

THE WALLACE INSTITUTE QUARTERLY

Wallace



Pro libertate

In the spirit of William Wallace, a man who fought for freedom, like America's Founding Fathers, this institute was created for none but the brave who have committed themselves to restoring America to a constitutional Republic. Our mission is to use legal strategies that will repel this ever increasingly intrusive government, expose the fraudulent ratifications of the 16th and 17th Amendments to the U. S. Constitution and other critical legal issues.

As reported in the 3rd Quarter issue of this newsletter, Dr. Eugene Schroder, Edwin Petrowsky, R. Russell Grider and Wesley Myers filed suit in federal district court against Clinton, Dan Glickman, United States Secretary of Agriculture; Lawrence Summers, United States Secretary of the Treasury; and The United States of America in a suit involving parity in agriculture. As I said back in June, this is one of the most important lawsuits filed in decades.

In a sickeningly predictable and standard operating mode for the federal judiciary, the suit was dismissed in July. In the usual cowardly fashion of federal judges, exactly the same way they rule on issues dealing with the "Federal" Reserve, the bench said this was a political question. Even more frightening in my opinion, the court also said that the discretionary powers of the executive branch are not subject to court review.

Not only is this outrageous, it is a bald-faced lie. Bill Clinton has had an

executive order overturned by a three judge panel in Washington, DC on at least one occasion that I know about. What the court is really saying is that America now has a monarch who sits on the throne and his "discretionary power" is unstoppable by a court of law - the very venue that is supposed to make sure the government doesn't run amok by simply ignoring the supreme law of the land.

Judge Kane stated in his order: "The Complaint seeks to have this court determine political questions which are properly addressed to the elected branches of the government. Plaintiffs remedies are at the polling place, not the courts."

Hold on to your hats, folks. What this federal clown is saying is that anything which comes in front of the court that they don't want to address, since they are the parasites and will not destroy the host (federal government), well, they're just not going to address these issues, so take

that. The polling places? Oh, my God, this is beyond belief.

The federal courts have had no problem deciding issues such as abortion, sodomy and other hot button legal messes. No problem whatsoever. This case, however, is just too sticky and too powerful for this coward on the bench to uphold the oath he took as a judge. His decision is beyond dangerous. Polling places my foot. There's a good illusion for you. Never mind that the 17th Amendment was never ratified and that this judge was confirmed by an unlawfully seated senate. This judge has said there are no checks and balances left and certainly no justice to be found in his courtroom.

I spoke with Gene Schroder today (September 26th) and he said they will be filing their briefs next week but he's very worried about the future of America if this decision stands. The briefs and other legal information on this case can be found at:

<http://buffalo-creek-press.com/parity/latest.htm>

Of course, it didn't help the cause that Gene and his co-complainants had absolutely no support or back-up from other farmers in Colorado or the surrounding states. These courts are not deaf and they are sensitive and tuned into public sentiment. Had a couple of thousand people marched outside that courtroom during this trial and made known their views, we may have seen a different outcome. Yeah, time is at a premium. Ask me. But, if people in this country don't start becoming as vocal as the tens of thousands did over in Europe the past several weeks over fuel prices which literally brought several governments to their knees, the courts are

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Notice:

The Wallace Institute has sent out complimentary copies of the 3rd & 4th quarter newsletters to as many people as we can reach. However, the cost of reproduction and mailing is horrendous. If you would like to continue receiving this newsletter, we ask that you donate at least \$5.00 during a quarter to cover the cost of mailing to you. In the future, orders for past issues will require a \$4.00 donation to The Wallace Institute. We thank you for your understanding.

going to continue to just cram injustice down our throats. The liberals get out there and make noise. The conservatives call talk radio and write \$500 checks to the RNC. Big deal. We can all see how much difference that approach has made.

I am sick and tired of people who will moan and groan down at the local coffee shop about this government and how their particular industry or life is being destroyed but they won't lower themselves

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to get out and become a vocal activist. They want the rest of us to do it. Everyday on the music station I listen to in my Jeep, I hear the same commercial every break: seniors - come on up to Jackson Rancheria and gamble. Win money! Have a good time! It makes me sick that seniors are targeted like this to just sit around and waste their life in front of a stupid slot machine because they have nothing better to do with their life now that they're retired.

Hey - we need you retired folks to get involved. You folks have the time to camp out in front of these state capitols and court houses and carry the message. If you're a senior that's already involved, please reach out to others and get them educated, even if you have to shame them into getting out of their darned comfort zone. Give them a copy of this newsletter or either one of my booklets. Attend those NAFRE meetings, town hall meetings, SIRs or whatever in your community and speak out. If people don't want the truth, that's unfortunate. But, let's at least give them the opportunity to see what's going on around them while they're sitting at some casino all afternoon at the nickel machines accomplishing not a darn useful thing with their lives.

As far as federal judges, the only way to clean out this nest of vipers is for them to be removed from the bench by a lawfully seated senate and that won't happen until two things happen: (1) the fraudulent ratification of the 17th amendment is exposed and dealt with, and (2) when that is accomplished, we have to make sure the state legislatures appoint individuals to the U.S. senate who believe in the U.S. Constitution. This will only come when the people themselves are educated and will stand up to a rotten, corrupt system. A tall order to be sure but it's our only hope and it will take a lot of very hard work.

Exposing the Hoax of the So-Called Redemption Process

As regular readers of my web site know, Larry and I have been on a mission to debunk popular patriot arguments about

the IRS and related issues that have no valid legal foundation. There are solid arguments out there and many have been raised in a court of law, only to be shot down by the parasites (federal & state judges) who will do anything to protect the host (state & federal governments). To do otherwise would mean loss of their tremendous power and prestige - the power to destroy innocent Americans.

Sadly, there are just as many con artists and charlatans out there in this freedom movement, some of whom are probably government operatives, peddling bogus legal arguments, charging the desperate and unsuspecting big bucks for arguments that once thoroughly researched, turn out to be bogus. The losers, of course, are decent Americans who have simply bought the sizzle without looking at the steak. The tragic consequences are all over this country.

In this quarterly issue, I would like to dedicate the space to again address the dangerous "redemption process." Larry Becraft has been skewered and criticized for researching the law on this argument. Why? Well, to put it simply, he has proven that it is worthless and in fact, Larry has tried like the fighter he is, to defend several people this year who have been indicted by the feds for participating in this dangerous malarkey.

Each and every one of these defendants have been convicted and are going to a federal prison for a long time. Were the peddlers of this theory there in the various courtrooms there to lend moral support to their followers going through a horrible trial for their freedom? Not one showed up. Did the peddlers of this theory donate a single penny to help defend these hapless

and duped Americans? Nope. They're too busy traveling around the country recruiting to be bothered with things like ruining other people's lives.

Quite personally, I think these people getting indicted ought to sue the peddlers of these "legal arguments" for fraud. That won't happen because all these defendants, by the time they hire competent legal counsel to try and pull them out of quicksand with the equivalent of a piece of sewing thread, don't have any money left to buy a cup of coffee at MacDonalds.

If it's one thing I continue to ask of people: Look before you leap. You are no good to yourself, your family or your country if you end up in jail. The system is already stacked against the people in the most heinous fashion, don't walk into these carefully crafted traps with your eyes closed. I have been soundly beat up on by people who think I can't read because I think this "redemption process" is dangerous and sheer folly. What I've read from the law and the material being peddled around this country simply don't jive. However, you can be the judge after you evaluate the facts.

The Creation of Credit: Not Based on Birth Certificates

Larry Becraft
September 19, 2000

The freedom movement has always had a substantial faction which had an interest in fighting the money issue and the Federal Reserve. This group has always educated people about this issue and it was not too long ago that the average

member of the freedom movement fully understood the process by which money (really credit) was created. Everyone knew that each Federal Reserve Bank merely extended credit to the US Treasury when US notes and other securities were purchased by a Reserve Bank. Further, everyone knew that this same process occurred in private commercial banks which also created credit the same way.

People knew about this process because of the availability of information which explained it. For example, millions of Devvy Kidd's booklets which contain this information have been distributed.

Dr. Jacques Jaikaran's book, Debt Virus, contained this information as well as Dr. Edwin Vieira's fantastic work, Pieces of Eight. Besides

many other works published by authors in this movement, people distributed books and other materials from the Federal Reserve such as Modern Money Mechanics, which showed this credit creation process. That tireless advocate of the money issue, Franklin Sanders (publisher of The Moneychanger), has published countless articles about the creation of credit, as well as many interviews with notable personalities such as former Fed officer, John Exter. Franklin's web site is at:

<http://www.the-moneychanger.com/>

In fact, this knowledge was so common that it was apparently taken for granted by the money issue advocates.

