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## HOW THE BRITISH LEGAL SYSTEM HAS BEEN USED TO ENSLAVE US

The following brief was presented to a Grand Jury in the State of California circa 1982 in an attempt to correct judicial abuse of people involved in patriot and income tax protest movements. Many people were being incarcerated as political prisoners of what is apparently a "shadow government" now in control of the USA. These patriots were attempting to educate as many of the general public as would hear their message.

Unfortunately, short-sighted self-interest and apathy seem to have prevailed. The name of the author is unknown. Although this is based upon the American system, their system of government and the Canadian system, are but "slips", or more appropriately "suckers" off the same plant, the British limited monarchy. Most of the following, therefore, is directly applicable to the Canadian dilemma.

### A. INTRODUCTION

We have a problem and we are here to analyze that problem. Why do the courts refuse to admit certain arguments and cites of the United States Constitution? And further, find some in contempt of court if they persist in doing so? Why is there so little justice in our courts today? Our problem is, we have been fighting the wrong thing--playing the wrong ball game.

We have found that we are not in Common Law under the Constitution -- in fact, we're not in Equity under the Constitution -- we are in Maritime Law, the Law of Commerce, the Law of Admiralty.

Just what is this Law of Admiralty? Admiralty Law encompasses all controversies arising out of acts done upon or relating to the sea, and questions of prize. Prize is that law dealing with war, and the spoils of war -- such as capture of ships, goods, materials, property -- both real and personal, etc.

Maritime Law is that system of law that particularly relates to commerce and navigation. Because of this fact, as you will see, you don't have to be on a ship in the middle of the sea to be under Admiralty Jurisdiction. This jurisdiction can attach merely because the subject matter falls within the scope of Maritime Law -- and, bills, notes, cheques and credits are within the scope of Maritime Law.

Admiralty Law grew and developed from the harsh realities and expedient measures required to survive at sea. It has very extensive jurisdiction of maritime cases, both civil and criminal. Because of its genesis, it contains a harsh set of rules and procedures where there is no right to trial by jury, no right to privacy, etc. In other words, there are no rights under this jurisdiction -- only privileges granted by the Captain of the maritime

voyage.

For instance: in this jurisdiction there is no such thing as a right not to be compelled to testify against oneself in a criminal case -- the Captain can; however, if he wishes, grant you the privilege against self-incrimination. there's no such thing as a right to use your property on the public highways --

but the Captain may grant you the privilege to do so, if he chooses; there is no such thing as a right to operate your own business -- only a privilege allowed as long as you perform according to the captain's regulations.

Having identified the symptoms of the problem, we must diagnose the cause to find a solution. We have been fighting the effects too long while the disease rages unabated. Since we have identified the cause, and understand its nature and characteristics, we [hopefully] can build a winning case.

In marshalling our information and facts it is necessary to go back in time. Let us examine the evidence and facts: Back at the time, just before the revolution -- when our Colonies were festering and threatening revolt from the King -- when we had the Common Law of the Colonies. The King's men came over to collect their taxes. They didn't use the Common Law on us, they applied Admiralty Law on us -- arrested people, held Star Chamber proceedings and denied us our common rights as Englishmen. This, more than any one thing, (sure, taxation without representation was part of it) -- but it was denial of our Common Law rights by putting us under Admiralty Law wherein the King was the Chancellor. His agents deprived us of jury trials, put us on ships, sent us down to ports in the British West Indies -- where many died of fever in the holds of ships --and very few returned. This was one of the main reasons for the revolution in 1776.

**What is the Common Law?** Historically, the Common Law came from the Anglo-Saxon Common Law in England. It existed, and controlled and ruled the land of England previous to the reign of William the Conqueror [1066], when the Normans conquered Anglo-Saxon England. In it was the Golden Rule (Rule of Civil Justice) that in the negative form reads: "Do not unto others as you would not have others do unto you." P.S. The positive form deals with Social Justice.

Where did this law come from -- this Anglo-Saxon Common Law? Did it come from Christianity's introduction to England? Apparently not. It is on record in the Vatican --- The early Christian missionaries reported that the people of Northern Germany "already have the law". It is suspect that early Hebrew tin traders taught these people the law many years before Christ.

So what has happened? The English people had this simple and pure Common Law of rights and property rights. But there also existed along side of it, even in those days, the law of commerce, which is the Maritime Law. The earliest recorded knowledge we have of Maritime Law is in the Isle of Rhodes, 900 B. C. -- then there's the Laws of Oleron, Laws of the Hanseatic League, Maritime Law, which was part and parcel of their civil

law. This is the law of commerce, whereas the Common Law was the law that had to do with the land, and with the people of the land.

William the Conqueror subjugated all the Saxons to his rule except London Town. The merchants controlled the city and their walls held off the invaders. The merchants were able to provision the city by ships and William's soldiers were not able to prevail.

Finally, acknowledging that he could not take the City by force, he resorted to compromise. The merchants demanded "the *Lex Mercatoria*" [the Maritime Law]. This was granted and remains to this day. The inner city of London has its special law where the Merchant's Law is the law of the City of London.

Protection of their shipping industry was one of the main reasons for the resistance by the merchants of London. The Saxon Common Law had no provision for fictitious persons (companies) or limited liability; but, recognized only natural persons and full liability. The Roman Civil Law was a derivative of the Maritime Law and is the basis of Civil Law in most European countries. Identifying features of Roman Common Law are the usage of precedent and judgement by magistrate(s) in courts of Summary Jurisdiction.

At Runnymede, in 1215, the Barons of England forced King John to sign the Magna Carta, one of several documents establishing the fundamental rights of the English people to this day, {The others being the revision of the Magna Carta in 1225, the Petition of Rights[1628] and the Bill of Rights [1689]}. The primary objective and content of the Magna Carta was the prohibition of the use of Summary jurisdiction [the Roman or Admiralty Law] as a means of unauthorized taxation and seizure of property without due process of Law or just compensation. The colonists were, on the whole, very well schooled in the Common Law and were quite aware of the wrongs that King and Parliament were committing against them. This eventually forced them to rebel.

The Common Law that we had in our land is parallel to another ancient law. You will find that when our Founding Fathers set up the declaratory trust, known to us as the Declaration of "Independence", Jefferson listed 18 grievances and in each one of these grievances he showed how we were being denied our rights as free-born Englishmen. So, he made an appeal to the nations of the world that the acts being committed against the colonists were acts committed against the Laws of Nations, and it (the Declaration of Independence) became an ordinance, a public trust, within the Law of Nations -- and those Founding Fathers knew that they would have to fight to win the independence that they had so declared.

After the English surrendered at Yorktown, the Articles of Confederation period followed. Then our Founding Fathers implemented the Constitution into this Public Trust, which was the mechanism to provide for us our hopes and aspirations. In the Constitution you will find principles; but, not necessarily those found in the Declaration of Independence.

Some of the writers of the Constitution was a little too restrictive. It was generally

conceded, for instance, that the people had the right to bear arms, but they also knew that if we ever were placed or allowed ourselves to be brought under Maritime Admiralty Law concerning our persons and property, we would have dire need of a guarantee for our rights -- thus, the ten amendments were added to the Constitution, and that became the substantive part of the Constitution. Article III, Section 2, of the U. S. Constitution defines the Maritime Admiralty jurisdiction.

How we have been tricked out of our Common Law rights; and, into the Admiralty courts? How has equity as well as Admiralty been corrupted? How has the Federal Government made it almost impossible for us to receive our constitutional rights -- our substantive rights in the Constitution?

Now, to understand the Constitution -- we must examine the Declaration of Independence and those 56 men who signed it, and pledged their lives, liberty, family, property, and their honor to this sacred trust. All of these men were very knowledgeable and learned in the Common Law -- they knew the law because they studied the law, they may not have had a high school education (many of them). But they could read, and they read and studied law. They were men of the age or reason and they knew and they understood. They knew exactly what the king was doing. They knew the law.

Knowledge is a very important thing. And, as James Madison wrote years ago : "Knowledge will forever govern ignorance, and a people who mean to be their own governors must arm themselves with the power which knowledge gives." Education should never be terminal!

The First Amendment to the U S Constitution cites "Freedom of Religion" that in actual fact is "Freedom of Education" since the church controlled education, at the time of writing.

Now, there is a chronological sequence of events that placed us where we are today. We can almost assure you that you will reject, or want to reject, parts of what you are about to see and hear. There is a theory known as the Theory of Cognitive Dissonance (TCD) that holds that the mind involuntarily rejects information not in line with previous thoughts and/or actions. Brace yourself, the following message may be entirely different from anything you heretofore believed to be true. If you are unaware, you are unaware of being unaware!

## **BUILDING THE CASE**

The first step in building any case which has a chance of winning is to analyze the problem. A common pattern for doing this is to recognize a problem that needs answering; analyze the problem by first stating it; reach a satisfactory judgment; and then defend our judgment. In preparing our case, our legal research will be determined entirely by the facts of the case for, without facts, the law is meaningless. In marshalling our facts we need to keep a few guiding principles in mind so we aren't led astray: we must discount preconceptions; postpone judgements; and we must observe for a purpose,

know why we are observing and stick to relevant facts about the case. The answers must be based on evidence, premises and inferences.

## THE COMMON LAW

Let's explore the Common Law in depth; and, its embodiment in our Constitution. Probably one of the best ways of explaining what this Common Law is, is to explain what it is not -- to compare it to its antithesis. There are, fundamentally, two competing systems of man-made law in the world that are in constant ideological conflict against each other. One is the Common Law and the other is the Civil Law, or Roman Civil Law.

