by the due process clause.*
- Application of the state's police power to NON-criminal conduct is illegal and unlawful.*
- When a police officer applies the State's police power to conduct that does not rise to the level of crime they act beyond the scope of their job and violate their oath. An unauthorized arrest is void.*
25. ***"The makers of the Constitution conferred, as against the government, the Right to be let alone; the most comprehensive of rights, and the right most valued by civilized men."*** U S Supreme Court Justice Brandeis in Olmstead v. United States 277 US 438, 48 S.Ct. 564, 575; 72 L ED 944 (1928).
26. ***"The Constitution is a charter of negative liberties; it tells the state to let people alone; it does not require the federal government or the state to provide services, even so elementary a service as maintaining law and order."*** Bowers v Devito, 686 F2d 616.
- NO VIOLATION FOR NOT HAVING A LICENSE OR A SUSPENDED LICENSE or even having a license***
27. ***"...It is absolutely necessary for the State to allege and prove that the accused was, on the date of the alleged offense, a licensee, for, as we construe the statute..., it applies specifically to a licensee and unless the person accused was a licensee, we fail to understand how he could be guilty of violating the provisions of this portion of the statute."*** Barber v. State, 149 Tex. Crim. 18 (1945) 191 S.W. 2D 879
- NOTICE when the license is active.....that would be when one is actually "engaged in public business"....*
- But the license is not active when engaged in private business.*
- The definition of a licensee is one who holds a current valid license. Only a licensee can violate a statute. A suspended license is not valid and therefore a suspended licensee is not subject to statutes.*
28. ***"The acceptance of a license... will not impose upon the licensee an obligation to respect or to comply with any provision of the statute or with the regulations prescribed that are repugnant to the Constitution of the United States."*** Collier v. Wallis 180 US 452 (1901) 333 US 426, 606 CL (1936) 56 P2d 602.

WHO OWNS YOUR KIDS?

*When an opponent declares, "I will not come over to your side,"
I calmly say, "Your child belongs to us already."*

— Adolf Hitler [November 6, 1933]

1. *"The primary control and custody of infant is with the government"* Tillman V. Roberts, 108 So. 62
2. *"There is no fundamental right of parents to be the exclusive provider of information regarding sexual matters to their children, either independent of their right to direct the upbringing and education of their children or encompassed by it. We also hold that parents have no due process or privacy right to override the determinations of public schools as to the information to which their children will be exposed while enrolled as students." "Once parents make the choice as to which school their children will attend, ...their fundamental right to control the education of their children is, at the least, substantially diminished". ~* Fields v. Palmdale School District PSD, Ninth Circuit Court of Appeals (2005)

WHO ARE YOU MARRYING?

1. *"Marriage is a civil contract to which there are three parties-the husband, the wife and the state."* Van Koten v. Van Koten, 154 N.E. 146.

OTHER FACTS ABOUT YOUR GOVERNMENT YOU MUST LEARN

1. **The IRS is NOT a U.S. Government Agency. It is an Agency of the IMF.** Diversified Metal Products v IRS et al. CV-93-405E-EJE U.S.D.C.I. Public Law 94-564 Senate Report 94-1148, pg 5967 Reorganization Plan #26 Public Law 102-391
2. **The IMF is an Agency of the U.N.** Black's Law Dictionary 6th Ed. Pg 816
3. **The United States has NOT had a Treasury since 1921.** 41 Stat. Ch. 214 page 654
4. **The U.S. Treasury is now the IMF.** Presidential Documents Volume 29 No. 4 page 113 22 U.S.C. 285-288
5. **The U.S. does not have any employees because there is no longer a United States.** No more reorganization. Executive Order 12803
6. **The FCC, CIA, FBI, NSA and all of the other Alphabet Gangs were never part of the U.S. Government, even though the 'U.S. Government held stock in said 'Agencies.** U.S. v. Strang, 254 U.S. 491 / Lewis v. U.S., 680 F.2d, 1239
7. **Social Security Numbers are issued by the UN through the IMF.** *"The application for an SSN is the SS5 form. The Department of the Treasury (IMF) issues the SS5, not the 'Social Security Administration. The new SS5 forms do not state who publishes them while the old form states they are Department of Treasury".* 20 CFR Chap. 111 Subpart B 422.103 (b)
8. **According to GATT you MUST have a Social Security Number.** House Report 103-826
9. **New York City is defined in the Federal Regulations as the United Nations.** 20 CFR Chap. 111 subpart B 422.103 (b) (2) (2)
10. **Social Security is NOT insurance or a contract. Nor is there a 'Trust Fund.** Helvering v. Davis, 301 U.S. 619 / Steward Co. v. Davis, 301 U.S. 548
11. **The most powerful court in America is NOT the United States Supreme Court, but the Supreme Court of Pennsylvania.** 42 Pa. C.S.A. 502
12. **The King of England financially backed both sides of the Revolutionary War.** Treaty of Versailles July 16, 1782 Treaty of Peace 8 Stat. 80
13. **America is a British Colony. The 'United States is a corporation, not a land mass and it existed before the Revolutionary War and the British Troops did not leave until 1796.** Respublica v. Sweers, 1 Dallas 43 / Treaty of Commerce 8 Stat 116 / Treaty of Peace 8 Stat 80 / IRS Publication 6209 / Articles of Association October 20, 1774