But apparently today, there is a growing part of this movement which utterly lacks this knowledge and to this group I extend my apologies for letting up my educational efforts. I got into this movement because of the money issue, and I ran around with people like Tupper Saussy who was the most prominent promoter of the money issue back in the early and mid eighties. But my belief that everyone knew about the credit creation process has been challenged of late because I have encountered within the last year people who erroneously think that birth

certificates are the basis for the creation of credit.

This new argument which is circulating is called the "redemption process," and a central feature of this "argument" is that birth certificates are used for the creation of money via the Federal Reserve.

This new argument which is circulating is called the "redemption process," and a central feature of this "argument" is

that birth certificates are used for the creation of money via the Federal Reserve. The theory is that when a baby is born, his birth certificate eventually wends its way to the Fed and possibly other international banks where the birth certificate is exchanged for a specified amount of credit such as \$630,000. Such a theory is completely divorced from reality, but people are accepting this fallacious idea without knowing better. There is thus a great need to once again inform people accurately about the credit creation process. To do so, I simply provide the below which appears in the money issue file posted to my web site:

How Banks Operate

It is well recognized by banking textbooks and experts that banks engage in a practice known as "deposit creation," which in essence is simply the creation of credit by bookkeeping entry. As the Federal Reserve Bank of Chicago has so aptly stated in its publication, *Modern Money Mechanics*:

"The actual process of money creation takes place in the banks. As noted earlier, checkable liabilities of banks are money. These liabilities are customers' accounts. They increase when the 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."

Thus, banks simply extend credit when loans are made. The "currency" for which these and all others loans in America can be redeemed is known as the Federal Reserve Note ("FRN").

The reserves held by Federal Reserve Banks have been admitted by the government in its work entitled *A Primer on Money* to be "backed" by nothing:

"Today, the American people use coins, currency (paper money), and commercial bank demand deposits (checkbook money)," Id., at 17.

"The private commercial banks issue 'checkbook money.'...

"Imagine there is only one bank in the country and that it has two private depositors, each with \$50 in his checking account. Total bank demand deposits would then be \$100. Suppose John Jones asked for a \$50 loan from the bank, and the bank approved the loan. The bank would then lend the money to Mr. Jones by simply opening a checking account for him and depositing \$50 in it. This is

what ordinarily happens when anyone-- business or private individual-- borrows from a bank. The bank deposits the amount of the loan in the relevant checking account.

"In making the loan to Mr. Jones, the bank did not reduce anyone's previous bank balance. It simply credited the Jones account with \$50. The total amount held in bank demand deposits now becomes \$150. The bank has, therefore, issued \$50 in 'checkbook money.'

"The natural question to ask is, Where does the bank get the additional \$50 to issue and lend to Mr. Jones? The answer, as will become clear in the next chapter, is that the bank did not 'get' the money at all. Money has been created," Id. at 19-20.

"All money used in this country and in most countries of the world is of two types. One is 'printing press money,' which is money printed by the Government. The other type of money in use is 'pen-and-ink money.' Pen-and-ink money is created by the private commercial banks each time a bank makes a loan, buys a U.S. Government security, or buys any other asset. Printing press money is engraved on special paper and with special inks; and it costs about eight one-thousandths of 1 cent per bill, whether a \$1 bill or a \$10,000 bill.

Pen-and-ink money is created by a private banker simply by making ink marks on the books of the bank. However, in recent years many of the banks have installed electronic office machines which make the entries in the banks' books; so someday we may come to refer to bank-created money as 'office machine money' or perhaps 'Univac money,'" Id., at 48-49.

"In the first place, one of the major functions of the private commercial banks is to create money. A large portion of bank profits come from the fact that the banks do create money. And, as we have pointed out, banks create money without cost to themselves, in the process of lending or investing in securities such as Government bonds. Bank profits come from interest on the money lent and invested, while the cost of creating money is negligible. (Banks do incur costs, of course, from bookkeeping to loan officers' salaries.) The power

to create money has been delegated, or loaned, by Congress to the private banks for their free use. There is no charge," *Id.*, at 89.

"Since I had also seen reports that the member banks of the Federal Reserve System had a certain number of millions of dollars in 'cash reserves' on deposit with the Federal Reserve bank, I then asked if I might be allowed to see these cash reserves. This time my question was met with some looks of surprise; the bank officials then patiently explained to me that there were no cash reserves. The cash, in truth, does not exist and never has existed. What are called cash reserves are simply bookkeeping credits entered into the ledgers of the Federal Reserve banks. These credits are first created by the Federal Reserve and then passed along through the banking system.

"On another occasion, in the spring of 1960, I paid a visit to the Federal Reserve Bank of Richmond, along with several other Members of Congress, and in the course of the visit asked the President of that bank if I could see the cash reserves which the member banks had on deposit with that bank. Here the answer was in substance the same. There is no cash in the so-called cash reserves. In other words, the cash making up the banks' 'cash reserves' with the Federal Reserve bank is just a myth," *Id.*, at 38.

Mr. Russell Munk, an official employed at the United States Treasury Department, has declared that common banking practices today involve mere extensions of credit via loans:

"If the money supply is to be increased, money must be created. The Federal Reserve Board (or 'the Fed' as it is often called) has several ways of allowing money to be created, but the actual creation of money always involves the extension of credit by private commercial banks."

"In both the goldsmiths' practice and in modern banking, new money is created by offering loans to customers. A private commercial bank which has just received extra reserves from the Fed (by borrowing reserves for example) can make roughly six dollars in loans for every one dollar in reserves it obtains from the Fed. How does it get six dollars from one dollar? It simply makes book entries for its loan customers saying 'you have a deposit of six dollars with us.'"

I have posted to my web site one of Vieira's articles about money:

<http://fly.hiwaay.net/~becraft/VieiraMono4.htm>

I have also posted that booklet named Billions for the Bankers, and it also explains this process:

<http://fly.hiwaay.net/~becraft/EmryBillion.htm>

Further, one may find many other sources on the Net which explain the credit creation process. A

few moments ago, I did a word search under the term, "fractional reserve," and located the following Net files which explain the money creation method:

<http://www.fame.org/HTM/President16.htm>

<http://www.fame.org/HTM/VITALfinal.htm>

<http://www.natreformassn.org/statesman/98/banking.html>

But there are many others. Please read these files if you believe that birth certificates are the basis for credit creation; you will learn that you have been misled.

Russell Munk, an official employed at the United States Treasury Department, has declared that common banking practices today involve mere extensions of credit via loans

During the time Larry penned the information above, apparently a couple of individuals had been busy promoting this "redemption process" and Larry has responded to a Mr. Barton A Buhtz as follows, dated September 18, 2000:

Hey Barton,

I would like to look at what you wrote regarding the redemption process. I hope it answers several very important questions I have, which include the following:

1. A promissory note contains certain elements; it must contain a promise to pay a specific amount of bux with (or in some cases without) interest at a designated time or on demand. A birth certificate contains no promise to pay and does not even contain any references to money. It contains no promises whatsoever, and in short, there is no possible way that a birth certificate could be a note. Will you please explain for me how some document like the birth certificate can be a promissory note.

2. The statute of frauds requires a written and signed document in order to make some third party liable for the debt of another. The redemption theory contends that the "straw man" is liable upon his "promissory note" (i.e., birth certificate, even tho he never signed it and it contains no requirement that the straw man even pay one thin dime), and further the natural individual who is the counterpart of the straw man is also "liable" for that unknown debt. How in the world can the natural individual be liable for that "straw man's" debt

when he never signed the document, which is essential to make him liable under the statute of frauds? But further, I have never seen babies who can write on the day they are born, or even a year thereafter. Can you give me an example of some baby who actually signed a birth certificate?

3. The redemptionists claim that the social security act contains a provision authorizing some set amount of money to be issued against birth certificates. The material I have regarding this process claims that the amount is 630,000 bux, although others have mentioned differing amounts. Believe me, I read the original social insecurity act long ago and never saw such a statute in it, and I have looked again since the advent of the redemption theory. That act contains absolutely no such provision and it does not create some "Treasury direct account." Can you point out the specific place[s] in that act which creates this account and appropriates such funds to be deposited in that account?

4. I was an economics major in school and I learned long ago that financial instruments are the foundation of our credit/monetary system, not birth certificates. All of the evidence I have ever encountered demonstrates that financial instruments are the basis for our monetary system and not birth certificates. Can you point out for me any economics text or other work describing our monetary system which acknowledges that birth certificates are the basis for our monetary system? Can you provide me with a statement from a banker which makes this clear? Does

Walker Todd, former lawyer for the Federal Reserve, agree with the redemption theory that birth certificates are the foundation for the credit system? Have you ever talked with Walker? How about Dr. Exter?