A brief study of the philosophic background is presented in order to grasp the significance of the differences in the two systems. A tri-unity of God (or, Supreme Being) concepts, composed of: 1. God Is [the God out there], 2. God Within [God indwelling each individual], and, 3. Within God [the person being a part of God, a cell in the body of God, etc], are the basic building blocks of religious understanding, the basic elements of man's religions and religious institutions. A balanced tri-unity, regardless of concept quality, would make for a harmonious religious and social structure. [Some of the North American Indian tribes achieved such a reasonably balanced plateau in their culture]. However, some socially dominating cultures, such as Judaism, are dominated by # 1, and a bit of # 3. Buddhism calls mostly on # 3 with some #2. Consider where one would place Communism, Oligarchic dominance, American republicanism, the Renaissance?

One can find these concepts ruling ancient civilizations, and extending into the very roots of our current concepts of statehood. The ancient Greek city states developed in two, and opposing directions because their philosophic thought gave some the "God is" concept in isolation to the other two concepts, while the other took the "God within" as their sole concept. One was Oligarchic, the other was Republican. Aristotle was a spokesman of the first, Plato, of the second. The first leads to the final conclusion that man is an evolved animal; and, as this thread of belief structures comes down to our current era.

One of the strongest of such belief structures resides within the current humanist mind-set -- the Universe is [supposedly] deteriorating and returning to basic elements, -- so too would man revert to lower forms of animalism, if left on his own, without divinely appointed leaders, the oligarchs, the captain of the ship. The cult of Mother Earth [Environmentalism] falls into this school of thought.

The Republican "God within" society believes in the worth and responsible nature of the individual. In a true Republic, representatives are appointed and given responsibility for the public good as "servants". Democracy is an oligarchic mechanism to appease those people who by nature really are Republican. A Democracy allows the people to choose their "leaders", their slave-masters. The Oligarchs manipulate the economic and social structures so as to create a turmoil to keep their subjects constantly striving for the basic human institutions: self-maintenance, self-perpetuation and self-gratification; and, never allow these to reach a point where Republican thought, creativity and altruism, may become established.

So, with this background, you might better understand the difference between the oligarchic Maritime Law and the Republican enhancing Saxon Common Law. The oligarchic entrepreneur's overthrow of ancient Israel republican form of government is recorded in 1 Samuel, Chapter 8 [some worthwhile reading].

To consider the value of the "God within" concept to society, study the effect of the results of the Council of Florence [1439] called by the Pope of the Roman Church of that time, at which the Doctrine of "The Filioque" [Christ indwelling] was established. (Actually, it was a revival of the teachings of St. Augustine and Philo of Alexandria.

The anti-Philo intrigues surrounding the Nicene Council and its resulting Nicene Creed is a study in itself regarding the imposition of oligarchy and its accompanying Roman dictators type of rule over the Church). Even though it was not accepted by the Eastern [Byzantine] Rite and the Jesuits, it resulted in the Renaissance, the Age of Reason, great artistic expression, and the republican movements in Europe and America.

J. Reuben Clark, a former US Under-Secretary of State and Ambassador to Mexico, succinctly stated the principles and applications of these two systems of law when he wrote: "Briefly, and stated in general terms, the basic concept of these two systems was as opposite as the poles. In the Civil Law, the source of all law is the personal ruler, whether, king, or emperor; he is sovereign. In the Common Law, certainly as developed in America, the source of all law is the people. They, as a whole, are sovereign.

During the centuries, these two systems have had an almost deadly rivalry for the control of society, the Civil Law and its fundamental concepts being the instrument through which ambitious men of genius and selfishness have set up and maintained despotisms: the Common Law, with its basic principles, being the instrument through which men of equal genius, but with love of mankind burning in their souls, have established and preserved liberty and free institutions. The Constitution of the United States embodies the loftiest concepts yet framed of this exalted concept."

Thus, our heritage of freedom is a direct and proximate result of the Common Law, deriving its authority solely from usages and customs of immemorial antiquity. The Common Law is the legal embodiment of practical common sense, and, its guiding star has always been the rule of right and wrong -the Golden Rule.

The Common Law, as embodied in the US Constitution, for the protection and security of persons and property, is Substantive Common Law - [substantive right: a right {as of life, liberty, property, or reputation} held to exist for its own sake and to constitute part of the normal legal order of society] - the intention of the Founding Fathers being the assurance of access to this law by the people.

Evidence will be further presented to show how other parts of the US Constitution dealing with the totally different jurisdictions of Admiralty and Maritime Law, have been used to subvert the people into, or under this jurisdiction, and bar access to the substantive Common Law.

The basic element of the substantive Common Law is you [the individual natural person]. In this jurisdiction, you are the sovereign and the captain of your own ship. The restoration of that exalted concept, and access to the law by which men have established liberty and free institutions - is the object of this brief.

#### CHRONOLOGICAL SEQUENCE OF EVENTS AND RELEVANT FACTS:

The facts that appear relevant to this case cover a sequence of events beginning with the Declaration of Independence on July 4th 1776. We will introduce and discuss these facts in sequence of occurrence. We will show you, by the facts surrounding these events, and by the law, how our courts have been converted to courts of Admiralty that have no jurisdiction to hear Common Law [Bill of Rights] issues brought before them. These events are:

- a. Declaration Of Independence [1776]
- b. US Constitution [1787]
- c. Judiciary Act [1789]
- d. George Rapp Harmony Society [1805]
- e. DeLovio v. Boit [1815]
- f. Dr. List's Letters [1825]
- g. Swift v. Tyson [1842]
- h. Limited Liability Act [1851]
- i. Tontine Insurance [1868]
- j. Federal Reserve Act [1913]
- k. House Joint Resolution 192 [1933]
- l. Erie Railroad v. Tompkins [1938]
- m. Victory Tax Act [1942]
- n. US v. South-Eastern Underwriters Association [1944]
- o. McCarren Act [1945]

The facts presented in this sequence will show:

1. That the Declaration of Independence and the US Constitution are ordinances within the Law of Nations.

2. That the primary, and compelling reason for the Declaration of Independence was to eliminate Admiralty Law, and jurisdiction from the Domestic law of the colonies.
3. That the Judiciary Act of 1789 clearly recognized the distinct, and separate jurisdiction of Admiralty and Domestic law. {Common Law}
4. That the formula and blueprint of the Federal Reserve System is identical, in its essential features, to that of the George Rapp Harmony Society; and, to the Tontine Insurance schemes [which were pure wagering policies and are specifically forbidden in the constitutions of several States].
5. That the Federal Reserve is a maritime lender and insurance underwriter to the United States; and, as such, has no risk in the maritime venture as a lender, or as insurer, has no vested interest in the subject matter insured.
6. That the subject matter insured by the Federal Reserve is the Public National Credit System, which is a maritime venture for profit under limited liability for payment of debt.
7. That, for the privilege of limited liability for payment of debt, anyone who benefits from the **Public National Credit** [provided by the Federal Reserve] has an insurable interest in a maritime voyage -and is, therefore subject to, and can be required to, make premium payments under the Law of Admiralty and Maritime [the income tax] - **as long as the contract is in force.**
8. **That all the resources of the USA have been hypothecated, or pledged, to the Federal Reserve as a security for the Public National Credit System.**
9. That the House Joint Resolution 192, passed by Congress on June 5, 1933, made it impossible for anyone to pay a debt at law; and, **this fact makes anyone who benefits from the Public National Credit System a sole merchant**, subject to Admiralty Jurisdiction in all controversies involving said credit.
10. That, because of House Joint Resolution 192, we have lost access to substantive Common Law, we have lost our allodial land titles - and a foreign jurisdiction of Admiralty Law has been imposed upon our domestic law - just as occurred a bit over 200 years ago.

Naturally, we can expect these facts to generate more questions that must be answered. We will be raising some questions ourselves as we proceed. As we proceed, we will apply the law to these facts and show:

1. That the maritime venture for profit, by way of the Public National Credit System is based on a false and fraudulent premise that this voyage is a lawful one.
2. That this voyage is, in fact, is in direct violation of the Positive Law of the Law of Nations; and, therefore, is, and always was void from its inception.
3. That, because of this fact, no agency of government, and no court in this land has lawful jurisdiction to enforce any claim arising out of, or involving the Public National Credit System.
4. That the de facto jurisdiction currently being exercised by our government agencies [and psuedo-agencies such as the IRS, CIA, and FBI] and especially Federal District Courts will continue being exercised until successfully challenged with relevant facts



and issues, in a court of proper jurisdiction.

5. Finally, we will show, by way of these facts and law, just what we have to do to regain access to our substantive Common Law - and regain our allodial land titles.

Now, we are ready to go into more detail of the relevant facts surrounding this sequence of events:

#### DECLARATION OF INDEPENDENCE - July 4, 1776:

As previously stated, many reasons impelled the American colonists to separate themselves from Great Britain, but the more obvious reasons were given in the Declaration itself. Written in the style of a formal complaint, or action at law, it contains a Declaration, a Common-Law Bill of Particulars or Counts, and a prayer to the Supreme Judge of the world.