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OTHER FACTS ABOUT YOUR GOVERNMENT YOU MUST LEARN

14. **The Pope can abolish any law in the United States.** Elements of Ecclesiastical Law Vol. 1, 53-54
15. **A 1040 Form is for Tribute paid to Britain.** IRS Publication 6209
16. **The Pope claims to own the entire planet through the laws of Conquest and Discovery.** Papal Bulls of 1495 & 1493
17. **The Pope has ordered the genocide and enslavement of Millions of people.** Papal Bulls of 1455 & 1493
18. **The Pope's 'Laws are obligatory on everyone.** Bened. XIV., De Syn. Dioec, lib, ix, c. vii., n.4. Prati, 1844 Syllabus prop 28, 29, 44
19. **We are SLAVES and own ABSOLUTELY NOTHING. Not even what we think are 'our children.** Tillman v. Roberts, 108 So. 62 / Van Koten v. Van Koten, 154 N.E. 146 / Senate Document 43, 73rd Congress 1st Session / Wynehammer v. People, 13 N.Y. Rep 378, 481
20. **Military Dictator George Washington divided up the States (Estates) into Districts.** Messages and Papers of the Presidents, Volume 1 page 99 1828 Dictionary definition of 'Estate
21. **'We, The People does NOT include the General Populace, or what you THINK is 'We, The People.** Barron v. Mayor and City Council of Baltimore, 32 U.S. 243
22. **It is NOT the 'duty of the police to protect you. Their job is to protect THE CORPORATION and arrest Code Breakers.** Sapp v. Tallahassee, 348 So.2nd. 363 / Reiff v. City of Philla., 477 F.Supp. 1262 / Lynch v. NC Dept. of Justice, 376 S.E.2nd. 247
23. **'YOU are HUMAN CAPITAL.** Executive Order 13037

LINKS TO EDUCATIONAL VIDEOS

GOVERNMENT

1. What Happened to the Constitution?: www.youtube.com/watch?v=UsMvrXtX0us
2. 9/11: Explosive Evidence - Experts Speak Out: www.youtube.com/watch?v=lw-jzCfa4eQ
3. Comprehensive Annual Financial Reports: www.youtube.com/watch?v=6H3_S59DO18
4. Change is on the Horizon Part 1 of 3 Dawn of the Golden Age:
www.youtube.com/watch?v=9k4Egwc1_DM
5. Change is on the Horizon Part 2 of 3 The American Federal Empire:
www.youtube.com/watch?v=ImefSYpySwA
6. Change is on the Horizon Part 3 of 3 The Farmer Claims Program:
www.youtube.com/watch?v=gOPIgNB-hGY
7. Make Mine Freedom (1948): www.youtube.com/watch?v=mVh75ylAUXY
8. David Rockefellers Speech for Population control: www.youtube.com/watch?v=bI0fnRbhHfO
9. Congressman Brad Sherman: Martial Law if We Voted No:
www.youtube.com/watch?v=p6KRXnYgu5I

BANKING

10. The Money Masters – Full: www.youtube.com/watch?v=JXtlcayx0hs
11. Money As Debt-Full Length Documentary: www.youtube.com/watch?v=Dc3sKwwAaCU
12. Money As Debt II: promises unleashed: www.youtube.com/watch?v=lsmbWBpnCNk&feature=related
13. Money, Banking and the Federal Reserve: www.youtube.com/watch?v=iYZM58dulPE

HEALTH & FOOD

14. Burzynski: Cancer Is Serious Business: www.youtube.com/watch?v=rBUGVkmmbwk
15. Chemtrails The facts: www.youtube.com/watch?v=G9cQfcKR0EM
16. Gary Null Speaking Out at the NYS Assembly Hearing: www.youtube.com/watch?v=Ch5OuzB9L48
17. Food: The Ultimate Secret Exposed: www.youtube.com/watch?v=MSpkLk0vYmk
18. Dr. Oz Discusses Apple Juice Controversy: www.youtube.com/watch?v=atQdBJYKaRc
19. Controlling Our Food: The World According To Monsanto-Full Length Documentary:
www.youtube.com/watch?v=cYO2k_o16E0

WORLD HISTORY

20. New World Order.The Devil In The Vatican!?: www.youtube.com/watch?v=OLp9xigajM
21. The Beamable Sustainable Princes: www.youtube.com/watch?v=YtM6qtNzLHM&feature=share
22. Secrets in Plain Sight 1-23: www.youtube.com/watch?v=L777RhL_Fz4&NR=1

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MISCELLANEOUS

23. The Most IMPORTANT Video You'll Ever See: www.youtube.com/watch?v=F-QA2rkpBSY
24. Red Ice Radio The Isisian Codes: www.youtube.com/watch?v=gSDpHlMaDh8&feature=related
25. Santos Bonacci: Roman Ecclesiastical Law and Sovereignty:
www.youtube.com/watch?v=MEu2_AYZLrM
26. Roman Canon Law vs. Natural Law : Frank O'collins Ecclesiastical law:
www.youtube.com/watch?v=c40ZONuM5Z8&feature=related
27. The Story of Your Enslavement:
www.youtube.com/watch?v=Xbp6umQT58A&list=PLC2A6D0CF9C120CFB&index=36