David Ikke runs around making claims that the British royalty are really lizard people, a fact I find completely wild. But the redemption theory is even wilder, and appears to me to be the product of people who escaped from the mental ward. Please help me understand precisely how this argument is not of the caliber of Ikke's lizard theory.

In this movement there are a number of individuals who have declared themselves to be the only experts on the subject of money, the IRS and this redemption process. One such individual has not only declared himself to be the leading guru, he, like so many, got down into the gutter and sent out a very childish e-mail to another person in which he calls Larry Becraft a liar and SOB because Larry's legal research completely debunks his flawed assertions.

This person also has given himself the title of "Professor," although he has never presented any documentation to prove he is a professor of anything. If there is valid research, present it. If you have proof of something, present it. Let's take a look at your documentation or the legal cites you are using for your argument. Is that too much to ask? Well, Larry did ask:

September 20, 2000

Hey Prof. Ron "Diogenes,"

A few days ago, you alleged that all the proof one needs that birth certificates form the basis for the creation of credit in this country was found in 26 CFR 1.141, et seq. You alleged that all the proof was there. However, I looked at both the supporting statute, 26 USC 141 as well as those regs you mentioned and nothing could be found in them that even remotely related to birth certificates. In fact, the phrase birth certificate does not appear in these regs, and in the entire 26 CFR, such phrase appears only in the 6109 regs, which do not relate to the question of credit creation; they relate to SSNs and TINs.

I studied economics in school; in fact, I received a degree in econ with honors. I can assure you that there are no money and banking texts which declare that birth certificates are the basis for credit creation. But further, I have had discussions with bankers and others who work in the banking industry; none of them have ever declared that birth certificates form the basis for credit creation and they all acknowledge that other types of securities do, just as I have stated. You and the other "redemption process" advocates are the only folks who have ever made this entirely new allegation, and all I ask is that you supply proof beyond your mere assertions.

You claim that there are cases, statutes and regs which prove this. I have the US Code and all federal regs on disc. I have FindLaw on line and our local law library is only a 5 minute walk for me. I can find in a matter of minutes any statute, reg or case. Will you please sometime today send me the cite to

any statute, reg or case which proves that birth certificates are the basis for credit?

You invite me to a debate, and I accept your challenge. Please send me your phone number. I will arrive at LAX this Friday at noon as I will be in LA all weekend. While I have other business with which to attend (probably with people you know), I can make time to talk with you. But to even engage in any debate, I need to know what statute, reg or case proves your point. If you provide that information to me today, I will openly recant all I have stated over the last few days. I will pay you \$1000 for proof that birth certificates are the basis for the creation of credit as you allege.

The ball is in your court; please respond. If you fail to do so, I will have no other alternative than to conclude that you lack such proof and further that you do not wish to debate me.

Larry Becraft

How about a second opinion on this "redemption process" and any legal basis for such an argument?

Statement on September 20, 2000, by James E. Ewart, author, "Money - Ye Shall Have Honest Weights and Measures." Seattle; Principia Publishing, 1998, ISBN 0966367000.

My name is Jim Ewart and I have been a student of money, banking, and other monetary topics for 37 years. I recently authored a work on this complex subject --

"Money - Ye Shall Have Honest Weights and Measures" -- and detailed information on the book is available from the publisher, Principia Publishing, at its web site:

<http://www.principiapub.com>

For 2,500 years the word money has meant coins made in a mint, from an alloy of gold or silver, to be media of exchange.

Credit is an agreement to delay payment of money.

Money substitutes such as silver certificates are a form of credit; the certificate's issuer delays payment until the bearer demands payment.

Money substitutes, colloquially called "paper money," have been of two forms, legitimate or bogus.

Legitimate money-substitutes are called "bills" because they have to be, and are, paid. Payment is immediate because for every bill issued there is an appropriate amount of precious metal safely stored by the issuer and available for immediate transfer to the bearer when he demands.

Another legitimate form of money substitute or credit is a token, a device having essentially zero intrinsic worth but accepted by mutual agreement of its issuer and recipient as a means of paying, perhaps for a subway ride or to enter an amusement. Poker chips, for example, are tokens. Silver "dollar" coins are money. Silver certificates are money substitutes.

Bogus money substitutes are the main circulating currency in every country today.

Bogus money substitutes are the main circulating currency in every country today. For example, today's U.S. paper currency is labeled Federal Reserve Note but they are not notes in a monetary sense: They do not promise to be paid and they are not redeemable in precious metal stored by and immediately available from their issuer. Legitimate notes are identified by their four essential elements: A Maker promises to pay a payee a certain amount of money on a certain date. In a silver certificate, the United States government promised to pay the certificate's bearer a certain sum of money "on demand." But today's U.S. paper currency does not identify a payee or a due date, nor are the other two elements of a note established by their use in a complete sentence. Today's U.S. paper currency, in reality, has none of the four elements the law requires in a note.

The process of creating credit today is easy to understand. Central banks like "the Fed" purchase various financial obligations such as notes, bonds, and other types of securities. These financial instruments, whether issued by governments or the private sector, are the basis for the creation of credit. The process of credit creation is well known and is discussed thoroughly in most economics and banking texts.

However, birth certificates are not and can not be financial instruments since they bear no promise to pay anyone any money at any time. Birth certificates are also not bought and sold by banks. Since they are not financial instruments, they cannot be and thus are not the basis for creation of credit. To the best of my knowledge and belief, no evidence nor accepted texts on monetary affairs even remotely indicates

that birth certificates are or can be the basis for extensions of credit.

A socialist philosophy argues that tokens (bogus "paper money") may be thought of being "backed by the productivity" and assets of the country which issued the them. This philosophy may be the basis of Social Credit, Populism, and a host of similar misguided attempts to solve today's monetary nightmare. This philosophy may also be the basis for the assertion that one's birth certificate is somehow involved in the creation of credit.

Persons who find these matters interesting would likely enjoy reading "Money."

When I hear confused statements as "birth certificates are the basis for the national debt," I recall the wisdom of Voltaire in 1764 ('Assassin,' Philosophical Dictionary): "Error flies from mouth to mouth, from pen to pen, and to destroy it takes ages."

Jim Ewart
Seattle
September 20, 2000

Mr. Ewart's web site is:

<http://www.zns.com/ZReach.html>

I would like to present some testimonials for Mr. Ewart's Money book:

"I think Money is the best introduction to American money and banking and to economics generally I have ever found. That is why I have adopted it as the main textbook for my Money and Banking classes at Bellevue University." **Judd W. Patton**, Ph.D., associate professor of economics, Bellevue University, Bellevue, Nebraska.

"Money covers many points for which I didn't have space in my book. I especially appreciate the way

you develop your arguments, building on a base of the Latin roots of key monetary terms. Money and Pieces of Eight, as a team, would be a winning combination of textbooks for anyone conducting classes on the money issue." **Edwin Vieira, Jr.**, Ph.D., J.D., Attorney at Law, Author of Pieces of Eight; President, The National Alliance for Constitutional Money, Inc., Manassas, Virginia.

"Money is especially valuable because it clearly reveals the Machiavellian nature of so much of today's monetary analysis and reporting." **Antony C. Sutton**, D.Sc., Author of Gold Versus Paper; and Wall Street and the Rise of Hitler; and Wall Street and the Bolshevik Revolution; and other scholarly exposés of international corruption.

"In my opinion, your book Money is the most comprehensive, clear and succinct exposition on its subject available today. It's a powerful, readable exposé, sprinkled with refreshing humor and straight-line reasoning. Money provides a solid understanding of money fundamentals, giving concise examples of how we got into today's mess. Then it presents a lucid plan for restoring monetary sanity. I consider Money an invaluable contribution to Americanist literature." CEO, international financial consulting firm, Los Angeles, California.

READER COMMENTS:

". . . very well done!" **Congressman Ron Paul**, Texas.

"[Money pulls] together an incredibly wide range of facts and historical insight. [It] is the ultimate reference work on money." **G. Edward Griffin**, Author, Creature From Jekyll Island.

". . . a terrific book!" **Gordon Leitch**, M.D. (ret.), Author, From Dollar to Counterfeit and Monetary Errors of the Supreme Court.

"I congratulate you, and emphatically state that Money is the book I have waited to see for a long time. We have needed a simple exposition of the money problem and you have filled the void. You

have written to the voter!" **John A. Hyde**, Esq., Hammond, Indiana.

[Money is] ". . . a monumental work! In its presentation and content, it certainly outdoes anything I've seen on this subject. That this book will be a landmark, I have no doubt." Former bank president, now investment advisor.