The stated purpose of the declaration was to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and the Laws of God entitle them, and that, out of respect for the opinions of mankind, they should declare the causes which impel them to the separation. For our purposes, we will zero in on the 13th Count where it is stated that: He (King George) has combined with others to subject us to a jurisdiction foreign to our constitution, and unacknowledged by our laws; giving assent to their acts of pretended legislation:" The Declaration then goes on to define the foreign jurisdiction referred to as follows :

- \* For quartering large bodies of armed troops among us
- \* for protecting, by mock trial, from punishment for any murders which they should commit on the inhabitants of these states:
- \* For cutting off our trade with all parts of the world:
- \* For imposing taxes upon us without our consent:
- \* For depriving us, in many cases, of the benefit of trial by jury:
- \* For abolishing the free system of English laws in our neighboring province, establishing therein an arbitrary government, and enlarging its boundaries so as to render it at once an example and fit instrument for introducing the same absolute rule into these colonies:
- \* For taking away our charters, abolishing our most valuable laws and altering fundamentally the forms of our governments:
- \* For suspending our own Legislatures, and declaring themselves invested with power to legislate for us in all cases whatsoever:

What then, was this jurisdiction foreign to their constitution? Every itemized complaint listed in the 13th count falls under the jurisdiction of Admiralty Law and the Law of Nations. Although the colonists were British subjects, they were being treated as if they were a conquered nation --such treatment, if such were the actual case, being sanctioned in one jurisdiction only -- and that is the Law of Admiralty.

The Declaration goes on to state that (those United Colonies) "as Free and Independent States, they have the 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."

Thus, upon the signing of the Declaration, they openly declared to all the nations of the world that they were of equal status -- and that, thereby, they were bound by the Law of Nations when dealing with other nations. The Declaration also clearly expressed the intent to ban the Admiralty jurisdiction from within State borders, or from the domestic law of the states -- the main purpose and reason for separation.

An equally significant event is that it broke the hold of English feudalism over colonial land and instantly converted all land title to allodiums. This fact was clearly analyzed by the Supreme Court of the State of Pennsylvania in the case of Wallace V. Harmstad in 1863, when the court said: "I see no way of solving this question, except by determining whether our Pennsylvania titles are allodial or feudal. --" "I venture to suggest that much of the confusion of ideas that prevails on this subject has come from our retaining, since the American Revolution, the feudal nomenclature of estates and tenures, as fee, freehold, heirs, feoffment, and the like." "Our question, then, narrows itself down to this: is fealty any part of our land tenures? What Pennsylvanian ever obtained his lands by openly and humbly kneeling before his lord, being ungirt, uncovered, and holding up his hands both together between those of the lord, who sat before him, and there professing that he did become his man from that day forth, for life and limb, and certainly honour, and then receiving a kiss from his lord? This was the oath of fealty which was, according to Sir Martin Wright, the essential feudal bond so necessary to the very notion of a feud. "We are then to regard the Revolution and these Acts of Assembly as emancipating every acre of soil of Pennsylvania from the grand characteristics of the feudal system. Even as to the lands held by the proprietaries (city of Philadelphia) themselves, they held them as other citizens held, under the Commonwealth, and that by a title purely allodial."

U. S. Constitution - 1787 Admiralty jurisdiction of Congress is defined in Article I, Section 8: "The Congress shall have the power to collect taxes, duties, imposts and excises, to pay the debts ...of the United States..." To borrow money on the credit of the United States. To regulate Commerce with foreign nations, and among the several States, and with the Indian Tribes. To establish a uniform Rule of Naturalization, and uniform laws on the subject of Bankruptcies. To define and punish piracies and felonies committed on the high seas, and offenses against the Law of Nations. To declare War, grant letters of Marque and Reprisal, and make Rules concerning Captures on Land and Water. To raise and support armies... To provide and maintain a Navy. To make rules for...Land and Naval forces. To provide for calling forth the militia... To provide for organizing, arming, and disciplining the Militia...-- The powers listed here are all within the jurisdiction of Admiralty and Maritime Law and encompass most of the powers granted to Congress.

Admiralty and Maritime jurisdiction of the Supreme Court is defined in Article III, Section 2 : "The judicial power shall extend to all cases in Law and Equity, arising under

this Constitution, the laws of the United States, the Treaties made, or which shall be made, under their authority; to all cases affecting Ambassadors, other public Minister and Consuls; to all cases of Admiralty and Maritime jurisdiction...".

The full scope and meaning of Article III, Section 2, was addressed by Justice Story in the case of *De Lovio v. Boit* in 1815: "What is the true interpretation of the clause-- all cases of Admiralty and Maritime jurisdiction?" If we examine the etymology, or received use of the words "Admiralty" and "Maritime jurisdiction," we shall find, that they include jurisdiction of all things done upon and relating to the sea, or, in other words, all transactions and proceedings relative to commerce and navigation, and to damages or injuries upon the sea.

In all the great maritime nations of Europe, the same "Admiralty jurisdiction" is uniformly applied to the courts exercising jurisdiction over maritime contract and concerns. We shall find the terms just as familiarly known among the jurists of Scotland, France, Holland and Spain as of England, and applied to their own courts, possessing substantially the same jurisdiction, as the English Admiralty in the reign of Edward the Third. "The clause however of the constitution not only confers Admiralty jurisdiction, but the word "Maritime" is superadded, seemingly *ex industria* to remove every latent doubt. "Cases of Maritime jurisdiction" must include all maritime contracts, torts and injuries, which are in the understanding of the Common Law, as well as of the Admiralty,..."

In Article VI, it is stated: "All debts contracted and engagements entered into, before the adoption of this Constitution, shall be valid against the United States under this Constitution, as under the Confederation. This Constitution, and the Laws of the United States which shall be made in pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme law of the land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding."

Clearly, the Admiralty and Maritime jurisdiction granted to the Congress and the Judiciary is very broad and extensive. So, what provisions were made in the Constitution to prevent the encroachment of this Admiralty jurisdiction into our Domestic law -- the substantive Common Law --pursuant to the Declaration of Independence? The answer is in Article I, Section 8, and Article I, Section 10, Clause 1 -- but, first, a little background may be helpful: Beginning as long ago as 1690, the colonies had periodically experimented with credit and unbacked paper as a form of public money.

The results were always the same --gold and silver coin disappeared from circulation, commerce stagnated, unemployment grew by leaps and bounds, etc. The war for independence exhibited a new development in the system of credit, by the reckless disregard of its bounds. In the words of John Adams, "promises of money were scattered over the land alike by the States and by the United States, until bills became as plenty as oak leaves." The results were recorded by Peletiah Webster as follows : "Paper money polluted the equity of our laws, turned them into engines of oppression, corrupted the

justice of our public administration, destroyed the fortunes of thousands who had confidence in it, enervated the trade, husbandry, and manufactures of our country, and went far to destroy the morality of our people."

Question: What had happened to the domestic, substantive, Common Law fought for in the War For Independence -- the Law that establishes and preserves free institutions?

Ten years after the Declaration of Independence, shortly before the Constitutional convention, Washington wrote to Madison: "The wheels of government are clogged, and we are descending into the vale of confusion and darkness. No day was ever more clouded than the present."

And on February 3, 1787, Washington wrote to Henry Knox: "If any person had told me that there would have been such a formidable rebellion as exists, I would have thought him fit for a madhouse."

The Constitutional Convention was convened in Philadelphia, May 14, 1787 and George Washington was elected President. Randolph, Governor of Virginia, drew attention to paper money in his opening speech by reminding his hearers that the patriotic authors of the confederation did their work "In the infancy of the science of constitutions and of confederacies, when the havoc of paper money had not been foreseen." The eighth clause of the seventh article, in the first draft of the Constitution, was as follows : "The legislature of the United States shall have the power to borrow money and emit bills on the credit of the United States." By refusing the power of issuing bills of credit, the door was shut, but not barred, on paper money by constitutional law. Although Congress was not authorized to issue notes of the United States, the borrowing clause (thought absolutely necessary for emergencies) left a means of borrowing notes of another entity into circulation. (e.g., a private bank).

On the 28th of August, the convention took steps to remedy that situation and, thereby, guarantee a substance for our domestic Common Law to function on matters involving money. The first draft of the constitution had forbidden the states to emit bills of credit without the consent of Congress.

In convention on the 28th, Mr. Wilson and Mr. Sherman moved to insert after the words "coin money" the words "nor emit bills of credit," nor make anything but gold and silver coin a tender in payment of debts, and in their words, "making these prohibitions absolute." Mr. Sherman went on to say that he "thought this a favorable crisis for crushing paper money. If the consent of the legislature could authorize emissions of it, the friends of paper money, would make every exertion to get into the legislature in order to license it." After discussion, Mr. Wilson's and Mr. Sherman's motion was unanimously agreed to by the convention. The result of this action appears in Article I, Section 10, Clause 1. Its most salient feature is "No State shall make any thing but gold and silver coin a tender in payment of debts."

After the constitutional convention, it took nearly a year for the states to ratify the

Constitution -- primarily because they insisted on certain substantive Common Law rights and principles being specified in the Constitution. These rights and principles appear as the first 10 Amendments, called the Bill of Rights. Common Law, operating on money of substance, brought quick relief as documented by George Washington: In a letter, dated June 13, 1790, he wrote to Marquis de LaFayette:

"You have doubtless been informed, from time to time, of the happy progress of our affairs. The principle difficulties seem in a great measure to have been surmounted." In a letter, dated March 19, 1791, he again wrote to LaFayette: "Our country, my dear sir, is fast progressing in its political importance and social happiness." On July 19, 1791, he wrote to Catherine McCauley: "The United States enjoys a sense of prosperity and tranquility under the new government that could hardly have been hoped for."

And on July 20, 1791, he wrote to David Humphrey, "Tranquility reigns among the people with the disposition towards the general government, which is likely to preserve it. Our public credit stands on that high ground which three years ago it would have been considered as a species of madness to have foretold.

#### JUDICIARY ACT (1789) :

On September 24, 1789, Congress passed the Judiciary Act. Section 9 of this Act dealt with equity, admiralty and maritime jurisdictions of our courts. Congress said that "the forms and modes of proceeding in causes of equity and of admiralty and maritime jurisdiction shall be 'according to the course of Civil Law."

Section 34 dealt exclusively with the Common Law jurisdiction of the Federal courts wherein Congress said: "That the laws of the several States, except where the Constitution, treaties or statutes of the United States shall otherwise require or provide, shall be regarded as rules of decision in trials at Common Law in the courts of the United States in cases where they apply."

By congressional action in 1792, the form and modes of proceeding in such cases were directed to be "according to the principles, rules and usages, which belong to courts of equity and to courts of Admiralty respectively, as contradistinguished from courts of Common Law."

Thus, in 1792, Congress recognized three separate and distinct jurisdictions of the federal courts; Equity, Admiralty and Common Law. By "jurisdiction" we mean lawful authority to act on the subject matter involved in a controversy, a particular thing within that subject matter, and authority to act against a particular person associated with the subject matter.

**THERE ARE ONLY THREE JURISDICTIONS -- AND NO MORE!**

All three of these jurisdictions have cognizance over civil matters, as contradistinguished from criminal matters, depending on the subject matter in controversy and nature of the

cause.

If it is an action at Common Law properly brought into a common law court, the court is bound by the principles, rules and procedures of Common Law. If the action is properly brought before an Equity or Admiralty court, the court is bound by the principles, rules and procedures of the civil law dealing with the subject matter.

Equity has no cognizance over criminal matters and, therefore, in criminal cases there are only two jurisdictions -- every criminal case must be prosecuted either in the jurisdiction of Common Law, or that of the Law of Admiralty. In criminal cases, Common Law courts are bound by the principles, rules and procedures of the Common Law. In Admiralty cases, the court is bound by the principles, rules and procedures of Admiralty and Maritime Law.

You will see, subsequently, that state courts have concurrent jurisdiction in both Common Law and Maritime law concerning certain types of cases and subject matter. You also will see that in these cases, if the subject matter or nature of this cause is Maritime that, even if it is heard in a Common Law court, that court is bound to apply the Maritime Law to the case. We also will show that no Admiralty court in the land has any jurisdiction to hear Common Law issues.

COMMON LAW

- \* Right To Trial By Jury
- \* 12 Judges (Jury)
- \* 12 Judges [The Jury]
- \* Control the trial

V

- # Judge Justice of Law
- # Determine Admissibility of Evidence
- # Applies Law to Facts
- # Renders Verdict According To Conscience to Law

CIVIL LAW

- \* No Right to Trial By Jury
- \* 1 "Judge" (Chancellor)
- \* 1 Chancellor Controls Trial

V

- # Jury is Advisory to Chancellor Trial
- # Chancellor Determines Admissibility of Evidence
- # Jury Sworn to Take the Law as the Chancellor gives it
- # Jury Render Verdict According to Evidence Presented

The Supreme Court analyzed these two sections of the judiciary act in the Huntress case in 1840: The Huntress case was a libel in personam against the owners of the steamship Huntress.

The Court said: "In these, and in analogous cases, the only question that can be considered as an open one is, whether they come within that clause of the Constitution that says, the judicial power of the United States shall extend to "all causes of Admiralty and Maritime jurisdiction." If they do, then the original cognizance of them is by the ninth section of the Judiciary Act, given to the district court" .... "The argument, that this clause is controlled by the Seventh Amendment, which secures the right of trial by jury in all suits at Common Law, where the value in controversy exceeds twenty dollars, has no

application to the constitutional grant; because these are not suits at Common Law";

And, in the DeLovio vs. Boit case, Justice Story said: "And, the ground is made stronger by the consideration, that the right of trial by jury is preserved by the constitution in all suits at common law, where the value in controversy exceeds twenty dollars; and by the statute, this right is excluded in all cases of Admiralty and Maritime jurisdiction." Here we have a clear statement, by the Supreme Court that there is no access to Common Law in courts of Admiralty.

In 1832, the Supreme Court of the State of Pennsylvania very ably addressed the meaning and intent of the 7th amendment in the case of Bains v. The Schooner James and Catherine, as follows: "...by attempting to introduce the admiralty jurisdiction of the civil law, ... a foundation is laid for interminable conflicts of jurisdiction between the courts of the State and the Union." "It is vain to contend that the Seventh Amendment will be any efficient guarantee for the right, in suits at Common law, if an Admiralty jurisdiction exists in the United States, commensurate with what is claimed by the claimant in this case. Its assertion is, in my opinion, a renewal of the contest between legislative power and royal prerogative, the Common and the Civil Law, striving for mastery; the one to secure, the other to take away the trial by jury, ... judicial power must first annul the Seventh Amendment, or judicial **subtly transform** a suit at Common Law, into a case of Admiralty and Maritime jurisdiction, before I take cognizance as such a case as this without a jury."

Thus, Admiralty is Civil Law, and, once again, Common Law is not accessible in courts of Admiralty -- and, as J. Reuben Clark said: there is a constant ideological conflict between Civil and Common Law for the control of society.

In the preface to his book "Honest Money", Dr. Norburn wrote: "What a marvellous country was this new world -- AMERICA. Its coastline, dotted with deep harbors, seemed endless. It had great mountains and great rivers. There were magnificent forests and vast fertile plains. Its earth was rich with minerals. Those who came to live in this veritable paradise were of sturdy stock. They were industrious, saving and ingenious. They had the best government ever devised. How does it happen that now, after more than three hundred years of intense toil, the inhabitants of this nation find themselves more than ten trillion dollars in debt? They have received no benefits to justify this debt. To whom do they owe it? How were the claims acquired?"

As you will see, the factual answers to Dr. Narburn's questions, and proper application of the appropriate law to these facts, provide us the necessary fact and law to build a winning case that can restore our access to Common Law; and can restore our allodial land titles.

#### INTRODUCTION OF THE GEORGE RAPP SOCIETY:

- \* First Successful communistic, religious, organization in the United States.
- \* The society was designed for profit making (for some) and its formula included a

controlled economy under limited liability, which, as you will see before this presentation is over, is the same ingredients of the Federal Reserve formula that is running this country today! This is the formula that brought admiralty inland and has barred our access to substantive Common Law.

George Rapp Harmony Society - 1805 (Re: Schriber v. Rapp, Pa. Supreme Court, 351)  
\* George Rapp founded the "Harmony Society" in 1805, at Harmony, in Beaver County, Pa., subsequently moved to Harmony on the Wabash, in the state of Indiana, and then moved to "Economy" in Beaver County, Pa. The nature of this society was brought to light in the case of Schriber v. Rapp in 1836. This case was an action of account brought by Jacob Schriber, administrator of Peter Schriber, deceased, against George Rapp and others, doing business in company under the name of Harmony Society. To sustain the action, the plaintiff proved by testimony that the Harmony Society possessed a great deal of wealth in the form of personal property, real property, factories, etc. It was a pool of property.

Witness, Dr. Smith, once a member of the association stated: "They intended to make money when they entered into it; it was a part of their object. I believe there were Articles at Harmony, but everyone was not obliged to sign it. Equal rights, equal enjoyments and equal profits. - Rapp said it should not be incorporated, for that would take too much power from him. Rapp was not elected. He assumed the power that Moses and Aaron had. If anyone would not do what he said, he would say, 'What have you to do about it? I have the power -- I could crush you. All you have to do is obey.' He got worse as he got wealthy."

George Rapp was a preacher -- and a very persuasive one. Adam Shelly testified on behalf of the plaintiff respecting the first articles of association on the Wabash. "The people were directed to come in companies, one of them read it and the rest signed it. As to the article signed at Economy, Rapp made a long speech. Said any one who would sign it would have his name written in the Lamb's Book of Life. If they did not, their names would be blotted out, and god would ask him about it."

Defendants, to sustain the issue on their part, produced in evidence the articles of association. Some pertinent excerpts are as follows: Article 1: We the undersigned, for ourselves and our heirs, executors and administrators, do hereby give, grant and forever convey, to the said George Rapp and his associates, and their heirs, and assigns, all our property...for the benefit of said association or community. Article 2: We do further covenant and agree to and with the said George Rapp and his associates, that we will severally submit faithfully to the laws and regulations of said community, ...therefore holding ourselves bound to promote the interest and welfare of the said community, not only by the labor of our own hands, but also by that of our children, our families and all others who now are or hereafter may be under our control. Article 3: ...that we will never claim or demand either for ourselves, our children, or for anyone belonging to us, directly or indirectly, any compensation, wages or reward whatever, for our, or their labor or services, rendered to the said community, ... Article 5: The said George Rapp and his associates further agree to supply the undersigned severally with all the necessities of life



...and to such extent as their circumstances may require. Article 6: If any of the undersigned...**should withdraw from the association, then the said George Rapp and his associates agree to refund to him or them the value of all such property without interest, as he or they may have brought into the community...** Said value to be refunded...as the said George Rapp and his associates shall determine.

The court ruled for defendant George Rapp on the basis that "an association for the purpose expressed is prohibited neither by statute nor the common law." And the court also stated:

"It is supposed, however, that as the intestate had power, by the articles, to secede from the society and take out whatever he brought into it, the successor to his personal rights may exercise it as his representative. Such, however, are not the terms of the articles... The right of accession, therefore, is intransmissible." The court also stated that "the law knows no duress by advise and persuasion", and, therefore there was no fraud in the inducement to sign the article.

In analyzing this case, we see that:

1. The complaint was brought under the jurisdiction of common law.
2. The plaintiff lost because of the common law and constitutionally protected right to contract.
3. Under the common law, the only way to break the contract was to prove fraud.
4. According to testimony, the members of the association "intended to make money when they entered into it."