[Money] ". . . is absolutely superb." Investment advisor, Los Angeles, California.

"I got your new book Money on Tuesday. It's AWESOME . . . beautiful and very informative." Government lawyer, Olympia, Washington.

[Money] ". . . so dazzled me upon my receipt of it that I was unable to reply. . . . It is gorgeous, and yet suitable for a high school level text for home schooling families worldwide." Professional print-media journalist and editor, Washington, D.C.

[Money is] ". . . absolutely gorgeous." Real-estate sales agent, Phoenix, Arizona.

"I loved your book." **Vic ("Trader Vic") Sperandeo**, expert commodities trader, author, Methods of a Wall Street Master, financial consultant, Dallas, Texas.

[Money] ". . . will end the manufactured mystery about fractional reserve banking that the conspirators behind it have long enjoyed. I read things here about fractional-reserve banking that I have never read anywhere else." **Alan Stang** - author, journalist, radio talk-show host, Los Angeles California.

[Money] ". . . will soon be the authoritative reference work on the history of money in the United States of America." Past Professor of Medicine, University of Washington, Seattle, Washington.

"Money underscores the importance of knowing the truth as a prerequisite to freedom. Clergy of all denominations will appreciate the etymologies (and humor) in Money." **Pete Kelly**, Religious Affairs Editor, Zenger News Service, Seattle, Washington.

"I have read *Money* and consider it, on the whole, a *Masterpiece*." **Rabbi Marvin Antelman**, Tel Aviv, ISRAEL. Author, *To Eliminate The Opiate*, and two best-sellers, one on Hebrew law and one on chemistry.

"The best Christian stewardship is to teach others how to keep safe the wealth God gives. An engaging book, *Money*, does this and it defines terms, establishes principles and offers action tips." **Edwin Elliott, Jr.**, Litt.D., Editor and Publisher, *Christian Observer*, Manassas, Virginia.

[*Money*] ". . . is totally awesome." Computer programmer-consultant, Seattle, Washington.

"I enjoyed *Money* and recommend it to everyone who enjoys freedom." Rabbi Daniel Lapin, President, *Toward Tradition*, Mercer Island, Washington.

"Thank you for your outstanding book, *Money*." Mr. **Dee Zahner**, Hesperia, California. Author, *The Secret Side of Money* and *The Secret Side of History*; talk-show host; audio tape, book, and e-newsletter publisher.

I know I'm going to get letters and e-mail about the books and authors above. If you're on the net, just go to

<http://www.infoseek.com>

and type in the authors name or the name of the book and you will get a source. If you're not on the net, go to your local bookseller and ask them to order the book for you. This is common and routine, even for small booksellers.

If you still choose to participate in this "redemption process" being peddled around the country, please don't call me, Larry or Dr. Vieira after you're indicted. I'm not a lawyer and neither Larry nor Dr. Vieira, despite their experience and talent, can save you from spending the next 7-10 years in a federal pen.

UPDATE ON TEXAS CASES

The case of Benjamin Mauldin v Texas State Board of Plumbing Examiners and Doretta Conrad is progressing. Larry will head to Austin, Texas for a hearing on a summary judgment motion scheduled for October 30th. The Mauldin case challenges the requirement to supply social insecurity numbers to obtain an occupational license on equal protection grounds. Larry's brief can be found on his web site at:

<http://home.HiWAAY.net/~becraft/MauldinEPbrief.htm>

The Pitmann Buck v. Texas Department of Public Safety and Col. Dudley Thomas case is sitting for the moment. Larry is waiting until after the October 30th hearing in Austin on Mauldin's case to go for a summary judgment in Pitmann's case. The legal system is slow but we have an excellent shot at winning both of these cases so stay tuned.

Larry and I are seriously considering a new case on the social security issue and the core challenge of 42 U.S.C., Section 405. It is imperative when we decide to move on a case that we proceed with caution in how we approach and attack. Once a bad decision gets on the books, other courts simply grab those bad decisions and basically rubber stamp them on other cases. The snail pace of the legal system is frustrating. No one feels it more keenly than we do, however, haste makes waste.

THE OKLAHOMA PROTEST

For our sponsors not on the Internet, this comes straight from Larry's web site at:

<http://home.hiwaay.net/~becraft/Oklahoma.htm>

In 1913, Secretary of State Philander Knox proclaimed that the 16th Amendment to the U.S. Constitution, the income tax amendment, was ratified. The Constitution requires that three-fourths of the states ratify an amendment to make it a part of the constitution. In 1913, there were 48 states in the Union, thus it took 36 states to ratify this amendment. The government claims that 38 states ratified the 16th Amendment, which was two more than necessary.

What if three or more states did not legally ratify this amendment? Such fact would then make the number of states to have actually ratified this amendment less than the constitutional threshold. Is Oklahoma one of those states? Why don't you study that which appears below.

I. The legal necessity for concurrence in legislative acts.

Philander Knox was Secretary of State back in 1913 and was by law the public official to whom the States which allegedly ratified this amendment were to send their notices of ratification. When enough of these documents were received by Knox, he commenced a review of them and drafted a report dated February 15, 1913.

Therein, Knox noted that "under the provisions of the Constitution a legislature is not authorized to alter in any way the amendment proposed by Congress, the function of the legislature consisting merely in the right to approve or

disapprove the proposed amendment." But having said this, Knox went on in the same report and noted all the various changes that the states had made to the amendment.

This proposition that state legislatures cannot

alter or change a proposed constitutional amendment is derived from an established legal principle which requires that legislative bodies, when considering any given legislative act, must agree to the exact same wording and punctuation of that proposed law. This legislative principle was discussed in a booklet titled *How Our Laws Are Made*, Document Number 97-120, 97th Congress, First Session, written by Edward F. Willett, Jr., Law Revision Counsel for the U.S. House of Representatives:

Each amendment must be inserted in precisely the proper place in the bill, with the spelling and punctuation exactly the same as it was adopted by the House. Obviously, it is extremely important that the Senate receive a copy of the bill in the precise form in which it passed the House. The preparation of such a copy is the function of the enrolling clerk.

"When the bill has been agreed to in identical form by both bodies either without amendment by the Senate, or by House concurrence in the Senate

The preparation of the enrolled bill is a painstaking and important task since it must reflect precisely the effect of all amendments

amendments, or by agreement in both houses to the conference report a copy of the bill is enrolled for presentation to the President.

"The preparation of the enrolled bill is a painstaking and important task since it must reflect precisely the effect of all amendments, either by way of deletion, substitution, or addition, agreed to by both bodies. The enrolling clerk.... must prepare meticulously the final form of the bill, as it was agreed to by both Houses, for presentation to the President.... each (amendment) must be set out in the enrollment exactly as agreed to, and all punctuation must be in accord with the action taken."

A collection of some of the important cases which demonstrate the operation of this legal principle are explained in this brief.

Constitutional amendments are likewise subject to this same rule. But with constitutional amendments, not only must both houses of Congress agree upon the precise language of the proposed amendment, so must all state legislative bodies which ratify the amendment.

II. Short History of How the Oklahoma Legislature "Ratified" the 16th Amendment.

On February 10, 1910, the Governor of Oklahoma transmitted to the legislature the Congressional resolution proposing the 16th Amendment. A resolution to adopt this federal proposal to amend the U.S. constitution, H.J.R. No. 5, passed the House on March 4, 1910; see Oklahoma House Journal, page 457. When this resolution was sent to the Senate, it was amended; see Oklahoma Senate Journal,

pages 458, 464-65. On March 5, the Senate adopted this amended resolution and sent it back to the House for its approval, which was done on March 10; see House Journal, pages 541-542. The resolution ultimately sent to Washington, DC, read as follows:

HOUSE JOINT RESOLUTION NO. 5

A RESOLUTION RATIFYING AN AMENDMENT PROPOSED BY THE SIXTY-FIRST CONGRESS OF THE UNITED STATES OF AMERICA, ON THE FIFTEENTH DAY OF MARCH, ONE THOUSAND NINE HUNDRED AND NINE, TO THE CONSTITUTION OF THE UNITED STATES AND DESIGNATED AS ARTICLE SIXTEEN.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE STATE OF OKLAHOMA.

WHEREAS the Sixty-first Congress of the United States of America at its first session begun and held at the City of Washington, on Monday the fifteenth day of March, one thousand nine hundred and nine, by joint resolution proposed an amendment to the constitution of the United States, in words and figures as follows, to-wit:

Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled two-thirds of each house concurring therein, that the following article is proposed as an amendment to the constitution of the United States, which, when ratified by the Legislatures of three fourths of the several states, shall be valid to all intents and purposes as a part of the constitution:

ARTICLE 16: The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several states, and from any census or enumeration.