The witnesses did not explain how they expected to "make money" under the terms of the contract. The only reasonable explanation is that they were gambling that they would be last survivors in the Association -- and share in the distribution of assets; and/or they expected to benefit from limited liability by sharing any losses of the association with the other members. Last survivors take all is a wagering policy, and mutual sharing of losses is insurance.

In analyzing the George Rapp Association formula, we see:

1. The contract contained a forfeiture clause. (Members would "never claim compensation;" upon withdrawal, value of property would be refunded "without interest" -- The right of accession of property donated to the Association is intransmissible to heirs of the decedent.
2. Rapp and his associates had no risk as the insurer. They not only had nothing to lose in the event of death of a contributor and member -- but gained all property donated with no possible claim from heirs of the decedent.
3. It was a controlled economy -- under the exclusive control of George Rapp and his associates.
4. There was no accountability to members of the Association...

You will see, later on, that if Schriber had taken these facts into an Admiralty court and applied the proper Admiralty Law to these facts -- he should have won his case.

One additional note on George Rapp, George Rapp continued to gain affluence and prestige -- and dignitaries came from all over the world to his mansion at "economy" to marvel at the fantastic success of his society.

Why shouldn't he be successful? By contract, he had slave labor, donations of untold wealth from members who, if they chose to withdraw before they died, could only get back the equivalent of what they had donated without interest; and, if they died as a member, the property and assets donated remained in the society as long as it existed.

George Rapp died in 1847; however, the society went on. Evidence will show that the tremendous wealth accumulated by this society was subsequently used to fashion a George Rapp Society on a much larger scale - with plans to ultimately encompass the world in a "superstate" controlled and governed by mercantile interests, under the law of admiralty -- a superstate wherein all the property in the world, and all the people on space-ship "earth", are pledged to the benefit of this world-wide mercantile association. The "New World Order?"

DeLOVIO VS. BOIT [1815]: In 1815, in the case of DeLovio v. Boit, the Supreme Court ruled the following: [Opinion written by Justice Story] "The Admiralty, from the highest antiquity, has exercised a very extensive criminal jurisdiction, and punished offenses by fine and imprisonment. The celebrated inquisition at Queensborough, in the reign of Edward III, would alone be decisive. And, even at Common Law it had been adjudged, that the admiralty might fine for contempt... Appeal, and not a Writ of Error, lies for its decrees.. Yet, it is conceded on all sides, that of maritime hypothecations, the Admiralty has jurisdiction.... The jurisdiction of the Admiralty depends, or ought to depend, as to contracts upon the subject matter, i.e. whether maritime or not; and as to torts, upon locality... Neither the Judicial Act nor the Constitution, which it follows, limit the Admiralty Jurisdiction of the District Court in any respect to place. It is bounded only by the nature of the cause over which it is to decide.

On the whole, I am, without the slightest hesitation, ready to pronounce, that the delegation of cognizance of 'all civil cases of Admiralty and Maritime jurisdiction' to the Courts of the United States comprehends all maritime contracts, torts, and injuries. The latter branch is necessarily bounded by locality; the former extends over all contracts, (wheresoever they may be made or executed, or whatsoever may be the form of the stipulation) which relate to the navigation, business or commerce of the sea. The next inquiry is, what are properly to be deemed "maritime contracts." Happily, in this particular there is little room for controversy. All civilians and jurists agree, that in this appellation are included, among other things, marine hypothecations ...and, what is more material to our present purpose, policies of insurance... My judgement accordingly is, that policies of insurance are within (though not exclusively within) the Admiralty and Maritime jurisdiction of the United States."

INTRODUCING PROFESSOR FREDERICH LIST:

We will now address the subject of Dr. List's letters. The letters of Dr. List, and the economic theories he espoused in those letters, will become very significant to you when you see that his economic theories are being applied against you today by the Federal Reserve -- and are, thereby, controlling every aspect of your life.

Professor List represented the society of German merchants and manufacturers for the purpose of obtaining a German system of national economy. His plans of reform proving obnoxious to the government, he was accused of high treason and thrown in prison, and was subsequently exiled from Germany. He settled in Pennsylvania and studied and lectured on the doctrines of political economy. During his attention to that subject, he voluntarily addressed a series of letters which were published in the National Gazette. Professor List was also a member of the George Rapp Harmony Society. In his first letter he tells us what he means by the term "National Economy." P.S. The author's negative opinion of List's economics is not shared by L. LaRouche, economist and an advocate of the original American System.

"National Economy" teaches by what means a certain nation, in her particular situation, may direct and regulate the economy of individuals, and restrict the economy of mankind, either to prevent foreign restrictions and foreign powers within herself,...without restricting the economy of individuals and the economy of mankind more than the welfare of the people permits."

It is common knowledge that we have a "National Economy" today that directs and regulates the economy of individuals, and that of mankind -- and that this economy is controlled and regulated by the Federal Reserve System.

Swift v. Tyson, 16 Peters 1 (1842) In 1842, in the case of Swift v. Tyson, the Supreme Court held that there was a general federal common law (i.e., at that time, access to substantive common law existed at the federal level).

#### Limited Liability Act - 1851

On March 3, 1851, the Congress of the United States enacted the Limited Liability Act, (codified at 46 USC 181-189), as amended in 1875, 1877, 1935, 1936, and the Act of 1884 cover the entire subject of limitations. The Purpose of this act was to limit the liability for the payment of debts of persons who were ship owners involved in maritime commerce. This act was the result of a U. S. Supreme Court decision titled, "The New Jersey Steam Navigation Co. vs. the Merchants Bank, 6 Howard 342, (1848)." In the New Jersey Steam Nav. Case, the high court ruled that under the Common Law, ship owners were liable for the acts of their ship masters. In other words, if a party were to ship goods on board a ship and something happened to the goods such as being destroyed or damaged by the perils of the sea, the ship owner was responsible to the owner of the goods.

The ship owner must pay to the owner of the goods the amount the goods were worth. If the ship owner didn't pay the debt, the owner of the goods could sue the ship owner and

collect. If the ship owner failed to pay, the creditor could then file a lien on the ship which was called a maritime lien which does not require possession of the object. This Act specifically gives limited liability on shipments of "bills of any bank or public body." America was founded upon Maritime or Admiralty Law because shipping was the only means of commerce at the founding of the country.

The congress decided in 1851 that, as a result of the New Jersey Steam Nav. Case, persons would no longer be drawn into ownership of ships because of the liability involved. Shipping on the high seas is very risky especially at that period of time.

After the Limited Liability Act was enacted [1889], the U.S. Supreme Court in *Butler vs. Boston & Savannah Steamship Co.*, 130 U.S. 527, ruled as follows; "But it is enough to say that the rule of limited responsibility is now our maritime rule. It is the rule by which through the Act of Congress we have announced that we propose to administer justice in maritime cases."

"The rule of limited liability prescribed by the Act of 1851 is nothing more than the old maritime rule administered in courts of admiralty in all countries except England from time immemorial and if this were not so, the subject matter itself is one that belongs to the department of Maritime Law."

#### Tontine Insurance - 1868

In order to evade the usury laws which had prevented the growth of a funded system of national insurance, governments had frequently resorted to the issue of annuities and child endowments as a means of raising funds. The tontine was a somewhat later development, having been put into operation in France during the year 1689. It took its name from that of its originator, Lorenzo Tonti, a Neapolitan by birth, who was attracted to Paris by the regime of Mazarin. In its original form the tontine was a loan, "In which the premium was never to be repaid, but the entire interest on the loan was to be divided each year among the survivors or the original subscribers."

The chief characteristic, and trademark, of tontine is that the pool of assets is divided among the survivors, at the options of those subscribers who dropped out, or did not survive until the time for distribution had arrived. That is a wagering policy, just like the George Rapp Society. The Equitable Life Insurance Company, in 1868, introduced the deferred dividend system, which was really an application of the tontine principle. The most serious flaw in the deferred dividend system was the inability of the insured to compel an accounting.

The general rule is that the policy holder is not entitled to compel the company to account for dividends. Nor can the policyholder "compel the distribution of the surplus fund in other manner or at any time, or in any other amounts than that provided for in the contract."

As stated in the report of the Armstrong Committee, "the plan of deferring dividends for

long periods...has undoubtedly facilitated large accumulations, providing apparently abundant means for doubtful uses on the one hand, while concealing on the other the burden imposed upon the policy holders..." According to George L. Armhein, Instructor in Insurance at the University of Pennsylvania, "...deferred dividends were prohibited by law in the legislation (Pa.) of 1906 and subsequent years. Thus came to an end a system which in 1898 had superseded to a very large extent that of annual dividends, and which in 1915 seemed antiquated."

Question : What made it "antiquated" in 1915? According to Mr. Armhein, it was outlawed in 1906, but didn't seem antiquated until 1915! John K. Tarbox, The commissioner of Insurance for the State of Massachusetts had this to say about tontine in his annual report: "The false idea of life insurance as investment begat the equally false conception of life insurance as a bet, and the latter gave birth to the modern tontine, which is a wager."

"...In the tontine the forfeitures go to enrich the individual survivors of the special class of policy holders who enter the compact, constituting a company liability instead of a company asset, for the protection of its policy obligations... The stake played for, rather than the game itself, constitutes the chief offense. Our law condemns, forbids, and makes void the contract of forfeiture." "As was truly testified before the committee of the New York Assembly, in 1877, ... the tontine policy is taken for purposes of investment by a set of men who would not insure their lives at all. The inducement to the investment is...the expected profits from forfeitures..."

"Aside from the moral quality of the matter, --concerning which I waive controversy, -- the considerations which the public aspect seems to me principally to invite are these; First, whether it is prudent to make of our insurance companies great banking establishments,...and, second, whether an institution organized as the life insurance system was, for a benevolent and unselfish use, shall be combined with enterprises of selfish speculation as the tontine undeniably is."