Now Therefore, Be It Resolved by the House of Representatives and Senate of the State of Oklahoma in extraordinary session assembled, such subject having been recommended by the Governor for consideration, that said proposed amendment to the constitution of the United States of America is hereby ratified.

You may download a PDF file of the actual resolution by clicking here: Oklahoma

Resolution. This file is 0.5 MB in size and may take a few minutes to download. You may also download an even larger PDF file (3.5 MB) of the applicable pages of the Oklahoma House Journal by clicking here: Oklahoma House Journal. Portions of the Senate Journal are found here: Oklahoma Senate Journal. The size of this file is 1.7 MB.

Many believe (see this brief) that the purpose of the 16th Amendment was to change the constitutional rule by which direct taxes are imposed. According to the constitution, direct taxes must be imposed by means of apportionment, which is determined by the census or enumeration. The 16th Amendment read in part as follows: "without apportionment among the several states, and without regard to any census or enumeration." The purpose of

this phrase might be to eliminate the requirement to impose income taxes via the apportionment rule. But notice what the Oklahoma legislature adopted: "without apportionment among the several states, and from any census or enumeration." There are very substantive differences between these two resolutions and these phrases are the opposite of each other.

Did the Oklahoma legislature ratify this amendment? It is clear that a state cannot legally change a proposed constitutional amendment, but it is also equally clear that this is exactly what the 1910 Oklahoma legislature did. We need to protest this travesty and we have every

right to do so.

People of Oklahoma

We need you to do what the people of Tennessee did to stop a proposed state income tax. Below is a series of articles from worldnetdaily.com, reprinted with permission; credit to: The Internet Newssite WorldNetDaily.com, the number one web site in the world.

I was so ecstatic when I read these articles, I literally was jumping up and down. Citizen activism works and we desperately need the people of Oklahoma to put up the same kind of ruckus in front of your state capitol, deluge members of your state legislature and tell them to get off the stick and help expose the fraudulent ratification of the 16th Amendment by your state legislature back

As protestors began to gather outside the legislative chambers Monday evening, several legislators were taken away by ambulance and hospitalized for blood pressure and heart problems as tensions rose and tempers flared.

in 1910. How bad do you want to get rid of the federal income tax?

Don't relax, you Californians - we're coming here next!

June 15, 2000

THE POWER TO DESTROY

Tennesseans Stage Tax Revolt

Massive revolt at state Capitol stops new income-tax plan

by Patrick Poole

2000 WorldNetDaily.com

NASHVILLE, Tenn. -- Police cars blockaded Tennessee state Capitol entrances and trooper patrolled legislative hallways this week as the state legislature found itself under siege by thousands of angry taxpayers upset at a plan to implement a state income tax.

Tennessee is currently one of only nine states without a state income tax. Opponents of the measure, which would assess a 5 percent tax on any income above \$100,000, are skeptical that legislators would maintain that high an exemption threshold for very long.

As protestors began to gather outside the legislative chambers Monday evening, several legislators were taken away by ambulance and hospitalized for blood pressure and heart problems as tensions rose and tempers flared. By Tuesday morning, tax protestors were brandishing signs reading, "Let's send them all to the ER!"

Trouble began brewing Friday evening as the state income tax proposal emerged from a legislative conference committee considering the state budget after local news shows had already aired.

Legislators supporting the income tax hoped that a vote would be taken on the proposal Saturday morning to avoid giving anti-tax groups time to mount a repeat of the tax revolt that occurred last November, when an earlier income-tax measure died as taxpayers besieged legislative offices with tens of thousands of calls and e-mails every hour.

But the hopes of income-tax supporters were dashed when two of Nashville's competing talk radio stations, WLAC and WTN, joined forces and served as the catalyst for opposition to the legislative proposal.

Speaking to WorldNetDaily and barely audible above the virtually non-stop horn honking, WLAC's morning show host Steve Gill gestured to the standstill traffic encircling the state Capitol and said, "Do you hear that? That's the sound of freedom."

Phil Valentine, Gill's afternoon show counterpart, chided legislators on-air for conducting most of the legislative discussion regarding the state budget behind closed doors.

"If this is such good public policy, why are they afraid to do it in public?" Valentine said.

While it appeared Monday that income-tax supporters had enough votes to push the

measure through both houses, support crumbled as the tax protests grew.

"These legislators have received a rude awakening in the past few days," said Darryl Ankarlo, morning drive time host for WTN. "They're realizing that taxpayers are tired of politicians picking their pockets at every turn."

Ankarlo and his WTN colleague, Dave Ramsey began broadcasting their respective programs from a remote radio site located at the entrance of the legislative plaza, where they could wave to supporters driving by. They would regularly announce on-air the position of state legislators on the income-tax proposal and provide telephone and e-mail information for constituents to contact their representatives.

The effort to pass a state income tax is being led by Republican Gov. Don Sundquist, who won two gubernatorial races handily in 1994 and 1998 after promising to prevent an income tax from ever being passed. But less than three months after his 1998 re-election, Sundquist found that a runaway budget, driven by the largest state Medicaid program in the country, threatened to bankrupt the state. TennCare, the state's Medicaid program, now covers one out of every four citizens in the state and consumes one-quarter of the state's annual budget.

Rejecting calls to cut his proposed \$18.1 billion budget, Sundquist has threatened to withhold public works projects in legislators' districts if they failed to go along with his plan. Sundquist is backed by a coalition of liberal special interest groups, state contractors, road builders

and state employee unions, who are pushing for the income tax to finance a 6 percent pay raise for the coming fiscal year.

One group, Tennesseans for Fair Taxation, is praising the current tax proposal as the first step toward imposing a state income tax on the whole population, not just those earning more than \$100,000.

"We will continue to push forward until we achieve comprehensive tax reform," said Nan Lloyd, a Tennesseans for Fair Taxation spokesperson. The organization has even posted an online tax calculator to tell families how much more they would end up paying under various state income-tax schemes.

One national taxpayer group has jumped into the Tennessee tax fight. Chad Cowan, director of communications for the Washington, D.C.-based Americans for Tax Reform told WorldNetDaily that election promises made by Tennessee legislators who vowed at election time that they would oppose the state income tax need to be kept.

"The people of Tennessee have spoken, and they have said loudly and clearly that they do not want a state income tax. The governor and legislature would be wise to listen to them," Cowan said.

Americans for Tax Reform named Sundquist "Taxpayer Villain of the Month" last November in response to his recommended state income-tax plan and corresponding \$400 million state spending increase. Sundquist's income-tax effort was also panned recently by Steve Moore, a columnist for "National Review,"

who wrote that he is "easily the worst governor in America."

As a result of the daily tax protests, the income-tax proposal appeared dead Tuesday night after the tax measure's chief legislative supporter announced he was throwing in the towel. Both houses subsequently referred the budget back to the conference committee responsible for crafting a compromise. Committee members were given explicit instructions to return yesterday with a bill that would meet legislative (and voter) approval.

Legislators are working on a June 30 deadline, when the new fiscal year will begin. Sundquist has threatened to veto any budget that does not include an income tax, but only a simple majority vote in both houses is needed to override the governor's veto. Most of the members in both the House and Senate face re-election in November.

As word of the income tax's demise spread among the crowd gathered at the state Capitol Tuesday night, car horns continued to blare and traffic remained at a standstill.

One anonymous protestor at Tuesday's rally, who said that he had taken the day off work and had driven three hours to come to Nashville, spoke to WorldNetDaily as the crowd thinned and the sun began to set over the Nashville skyline.

"This is a great victory for all Tennesseans," he said. "The people spoke, and we forced our elected representatives

to listen. Could anything be more American?"

Patrick S. Poole is a regular contributor to WorldNetDaily.

June 20, 2000

THE POWER TO DESTROY

Tennessee Tax Attack

Lawmakers Scheme, While Newspapers Deride Talk Hosts, 'Horn Honkers'

By Patrick Poole

June 20, 2000

2000 WorldNetDaily.com

NASHVILLE, Tenn. -- Tennessee's state budget battle turned nasty yesterday as the state legislature reconvened to consider imposing a state income tax to pay for state spending increases for the coming fiscal year, which begins July 1.

"The tax protests have made all of the difference," said Rep. Mae Beavers, an outspoken anti-tax legislator. "

WorldNetDaily reported last week that mass tax protests spurred by Nashville talk radio stations prompted a virtual shutdown of the legislature when it became apparent that passage of a state income tax was imminent. Tennessee is only one of nine states without a state income tax.

State legislators fighting the tax increase say they are under intense pressure from legislative leaders pushing for the tax, but the outpouring of public support for their position has emboldened their resolve.