I am strongly persuaded of the implicitly and positive danger of magnifying the banking feature of life insurance institutions, to accommodate modern plans of tontine speculation and endowment investment.

John Tarbox was clearly saying that, at that time, there were modern plans to make insurance companies (specifically, tontine insurance companies) great banking institutions.

The tontine had been declared unlawful in several states and these people knew that they had to do something to protect their money. They brought over the son of one of the big banking families from Europe known as Paul Warburg, from the House of Warburg, that dates back to the Hanseatic League of merchants.

And, it was he who sold the American public on creating a Federal Reserve Bank, so that there wouldn't be any more panics and depressions, that they would be able to even out

the economy by control of the money supply. By this one Act, the American people lost their independence. It, in fact, was the opposite of the British surrender at Yorktown. Giving control of our credit and money supply to a private banking organization, by the name of the Federal Reserve, was the surrender of our independence.

Congress passed the Federal Reserve Act on December 23, 1913 wherein it made Federal Reserve Notes debt obligations to the United States, and authorized the Federal Reserve to be the issuers of these debt obligations. The Federal Reserve Act also stipulated that the interest on the debt (to the Federal Reserve as a maritime lender to the United States) was to be paid in gold. No provision was made in the Act for paying off the principle.

There was also a proviso that the people had 20 years to challenge the Act ... NOTE: 1. Under the law of Nations, an action on Quo Warranto can be brought within 20 years. Quo Warranto, in this case, would be an action in the Court of Admiralty demanding "By whose Authority", and proof of that authority, the Act was implemented. 2. "Public policy" is part and parcel of the Law of Nations. The Act was never challenged in a court of proper jurisdiction (admiralty), probably because anyone who wanted, or tried, to challenge it didn't know how.

On June 20, 1932, in the midst of the Great Depression, Congressman Louis T. McFadden addressed the House of Representatives on this subject. Representative McFadden had previously served as president of the First National Bank, Canton, Pa.; and later he served as chairman of the Committee on Banking and Currency. Following are selected excerpts from his address: "Some people think the Federal Reserve Banks are United States Government Institutions. They are not government institutions. They are private credit monopolies which prey upon the people of the United States for the benefit of themselves and their foreign customers;" "They should not have foisted that kind of currency, namely an asset currency, on the United States Government. They should not have made the government liable on the private debts of individuals and corporations and, least of all on the private debts of foreigners." "The Federal Reserve Notes, therefore, in form have some of the qualities of government paper money, but, in substance, are almost purely asset currency possessing a government guaranty against which contingency the government has made no provision whatever." "Mr. Chairman, there is nothing like the Federal Reserve pool of confiscated bank deposits in the world. It is a public trough of American wealth..." "I see no reason why the American taxpayers should be hewers of wood and drawers of water for the European and Asiatic customers of the Federal Reserve Banks." "Is not it high time that we had an audit of the Federal Reserve Board and the Federal Reserve Banks and an examination of all our governments bonds and securities and public monies instead of allowing the corrupt and dishonest Federal Reserve Board and the Federal Reserve Banks to speculate with those securities and this cash in the notorious open discount market of New York City?" "Every effort has been made by the Federal Reserve Board to conceal its power but the truth is the Federal Reserve Board has usurped the Government of the United States." "Mr. Chairman, when the Federal Reserve Act was passed the people of the United States did not perceive that a world system was being set up here that the United States was to be lowered to the position of a coolie country...and was to supply financial power to an

international superstate -- a superstate controlled by international bankers and international industrialists acting together to enslave the world for their own pleasure."

Congressman Wright Patman, of the House Banking and Currency Committee said in 1952: "In fact there has never been an independent audit of either of the 12 banks of the Federal Reserve Board that has been filed with the Congress where a Member would have an opportunity to inspect it. The General Accounting Office does not have jurisdiction over the Federal Reserve."

Question: Why does not the General Accounting of the United States have jurisdiction over the Federal Reserve to demand an accounting? The answer is that accountability of the Federal Reserve is not in the contract, the Federal Reserve Act, just as it was not in the contract of the George Rapp Society or tontine insurance policies. The Federal Reserve Act provides for accountability of "member banks," But, by definition, in the Act itself, the Federal Reserve banks are not "member banks" and, therefore are exempt from accountability -- by contract.

Congressman McFadden and Congressman Patman, both experts in banking and finance, did not understand this. How many senators and representatives that signed the Federal Reserve Act in 1913, do you suppose, understood what they were signing? Not only with respect to this issue, but others that have been raised from time to time?

What about the numerous attempts to audit Fort Knox?? The Federal Reserve Act stipulates that gold owned by the Federal Reserve may be stored in storage facilities of the United States. Now, if Congress cannot compel an accounting for Fort Knox, who, do you suppose owns the gold?

Now, we may ask ourselves another question at this point -- Is the Federal Reserve a maritime lender, or is it an insurance underwriter, to United States? Some additional information from an Essay on Maritime Loans, may help us decide this question: "The contract of maritime loan approaches more nearly to that of Insurance. There is a strong analogy between them. In their effects they are construed on the same principles." "In one contract, the lender bears the sea risks, in the other, the underwriter." "In the one, the maritime interest is the price of the peril; and this term corresponds with the premium which is paid on the other."

So we see that it really is immaterial, under Maritime Law, whether the Federal Reserve is thought of as a maritime lender, or as an insurance underwriter, to the United States. In either case the lender, or underwriter, bears the risks --and the maritime laws compelling performance in paying the interest, or premium, are one and the same. Also, in either case, assets can be hypothecated as security for the price of the peril.

...speaking of risk, let's see what risk the Federal Reserve is incurring as lender, or underwriter, to the United States in exchange for United States Securities: Mariner Eccles, former chairman of the Federal Reserve Board, held the following exchange with Congressman Patman before the House Banking and Currency Committee on September 30, 1941:

**- Congressman Patman: "Mr. Eccles, how did you get the money to buy those two billions of government securities?"**

**- Mr. Eccles: "We created it." Patman:**

**- "Out of what?"**

**- Mr. Eccles: "Out of the right to issue credit money."**

And, from further testimony from the Federal Reserve itself: In a publication from the Federal Reserve Bank of Chicago, entitled "Two Faces of Debt," -- "Currency is so widely accepted as a medium of exchange that most people do not think of it as debt." In the Chicago bank publication entitled "Modern Money Mechanics," we find: "Neither paper currency nor deposits have value as commodities. Intrinsically, a dollar bill is just a piece of paper. Deposits are merely book entries. Coins do have some intrinsic value as metal, but for 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 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." "Confidence in these forms of money also seems to be tied in some way to the fact that assets exist on the books of the government and the banks equal to the amount of the money outstanding, even though most of these assets are no more than pieces of paper (such as customer's promissory notes), and it is well understood that money is not redeemable in them."

Modern Money Mechanics publication from Chicago, once again: "Deposits are merely book entries...demand deposits are liabilities of commercial banks. The banks stand ready to convert such deposits into currency or transfer their ownership at the request of depositors."

From the Federal Reserve bank of St. Louis Review: "But what induces the non-banking public to accept liabilities of private, profit-making institutions such as banks?" "The decrease in purchasing power incurred by holders of money due to inflation imparts gains to the insurers of money...."

"The gains which accrue to issuers of money are derived from the difference between the costs of issuing money and the initial purchasing power of new money in circulation. Such gains are called 'seigniorage'. If the goods and services for which the issuer exchanges money have a market value greater than that of resources used to produce the money, then the issuer receives a net gain."

From a book entitled "The Federal Reserve System - Its Purposes and Functions," published by the Federal Reserve Board in 1939: "Federal Reserve Bank Credit resembles bank credit in general, but under the law it has a limited and special use -- as a source of member bank reserve funds. It is itself a form of money authorized for special purposes, convertible into other forms of money, convertible therefrom, and readily controllable as to amount. Federal Reserve Bank credit, therefore, as already stated, does not consist of funds that the Reserve authorities "get" somewhere in order to lend,



but constitutes funds that they are empowered to CREATE."(emphasis added)

In his notes entitled "A Primer on Money," Congressman Patman tells that upon hearing that Federal Reserve Banks hold a large amount of cash, he went to two of its regional banks. He asked to see their bonds. He was led into vaults and shown great piles of government bonds upon which the people are taxed for interest. Mr. Patman then asked to see their cash. The bank officials seemed confused. When Mr. Patman repeated the request, they showed him some ledgers and bank checks.

Mr. Patman warns us to remember that: "The cash, in truth, does not exist and never has existed. What we call 'cash reserves' are simply bookkeeping credits entered upon the ledgers of the Federal Reserve Banks. These credits are created by the Federal Reserve Banks and then passed along through the banking system."

So, by the testimony of the Federal Reserve itself, we see:

1. It creates money out of thin air -- at no cost or risk to the Federal Reserve System -- from its right to issue credit, granted in the Federal Reserve Act.
2. It gains from the inflation it creates.
3. Money is not redeemable in its liabilities.
4. Demand deposits are liabilities of banks.
5. Federal Reserve Notes are liabilities of Federal Reserve.
6. Its gains, as issuers of credit money, are the difference between the cost of creating that credit (essentially nothing) and the initial purchasing power when the new money is put into circulation.

In a reprint of the book "THE FEDERAL RESERVE SYSTEM -Its Purpose and Functions," S. W. Adams, uses the Federal Reserve's own published figures to give us an example of how lucrative this no risk scheme is to the Federal Reserve: The pauper (The Federal Reserve System) with assets of only \$52 billion with no productive know-how, with no productions of goods, and fewer than 100,000 stockholders, loaned (?) the rich man (The United States of America) with a trillion in productive capacity and know-how with well over \$600 billion in assets and 170 million stockholders, including the aforesaid

100,000 bank stockholders, \$250 billion to fight World War II.

Can you imagine the greatest corporation on earth, the Government of the U. S. with 170 million alert full-of-know-how stockholders, and assets running over \$600 billion, turning to a small segment of its population, with fewer than 100,000 stockholders and assets of only \$52 billion to borrow money?

Can you conceive of Rockefeller saying to his chauffeur, "Tom, I am transferring my personal bank account which is well over \$1 billion, to your account. You may spend it as you please; provided as often as I ask for money, you will let me have it. Of course, I will give you my note for cash I receive, and try to rustle from my children enough money to pay you interest on the borrowed money." Well, that is exactly what Congress did in

1913 when it passed the Federal Reserve Act.

To fight World War II, we gave the bankers of the United States \$250 billion in U. S. Bonds that we might use our own, the Nation's credit. By using the reserve multiplier, this gave them \$1 trillion 250 billion bank credit. What an unearned bonanza for the bankers! Credits are to the bankers what your deposits are to you. They can lend them, or use them to buy investments - it is cash to there bankers!

So, by adding the \$250 billion in U.S. Bonds we absolutely gave to them their \$1 trillion 250 billion bank credit, and we find that the bankers (the then paupers) came out of World War II \$1,500 billion richer, and the (then rich man) the United States Government came out \$250 billion in debt to the bankers (the paupers) thanks to the stupidity and/or venality of our Congressmen, newspapers, journals, and educated people of the nation. Clearly, by their own testimony, the Federal Reserve, as a maritime lender or insurer, not only has nothing at risk (i.e., nothing to lose in the maritime venture for profit) --but can only gain on a scale that is almost inconceivable, just like the tontine insurance schemes, and just like the George Rapp Harmony Society.

The significance of this will become very apparent when we apply the law to the fact. These same people who were given control of our public money system, for the ostensible purpose of evening out the economy, using Professor List's formula for a "National Economy", caused a recession in 1921 -- and precipitated the crash of '29 by increasing the member bank reserve requirements from 15% to 20% -- thereby forcing a huge liquidity squeeze.

This set the stage for what was to follow in 1933 by way of bankrupting the treasuries of the states and federal governments -- they could no longer pay their debts at law to the Federal Reserve -- drastic measures were obviously necessary -- we had a "National Emergency" on our hands!

On April 5, 1933, President Roosevelt issued an executive order calling for the return of all gold in private hiding to the Federal Reserve by May 1 under the pain of ten years imprisonment and \$10,000 fine. Hoarders were hunted and prosecuted, Attorney General Cummings declared: "I have no patience with people who follow a course that in war time would class them as slackers. If I have to make an example of some people, I'll do it cheerfully."

On May 12, 1933, the California Assembly and Senate adopted Assembly Joint Resolution No. 26. This resolution stated in part:

"Whereas, it would appear that, with proper use and control of modern means of production and distribution, it would be possible for practically all persons to have and enjoy a fair share of material goods in return for services; and whereas, such use, control and appropriate economic planning are not feasible except through the direction and supervision of a single, centralized agency and the removal of certain constitutional limitations; now, therefore be it resolved by the Assembly and Senate, jointly, that the legislature of the State of California hereby memorializes the

Congress to propose an amendment to the constitution of the United States reading substantially as follows: 'The Congress and the several states, by its authority and under its control, may regulate or provide for the regulation of hours of work, compensation for work, the production of commodities and the rendition of services, in such manner as shall be necessary and proper to foster orderly production and equitable distribution, to provide ruminative work for the maximum number of persons, to promote adequate compensation for work performed, and to safeguard the economic stability and welfare of the nation;' "resolved, that the legislature of California respectfully urges that, pending the submission and adoption of such amendment, the Congress provide for such economic planning and regulation as may be necessary and proper under present economic conditions and legally possible under the existing provisions of the Constitution;

and be it further Resolved, that the chief clerk of the Assembly is hereby instructed forthwith to transmit copies of this resolution to the President of the United States, and to the President of the Senate, the Speaker of the House of Representatives and each of the senators and representatives from California in the Congress of the United States." May 12, 1933,

### Pennsylvania General Assembly Act III

This act declared that when the state treasury department could no longer "pay" its debts and was jeopardizing its depositors and creditors, the secretary of banking would be designated as receiver for the treasury and he was to file a certificate of possession in Dauphin County's Prothonotary's Office in Harrisburg, the state Capitol.

As receiver for the State treasury and all its offices (meaning all the county treasurers), William D. Gordon, Secretary of Banking, was granted the authority by Act III to appoint a fiduciary to manage all the financial matters of the State. He also had the power to assign as security for loan contracts from the Federal Government, all property in the state, real and personal, resources and many other assets as insurance to the Federal Reserve.

### House Joint Resolution 192 - 1933 (20 years after enactment of the Federal Reserve Act)

On June 5, 1933, Congress enacted HJR-192 to suspend the gold standard and to abrogate the gold clause. This resolution declared that "Whereas the holding 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...are inconsistent with the declared policy of congress...in the payment of debts.

This resolution declared that any obligation requiring "payment in gold or a particular kind of coin or currency, or in an amount in money policy; and ... Every obligation heretofore or hereafter incurred, 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." \* NOTE that the words do not talk about "payment" of debt, but clearly states that "Every Obligation ... Shall be discharged."

In the case of Stanek v. White, 172 Minn. 390, 215 H.W. 784, the court explained the legal distinction between the words "payment" and "discharge": "There is a distinction between a 'debt discharged' and a 'debt paid.' When discharged the debt still exists though divested of its character as a legal obligation during the operation of the discharge. Something of the Original vitality of the debt continues to exist, which may be transferred, even though the transferee takes it subject to its disability incident to the discharge. The fact that it carries something which may be a consideration for a new promise to pay, so as to make an otherwise worthless promise a legal obligation, makes it the subject of transfer by assignment."

Thus, it is clear that, as a result of HJR 192 and from that day forward (June 5, 1933), no one has been able to pay a debt. The only thing they can do is tender in transfer of debts, and the debt is perpetual. The suspension of the gold standard, and prohibition against paying debts, removed the substance for our Common Law to operate on, and created a void, as far as the law is concerned. This substance was replaced with a "Public National Credit" system where debt is money (The Federal Reserve calls it "monetized debt") over which the only jurisdiction at is Admiralty and Maritime.

HJR-192 was implemented immediately. The day after President Roosevelt signed the resolution the treasury offered the public new government securities, minus the traditional "payable in gold" clause. Article I, Section 10, Clause 1, proscribes the states making any thing but gold and silver coin a tender in payment of debt --but, this Article does not contain an absolute prohibition against the States making something else a tender in transfer of debt.

HJR-192 prohibits payment of debt and substitutes, in its place, a discharge of an obligation -- thereby not only subverting, but totally bypassing the "absolute prohibition" so carefully engineered into the Constitution. There is, now, nothing for this Article to operate on, just as there is nothing for Common Law to operate on. Perpetual debt, bills, notes, cheques and credits fall within a totally different jurisdiction than contemplated by Article I, Section 10, Clause 1 -- and that jurisdiction belongs exclusively to the Law of Admiralty and Maritime. Now, it is easy to see how "bills" as plenty as oak leaves, "polluted the laws after the War For Independence, as described by Peletiah Webster". This is how we lost access to substantive Common Law -- the very law the Minute Men fought to regain.

**HJR-192 places every person who deals in the public national credit in the legal position of a merchant, and the only jurisdiction over any controversy involving this subject matter is Admiralty and Maritime.** Obviously, if we cannot pay our debts at law, we are also benefiting from limited liability under the Limited Liability Act when we use this credit -- and, that is marine insurance!

The definitions of "liability" and "insure" will help convince us of this fact -- in analyzing these definitions, keep in mind the distinction between "payment" and "discharge".

Liability: The word is a broad term. It has been defined to mean: all character of debts and obligations ... any kind of debt or liability, either absolute or contingent, express or implied ... condition which creates a duty to perform an act immediately or in the future ... duty to pay money or to perform some other service ... the state of being bound or obligated in law or justice to do, pay, or make good something." Insure: "To engage to indemnify a person against pecuniary loss from specified perils or possible liability".

QUESTION #1: Who do you suppose took possession of the treasury of the State of Pa. on June 5, 1933, -- the moment HJR-192 made it impossible for the State of Pennsylvania to pay its debts?

QUESTION #2: Land titles being allodial in Pennsylvania, what was the State Assembly's authority and jurisdiction to pledge these allodiums to the Federal Reserve as security for loan contracts from the Federal Government?

QUESTION #3: If the individual citizens of Pennsylvania were indeed "sovereign" under the Common Law --What was the authority and jurisdiction of the State Assembly to pledge their labor to the Federal Reserve pool?

Clearly, the alleged authority and jurisdiction is the so-called public policy declared by Congress. We will return to this subject later on.

If all the assets of the United States have been hypothecated to the Federal Reserve "pool" as security for the maritime loan and insurance underwriting policy, then that raises a couple of questions:

QUESTION #1: If the United States "dies" (or is merged) under a one world government, who gets the pool?

QUESTION #2: If the Federal Reserve "dies" by way of getting its charter rescinded, who gets the pool?

The answers can be found in the Federal Reserve Act itself:

"Should a Federal Reserve bank be dissolved or go into liquidation, any surplus remaining, after the payment of all debts, dividend requirements as hereinbefore provided, and the par value of the stock, shall be paid to and become the property of the United States and shall be similarly applied".