"The tax protests have made all of the difference," said Rep. Mae Beavers, an outspoken anti-tax legislator. "If people hadn't come out and made their feelings known, the votes would have been there last week to pass the income tax. All the horn-honking and daily protests shook a couple of their votes loose."

However, groups supporting a state income tax are striking back by trying to rally enough votes in the legislature to pass the massive tax increase. Their efforts were bolstered over the weekend by the two largest newspapers in the state, the Nashville Tennessean and the Memphis Commercial Appeal, which editorialized in favor of the income tax.

The papers derided talk radio hosts leading the protests and "uninformed horn-honkers," who the papers claimed did not represent the "silent majority" of citizens in favor of the state income tax proposal.

"Surely you will not allow Tennessee's economic policy -- and its very future -- to be dictated by radio talk show personalities whose only responsibilities are ratings and rabble-rousing," said the Tennessean in a lengthy editorial addressed to legislators published in its Sunday edition.

Not mentioned in the editorials, however, was the \$39 million in sales tax breaks that Tennessee newspapers receive each year, and which news industry lobbyists have fought hard to keep in place as legislators have searched for new revenue sources to close the state budget gap.

WorldNetDaily has also learned that state employees have taken to undercover surveillance to help stifle tax protests. State employees have been vocal in support of the state income tax as a means to finance a 6 percent across the board pay raise for the coming fiscal year.

One of last week's tax protestors, Mark Cooper, found himself out of a job last Friday after state employees, who have been writing down license plate numbers of cars honking their horns in support of the tax protests, reported to his employer that he had driven his delivery truck around the state capitol.

Cooper was fired after being told by his employer, Home Depot, that his presence at the tax rally gave the company a bad reputation. Despite being out of a job, Cooper told WorldNetDaily that he doesn't regret making his voice heard.

"Even if I contributed just a little bit to help defeat this income tax, it was worth it," he said. After talk show hosts related his plight on air, Cooper said he had several local companies contact him for job interviews.

"These things always turn out for good," he said.

Despite the momentum that income tax supporters have been able to garner in recent days, one anti-tax organization, the Tennessee Institute for Public Policy, is trying to capitalize on widespread public sentiments against the income tax. The organization announced yesterday that it was launching a massive statewide radio campaign to educate taxpayers about the looming income-tax threat.

"We believe the people of Tennessee need to be made aware of exactly how close this unpopular tax really came to enactment," Michael Gilstrap, the organization's president, told WorldNetDaily.

"The major media outlets in the state have consistently given the misleading message that the state has a revenue crisis," Gilstrap said. "We're going to take to the airwaves to tell taxpayers the truth -- that our state leaders have been spending tax money like they were drunken sailors."

Meanwhile, legislators supporting the income tax proposal gathered in secret meetings late last night to formulate a strategy to push the measure through later today, a move that Beavers says violates that state's "sunshine" laws.

"These closed-door meetings, which exclude other members of the legislature and the public, are clearly illegal," she said. "How can you have public accountability when everything is being conducted in secret?"

Both the Tennessee House and Senate were scheduled to meet today to consider new budget proposals. A slimmed-down budget was approved by the House last Thursday, but the measure was voted down by the Senate on Friday, forcing legislative budget negotiators to go back to the drawing board and to place the state income tax back on the table as an option.

Gov. Don Sundquist, who campaigned in 1994 and 1998 on a platform opposing the state income tax, has vowed to veto any budget that doesn't include some form of an income tax. Sundquist says the state needs more money to help pay for

improvements to the state's troubled Medicaid system, TennCare.

June 30, 2000

THE POWER TO DESTROY

Anti-tax Tennesseans Prevail

Legislature Backs Down on Unpopular Proposal, Adjourns for Year

By Patrick Poole

2000 WorldNetDaily.com

NASHVILLE, Tenn. -- Ending one of the longest legislative sessions in state history, the Tennessee legislature temporarily sealed the fate of hard-fought efforts to implement a state income tax after weeks of vocal anti-tax protests by thousands of Tennesseans.

Before adjourning the session Wednesday, the legislature overrode Gov. Don Sundquist's veto of the state budget, just 60 hours before a possible state government shutdown.

The \$18.3 billion budget surpasses the current fiscal year's budget by \$1.6 billion and includes \$445 million in state spending increases, including:

- \$210 million to actuarially fund TennCare, the state's troubled Medicaid program
- \$110.6 million for 3.5 percent pay raises for all state employees and teachers
- \$90 million to fund the K-12 education funding formula
- \$84 million for higher education
- \$16 million for long-term care for the elderly
- \$14 million to adjust some state salaries toward private-market levels

Tennessee's successful tax revolt WorldNetDaily reported two weeks ago that daily tax protests, prompted by the legislature's attempt to sneak an income tax proposal through in a rare Saturday morning session, caused support for the proposal to wither. Tennessee is one of nine states without a state income tax.

The protests included processions of horn-honking cars circling the state Capitol and citizens gathering outside legislative chambers to jeer legislators as they entered.

The success of the two-week tax revolt demonstrated the power of talk radio to mobilize opposition to the income tax. Two of Nashville's competing talk-radio stations, WTN and WLAC, joined forces and served as a catalyst for opposition to the tax proposal.

"I have worked in some competitive radio markets before, and I have never seen two competing stations work so closely to identify and speak out against a common political threat," Darrell Ankarlo, WTN's morning show host, told WorldNetDaily.

Phil Valentine, WLAC's afternoon host, said that WorldNetDaily's coverage of the Tennessee tax battle has prompted inquiries and radio interviews from stations across the country.

"I just did an interview with a Seattle radio station last night, and they wanted to know how we were able to work together, because legislators in Washington state want to implement a state income tax as well," Valentine told WorldNetDaily. "WorldNetDaily has made Tennessee's tax battle a national issue, because taxpayers in other states know that if Tennessee

falls, all the rest will follow like dominos. But what is so amazing about what the citizens have done here is to show that taxpayers can fight back and win."

In retaliation for rallying opposition to the income tax, legislators proposed a "talk-radio tax" that would have slapped broadcast companies with a 6 percent gross receipts tax, costing Tennessee radio stations \$39.1 million next year alone. But after tax protestors rallied to their cause and the issue received attention from talk-radio giant Rush Limbaugh and the Wall Street Journal, legislators dropped the idea.

WorldNetDaily reported last week that one tax protestor, Mark Cooper, was fired from his job at Home Depot after driving his delivery truck around the state Capitol twice on a lunch break to protest the tax proposal. State employees, upset at having their pay raises reduced from 6 percent to 3.5 percent due to cuts in the governor's budget, began writing down protestors' license numbers and reported Cooper's activity to his supervisor. After his plight was aired, Cooper has since received more than 25 job offers, most of which are higher-paying positions.

WorldNetDaily also reported earlier this week, that the ongoing tax protests have prompted several pro-income tax legislators to lash out at constituents.

Sour grapes

Sundquist's veto of the state budget was the first by a governor in Tennessee's history, but the House overrode the veto by a vote of 78-19 and the Senate by 20-9. According to the state constitution, only a

simple majority is required in both houses to override a governor's veto.

Subsequent to his veto defeat, Sundquist threatened to bring the measure up again later this year in a special session or in next year's budget negotiations.

"I've just begun to fight," he told reporters shortly after the legislature adjourned.

Sundquist has been handed defeat in his efforts to implement a state income tax in two regular sessions and two special legislative sessions over the past 15 months. Ironically, he campaigned in both 1994 and 1998 on a platform opposing the income tax, and had warned legislators in his 1999 State of the State address to avoid burdening Tennessee families with an income tax.

"All an income tax does is raise the tax burden on Tennesseans and create a way to finance the easy and endless expansion of government. Tennessee does not need a state income tax," he said in his 1999 address. Sundquist changed his position less than a month later upon learning that the state's mammoth Medicaid program, TennCare, was going to need an additional \$192 million to remain actuarially sound.

The state's major newspapers have joined Sundquist in editorializing against the no-new-taxes state budget, calling it "shameless," "irresponsible," and "a pretend budget."

Claiming victory

Taxpayer advocates and anti-income tax legislators, however, are claiming victory, saying Sundquist's efforts to drag the

session out in order to woo the handful of votes he needed backfired.

"Even the pro-income tax legislators just wanted to get out of here," Rep. Mae Beavers told WorldNetDaily. "Most of the members heard the voice of their constituents, who were telling them that they wanted a budget without tax increases. I think that's why we saw such large margins to override the veto."

Legislators complained of the heavy-handed efforts by Sundquist and legislative leaders to garner votes for the income tax. Sen. David Fowler, one of the leading anti-tax legislators, took to the Senate floor Wednesday to denounce Sundquist's strategy of attrition.

"I'm tired of the politics of intimidation and coercion and brow-beating and trying to buy people off," he said. "Leadership is not trying to beat people up. That's what tyrants do; it's what dictators do."

Despite the apparent victory, few are ready to let their guard down. Michael Gilstrap, president of the Tennessee Institute for Public Policy, told WorldNetDaily that the battle to cut state spending has just begun.

"Even though they passed a budget without tax increases, this is still a beached whale of a budget," he said. "Both Gov. Sundquist and the legislature took a pass this year on serious TennCare reform and our out-of-control spending problems. Things are getting so bad that if we don't fix them in the next year, not even a state income tax can bail us out."

Lost allies

Any future effort by Sundquist to push through an income tax will be without many key players who were involved in his recent attempts. John Ferguson, Sundquist's commissioner of finance and administration and one of the income tax's chief salesmen, announced his resignation earlier this week, effective today. Several pro-income tax legislators, fearful of voter backlash, have chosen not to run for re-election, including Rep. Bill McAfee, a House Republican sponsor of Sundquist's income tax proposal last November, and Sen. Andy Womack, the powerful chairman of the Senate Education Committee. Many other pro-income tax legislators, both Democratic and Republican, have drawn strong opposition in their primary and general election races later this year.

The recent tax protests also prompted several Democratic House leaders to come out in opposition to the income tax for fear of losing their seats. Rep. Jere Hargrove, the House majority leader, Rep. Matt Kisber, chairman of the House Finance Committee, Rep. Gene Davidson, chairman of the House Education Committee, and Rep. Mike Williams, the House majority floor leader have all spoken publicly in favor of the income tax, but vowed in recent weeks not to vote for it, bowing to constituent demands and tough reelection campaigns.

In his comments to reporters Wednesday, Sundquist credited this abandonment of the income tax by House Democratic leadership as the turning point in the demise of the tax proposal: "The members said, 'Why should I support this if the chairman of the Finance Ways and Means Committee is not going to do it? Why

should I support this if the majority leader is not willing to stick his neck out?'"

A fight for another day With primary elections approaching in August and all House and half of the Senate seats up for grabs in November, the state income tax issue will remain a hot-button topic. With escalating state budget demands, state leaders are confident that Tennessee's tax battles are far from over.

But with overwhelming popular support against the state income tax and a vigilant talk-radio community, many Tennessee taxpayers are confident that they will have the final say.

"Tennesseans love their low tax, limited-government state," Gilstrap said. "Regardless of all the political posturing and threats of gloom and doom, they're not going to slink quietly back into the night."

YES!!!

Citizen activism works. We proved it here in California over the MTBE issue (although Canada will sue under NAFTA and win, wiping out our sovereignty). Tennesseans beat back these arrogant peacocks in their legislature.

Here are the numbers you need to begin this protest on January 2, 2001 because we intend to file no later than January 15th and the reason is explained below.
THE OFFICIAL OKLAHOMA WEBSITE

Governor Frank Keating
Room 212, State Capitol Building
2300 N. Lincoln Blvd.
Oklahoma City, OK 73105
405-521-2342

governor@gov.state.ok.us

Lieutenant Governor Mary Fallin
Room 211, State Capitol Building
2300 N. Lincoln Blvd.
Oklahoma City, OK 73105
405-521-2161
LtGovernor@ltgov.state.ok.us

Sec. of State Mike Hunter
Room 101, State Capitol Building
2300 N. Lincoln Blvd.
Oklahoma City, OK 73105-4897
405-521-3911
michelle.waddell@sos.state.ok.us

Attorney General Drew Edmondson
Room 112, State Capitol Building
2300 N. Lincoln Blvd.
Oklahoma City, OK 73105
405-521-3921

THE OFFICIAL OKLAHOMA LEGISLATURE WEBSITE

The Senator Directory: This site contains the names, addresses, phone numbers and e-mail addresses for the Senators. Lt. Governor Mary Fallin is the President of the Senate (see above address info).

Senator Stratton Taylor
President Pro Tempore
Room 422, Oklahoma State Capitol
2300 N. Lincoln Blvd.
Oklahoma City, OK 73105
405-521-5565

The House Directory: This site contains the names, addresses, phone numbers and e-mail addresses for the Members of the House.

Speaker of the House Loyd Benson
Room 401, State Capitol Building

2300 N. Lincoln Blvd.
Oklahoma City, OK 73105
405-557-7307

District Address:
PO Box 486
Frederick, OK 73542
580-335-7541
benenson@lsb.state.ok.us

Speaker Pro Tem Larry E. Adair
Room 442, State Capitol Building
2300 N. Lincoln Blvd.
Oklahoma City, OK 73105
(405) 557-7394

District Address:
1207 Kerry Drive
Stilwell, OK 74960
918-696-7718
adairla@lsb.state.ok.us

Capitol Address for all Representatives is:
Representative's Name (from above list)
Room # (from the list)
State Capitol Building
2300 N. Lincoln Blvd.
Oklahoma City, OK 73105

LET'S EXERCISE OUR RIGHT TO PETITION GOVERNMENT FOR A REDRESS OF GRIEVANCES

The Oklahoma Constitution provides in Section II-3: Right of assembly and petition:

The people have the right peaceably to assemble for their own good, and to apply to those invested with the powers of government for redress of grievances by petition, address, or remonstrance.

Courtesy of: Larry Becraft

Also, check the last Wallace Institute newsletter for other contact numbers.

Big shot state officials resigning? Pro-tax legislators bailing and not running for re-election? My gosh, do you realize just what a wonderful thing these Tennesseans did out there this summer? It's fantastic and we not only can be very proud of all those who participated, but we can duplicate this effort in Oklahoma and then California. Let's not only kill the tax but run these varmints out of town!

Why Is It Taking So Long for the Wallace Institute to File Suit?

We originally began our campaign to raise funds this past February. It was imperative that we build the kind of public support for this lawsuit as we saw in Tennessee. It is absolutely critical to target members of the Oklahoma legislature. We met our goal and had a generous matching donation of \$10,000 from an individual in the LA area right at the same time the Oklahoma legislature went out of session for the year. This is something beyond our control. Like you, I wish we could file the suit tomorrow but haste makes waste.

We also had extensive discussions with experts in this field about having a blue-ribbon panel do a report which would be attached to the complaint as sort of a supporting document. After much discussion, we decided to forgo this as the historical documents and the firm rules for Oklahoma's ratification of constitutional amendments are very specific.

Larry also had several discussions with Bob Schulz about joining with him in stirring the pot down in Oklahoma. As regular readers know, Bob Schulz'

organization, We the People Foundation, is the entity that held the IRS Symposiums in Washington, DC and ran those full page ads in the Washington Times and USA Today. Bob is a real mover and shaker. As things happen, Bob was tied up with getting some briefs filed for cases he has on-going in New York and couldn't break away until mid-August. In the meantime, our target, the Oklahoma State Legislature evaporated. What we are doing has never been done before and it has to be done right the first time because there will be no second chance. We are pleased that Bob will be joining our effort in January. That man knows how to get things done.

Additionally, the retailers began putting Christmas merchandise in their stores in mid-September. We are getting ready to enter the Halloween, Thanksgiving, Christmas distraction season and that is the worst time in the world to try and mount political protests. This is also an election year and every political hack in the state legislature in Oklahoma is either campaigning or on the stump for someone else and that includes the Gore/Bush team. Very, very bad timing, so we wait. Our target date of January 15th is just about the time duped Americans begin thinking about April 15th. We're going to give them lots to think about.

And last, to date, despite repeated attempts, only one retired attorney in Oklahoma has come forward with the offer to become involved in our effort in his home state. This is very disappointing but over the past couple of weeks, we're starting to make more headway in that direction. One of the things that will assist us in a big way is our intention to run four full page ads in the Daily Oklahoman newspaper prior to the filing of the suit

and one full page right after we file. Your generous donations have made this possible and anyone who has followed what Bob Schulz' has been doing, knows the miraculous impact his ads have had and continue to have on the American people.

The object of this expensive exercise in running full page ads in the Oklahoman is to educate the people of the State of Oklahoma about the fraudulent 16th Amendment, what it means to them and that we need them to put the squeeze on their state legislature. We need you - if you live in Oklahoma - to do the same thing. Once the suit is filed, the court is going to sit and wait for the state to respond. The state will attempt to move for a dismissal. The people of Oklahoma had better make such a stink in front of their state legislature that the court gets the message. Judges are not immune to public opinion. They read the paper and they watch the news.

What do you tell your state rep and senator in the Oklahoma the minute they reconvene January 2, 2001? You tell them that the 16th Amendment wasn't properly ratified and show them the documents attached to this newsletter. Tell them that House Joint Resolution 5 in your legislature back in 1910 did not constitute ratification of the amendment. For those of you not on the Net, we are enclosing these documents for you to copy and distribute. Seeing is believing. Tell your legislative critter you want them to bring forth immediate legislation to recognize this legal and historical fact or you're going to run them out of office. No threats, just your promise that this will be the last term they serve.

Ladies and gentlemen, we have only one shot (metaphorically speaking) at the State of Oklahoma, period. If we file prematurely, without the targeted audience, the judge in the case, feeling no pressure and seeing nothing on the news, is likely to simply take the easy way out. The brave, determined and courageous people of Tennessee decided not only "no", but "hell no", and they got out there in front of that capitol and raised quite a ruckus for more than a week. By God, there is no Tennessee income tax because of what the people did: protest by the thousands on work days. This is what we need to happen in Oklahoma. Use talk radio. Contact your friends, neighbors and any business associates who believe that we are a nation of laws and not lies. The complaint is finished and waiting. Larry is ready to file. Are the people of Oklahoma ready?

When we're done with Oklahoma, we will do California. Our candy store (the state legislature) is in session all year, spending like money grows on trees. I will be heading up the California operation and we're gonna show these people what We the People really means. Peacefully, of course.

If you can be a state coordinator for this Oklahoma protest, please call me at 916-928-0199 or e-mail me at: power@devvy.com. There will be meetings held in Oklahoma City to set things up out there and we need people to volunteer to spearhead local activities. I can't do it, I live in California. Larry can't do it, he lives in Alabama. We will take care of all the legal stuff and expenses but we need fed up Oklahomans. Do we have your support?

Change is in the wind, America. Please be part of history.

SUPPORT J.A.I.L. FOR JUDGES

For those of you who don't have Internet capability, you may be unfamiliar with this organization. J.A.I.L. is spreading across this country like a brush fire and its goal is to get judicial accountability firmly planted in America. Through J.A.I.L.'s activism, the public is becoming, not only aware of judicial corruption, but people have got their dander up and are joining forces in going after these violators of the people's trust.

J.A.I.L. News Journal

Listen to HotSeat4Judges daily on Internet Radio M-Th, 6-7 pm P.T.

Get a J.A.I.L. For Judges T-Shirt for your next court appearance. Write baronboy@aol.com and place your order today!

Judge Trammell Goes Down On Mail Fraud

Friday, September 15, 2000

Obscure Mail Fraud Statute Brought Ex-Judge Down

Crime: Jurist who had affair with the wife of a defendant in his courtroom was formally charged with twice misusing the mail for her benefit.

By JOSH MEYER, Times Staff Writer

"Former Superior Court Judge George W. Trammell's undoing wasn't in having sex with a woman whose husband was a defendant in a criminal case he was hearing, even if she did so out of fear Trammell would throw the book at her husband at sentencing time.

And it wasn't, technically, when Trammell used his judicial influence--and taxpayer money--to help the woman recover a Mercedes-Benz, two Rolexes and other valuables that had been seized by law enforcement.

What Trammell did that allowed federal prosecutors to file criminal charges against him was to use the U.S. mail when helping the woman, Pifen Lo, during their illicit sexual tryst in 1996.

On Thursday, more than three years after abruptly retiring from the bench, Trammell was formally charged in federal court with two counts of mail fraud.

The court filing containing the charges says Trammell used the mail to execute "a scheme to defraud the people of the state of California of their intangible right to his honest services as a judge by means of false and fraudulent pretenses and representations."

Authorities also entered Trammell's signed agreement to plead guilty to the charges and face as much as 18 months of prison time.*

Trammell had faced a total of 10 years in prison and \$500,000 in fines in the case....

Trammell, 64, was one of the most senior Superior Court judges when he resigned in January 1997.

Trammell's resignation--after 26 years on the bench--came one day after sheriff's deputies served search warrants at his house and chambers.

A defendant in Trammell's courtroom had made allegations that the judge was having an affair with his wife....But investigators concluded that Jin tried to blackmail Trammell "in an attempt to extort favorable treatment" during sentencing...."

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* I can't help but to engage in a little parody of our so-called "justice" system. Above, we are told that Judge Trammell faces "as much as 18 months of prison time." Yet today's news, (9/26/00) reports that a prison guard who had sex with Susan Harris, the woman who pushed her car off into the lake and drowned her two children, will go away for ten years in prison.

Now you tell me, who retained more control over the situation, holding the greater position of public trust? A prison guard over an inmate, or a judge presiding over a criminal case of a wife's husband facing him for sentencing? Which? Oh, and let us not forget, Judge Trammell only faces as much as 18 months. What is your guess what he will actually receive? And do you think he will get the same accommodations as any normal prisoner? If anything, he will doubtless face a federal country club atmosphere for politicians that holds a lifestyle that many of you

could not afford, complete with tennis courts and other resort goodies.

Also, let us note that the federal government states "it would be hard to prove the sex acts weren't consensual." Yet, in the prison guard's case, it didn't matter whether the sexual act was consensual or not, for the law strictly forbids sexual acts of prison guards with inmates. It is treated like statutory rape.

But judges? How is it that we would even question consensuality between a judge and defendant or defendant's wife? Pray tell, under what possible circumstances is it okay for a judge to have sex with a man's wife while deciding her husband's fate, consensual or not? Tell me? Why is it "consensual" even a question? Have we gone insane?

If anyone can give a reasoning on this, then I suggest we give free access of all male prison guards to the willing female inmates. Isn't it then just a matter of freedom of choice? And how about if the judge, instead of receiving sex, received money? Would it then be necessary to "prove" the money was not freely given? Or have we now distinguished bribery based on whether it is "consensual" or "unconsensual?"

-Ron Branson

J.A.I.L. is an acronym for (Judicial Accountability Initiative Law)
JAIL's very informative website is found at www.jail4judges.org
JAIL proposes a unique new addition to our form of government.

JAIL is powerful! JAIL is dynamic! JAIL is America's ONLY hope!

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"..it does not require a majority to prevail, but rather an irate, tireless minority keen to set brush fires in people's minds.." - Samuel Adams

"Mandatory Homosexual Indoctrination in California Public Schools"

By Jerry Mack
August 31, 2000

Mandatory Homosexual Indoctrination Passes 41 to 30 by California Assembly by WebToday Political Writer Jerry Mack

SACRAMENTO, CA, AUGUST 31, 2000 (WebToday)- The California Assembly passed a bill late Tuesday night that makes it mandatory for California teachers to teach and promote homosexuality in public schools.

The measure now moves to the desk of Governor Gray Davis who is expected to promptly sign it into law. Davis has been an activist on the bill, and spearheaded

"The Blue Ribbon Panel on Hate Groups" that released its pro-homosexual final report in February 2000. The homosexual lobby successfully got moderated legislators to vote for the bill that was bathed in euphemisms bearing no resemblance to violent and highly unhealthy lifestyle associated with sodomy.

The bill's author, Assemblyman Tony Villaraigosa, was predictably "off point" in his written response to his victory. The opening quote of his statement read, "Too many kids are committing hate crimes against other kids on our school campuses today." Governor Davis, equally off point, said, "As Californians, we must stand together against these hate groups and against all crimes of hate."

Traditional Values Coalition Research Director Beverly Sheldon, who fought against the bill, said, "This bill AB-1785 will mandate that California schools teach the appreciation of homosexuality, bi-sexuality, and even transgender, cross dressing, etc. This will go in California textbooks and classroom curriculum. Students and teachers of deep religious conviction who are opposed to the homosexual lifestyle could be considered guilty of promoting hate in the classroom if they merely express their objection to the lifestyle."

If you're on the net, you can read more on similar issues at:

http://www.chalcedon.edu/keeping_the_faith.htm

There is a legal remedy for this promotion of depravity: In California, parents can form a group and get out there and recall

the members of their local school boards. Forget the ballot box in throwing out Red Davis or members of the state legislature who vote for this bilge. Parents throughout this state can yank their precious children out of the public cesspool system and either home school them or put them in private school. Let the public school buildings sit empty except for the illegal aliens and those children whose parents don't care enough about them to subject them to this insidious form of brainwashing. Speak up now or forever regret that you did nothing. Remember: sodomites and lesbians cannot reproduce. They must continue to recruit and the younger the better. Your child is their target, make no mistake about it. Do nothing and someday your son or daughter may come home from school and announce they suddenly discovered, through the proper amount of brainwashing and coercion that they are "gay." Think it can't happen in your family? It already is and suicide among "gay" teens is on the rise.

Don't Forget: Audit the Vote next month
after the "elections."