31 USC 315B provided that :

"No gold shall after January 30, 1934, be coined, and no gold coin shall after January 30, 1934, be paid out or delivered by the United States; provided however, that coinage may continue to be executed by the mints of the United States for foreign countries".

This exception was necessary because foreign countries, being recognized or sovereign, could not be held to the internal public policy of the United States. HJR-192 was binding only upon those individuals who were beneficiaries of public policy; that being the privilege of limited liability for payment of debt arising out of participation in the Federal Reserve Public Credit System.

HJR-192 automatically extended the privilege to renege on debts to every person using the Federal Reserve banking system; however, never forget that when you operate on a privilege, you have to respect the ruler of the giver of that privilege. Furthermore, in the case of *Great Falls Mfg. Co. v. Attorney General*, 124 U.S. 581, the court said : "The court will not pass upon the constitutionality of a statute at the instance of one who has availed himself of its benefits."

**Thus, if you avail yourself of any benefits of the public credit system you waive the right to challenge the validity of any statute pertaining to, and conferring "benefits" of this system on the basis of constitutionality.**

*Erie Railroad v. Tompkins*, 304 U.S. 64 (1938)

In its decision of the case of *Erie R. R. v. Tompkins*, in 1938, the Supreme court overturned the *Swift v. Tyson* decision of 1842 by stating: In the *Erie* case, Justice Brandeis wrote: "Except in matters governed by the Federal Constitution or by acts of Congress, the law to be applied in any case is the law of the State ... There is no Federal General Common Law." Note the exception. The court has excepted matters governed by the constitution and acts of Congress from being governed by State law. Henry J. Friendly, Judge, United States Court of Appeals for the Second Circuit subsequently gave us the following insights into the significance of this decision:

"The clarion yet careful pronouncement of *Erie*, 'There is no Federal General Common Law' opened the way to what, for want of a better term, we may call Specialized Federal Common Law. I doubt that we sufficiently realize how far this development has gone -- let alone where is likely to go." "Since most cases relating to Federal matters were in the Federal courts and involved 'general' law, the familiar rule of *Swift v. Tyson* usually gave Federal judges all the freedom they required in pre-*Erie* days and made it unnecessary for them to consider a more Esoteric source of power ... By focusing attention on the nature of the right being enforced, *Erie* caused the principle of a specialized Federal Common Law, binding in all courts because of its source, to develop within a quarter century into a powerful unifying force.

Just as Federal courts do not conform to State decisions on issues property for the States, State courts must conform to federal decisions in areas where Congress, acting within powers granted to it, has manifested, be it ever so lightly, an intention to that end. "The *Lincoln Mills* doctrine (353 U.S. 448 (1957) is pregnant with possibilities. If the grant of Federal jurisdiction in suits on labor contracts affecting commerce was a mandate to fashion a Federal Common Law consistent with federal labor legislation ... this like the

Federal Common Law of labor would have supremacy over State law."

"The Federal giant" ...; 'Professor Gilmore' has written: "is just beginning to stir with his long-delayed entrance we are, it may be, at last catching sight of the principle character."

QUESTION : (1). What, do you suppose, is the nature of the right, and what is the source Judge Friendly is referring to, that caused the Erie Court to overturn the Swift v. Tyson decision and rule that there was no longer a General Federal Common Law?  
(2). Who, or what, is the "principle character" that Judge Friendly, [or Professor Gilmore, whom he quotes] refers?

Remember, Justice Story said in the DeLovio case that the jurisdiction of Admiralty, as to contracts, depends upon the subject matter and the nature of the cause!

In a book entitled "The Law of Bills, Notes, and Cheques", Melville M. Bigalow, Ph. D. Harvard, said in the year 1900: "We are concerned in this book with a branch which deals with the law of bills, notes and cheques. This branch of the law merchant has retained throughout its life, to the present day, its essential characteristics, clearly marking it off from the Common Law ... The term Law Merchant at the present time usually suggests the law of bills, notes and cheques. The time came when it must take its place, even if piecemeal by the side of the Common Law, and of Admiralty and Equity, in the jurisprudence of England. Admiralty had already been exercising jurisdiction over instruments in the nature of bills of exchange and promissory notes pertaining to contracts in the commerce of the high seas. The Law Merchant is not even a modification of the Common Law; it occupies a field over which the Common Law does not and never did extend."

And, from the "Handbook of the Law of Federal Courts": ... a unanimous Court (Clearfield Trust co. v. United States, 1943, 63 S. Ct. 573) held: "The rights and duties of the United States on commercial paper that is of issue are governed by Federal rather than local law. This does not mean that in choosing the applicable Federal rule the courts may not occasionally select State law. But it was thought that such a course would be singularly inappropriate in the Clearfield case. The issuance of commercial paper by the United States is on a vast scale and transactions in that paper from issuance to payment will commonly occur in several States ... The desirability of a uniform rule is plain. To find such a uniform rule the Court looked to the Federal Law Merchant ..." "Federal courts have made similar decisions for themselves as to what the controlling rule is to be in other cases where the United States is a party issued by the United States," government contracts, or the effect of a Federal lien ..." "If an issue is controlled by Federal Common Law, this is binding on both State and Federal courts. A case 'arising under' Federal Common Law is a Federal question case, and is within the original jurisdiction of the Federal courts as such ..."

The burgeoning of a Federal Common Law binding on Federal and State courts alike has occurred at the same time as the development of the Erie doctrine ...

It is frequently said that the Erie doctrine applies only in cases in which jurisdiction is based on diversity of citizenship. Indeed in an action for wrongful death caused by a maritime tort committed on navigable waters, the Court curtly dismissed Erie as "irrelevant," since the district court was exercising its admiralty jurisdiction, even though it was enforcing a state- created right"...

.. Despite repeated statements implying the contrary, it is the source of the right sued upon, and not the ground on which federal jurisdiction is founded, which determines the governing law."

Obviously, the principle character Judge Friendly was referring to is the Admiral himself -- enlarging his powers and jurisdiction as a result of the "public policy" of HJR-192 -- that being perpetual debt and limited liability for payment of debt under the Federal Law Merchant and the Law of Admiralty because of subject matter and nature of the cause.

Victory Tax Act  
(1942)

Prior to the Erie decision, it was well established by many court decisions that wages were not income within the meaning of the 16th Amendment. The Victory Tax Act was passed by congress in 1942, as an emergency war measure, authorizing income tax on wages. This act was to self- destruct, and did, two years from its enactment.

QUESTION : It is common knowledge that "income taxes" on labor have continued to be collected since the expiration of the Victory Tax Act in 1944. What is the legal basis for a so-called "income tax" on wages since 1944?

The facts clearly show that it is not an income tax on wages, but, instead is an interest or premium payment to the maritime lender, the Federal Reserve. The 16th Amendment does not apply to the Feds in this case -- Just as Article I, Section 10, Clause 1, does not apply to the states! United States v. South-Eastern Underwriters Association, 322 U.S. 533, (1944) ...**THIS IS WHY IN CANADA - THE RECEIVER GENERAL IS COLLECTING FOR THE BANK OF CANADA, NOT A FEDERAL INSITUTION. INCOME TAX IS A PREMIUM/INSURANCE PAYMENT.....my emphasis...Vic.**

In 1944 the U.S. Supreme Court decided the case of U.S. v. S.E. Underwriters Association holding insurance to be inter-state commerce.

FIRST NAT. EEN. SOC. V. GARRISON INSURANCE (1945):

"The District Court takes judicial notice that, under a recent decision of the Supreme Court, insurance is now interstate commerce within the commerce clause." McCarren Act (1945)

In 1945, Congress enacted the McCarren Act declaring "that the continued regulation and taxation by the several States of the business of insurance is in the public interest and that



silence on the part of congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States."

Beginning in 1963, the words "redeemable in lawful money" and "will pay to the bearer on demand" were removed from future issues of Federal Reserve Notes: further reflecting the public policy stated in HJR-192.

And, strangely enough, on October 28, 1977, HJR-192 was quietly repealed by public law 95-147. The joint resolution entitled "Joint resolution to assure uniform value to the coins and currencies of the United States" approved June 5, 1933 (31 U.S.C. 463), shall not apply to obligations issued on or after the date of enactment of this section.

The reason for the repeal of HJR-192 is somewhat obscure. After 44 years of unchallenged implementation, this public policy is clearly established by custom, usage and participation in the credit system by the American public. Those of us operating on the privilege of limited liability, via the public credit, are still bound by the rules of the giver of the privilege. **THERE WAS A CHANGE IN THE PROGRAM BUT WE HAD NO KNOWLEDGE.** Vic

But, how about the Federal Reserve itself? Does not his repeal allow them to, once again, demand payment in gold for the interest on public debt -- pursuant to the terms of the Federal Reserve Act? Remember, this act contains a provision made with respect to an obligation purporting to give the obligee a right to require payment in gold -- and that provision appears to be back in effect. If this be so, what can we expect to happen when the bankers present their demands -- knowing that there won't be enough gold to meet them and no hope of acquiring enough gold?

Any good banker knows that, in this situation, it is foreclosure time -- it is time for distribution of the pool to the last survivors. These facts paint a picture so complex that it is almost beyond comprehension, so a summary of the most salient facts is appropriate at this time. The same people that said give us the Federal Reserve Charter and we will see that there is stability to our economy forced us into a recession in 1921, by a contraction of the Federal Reserve requirements of the fractional reserve to the various banks. This contracted the money supply by increasing the reserve requirement from 15% to 20%. They forced a huge liquidity squeeze in 1929, which brought on the depression.

This precipitated our inability to pay off interest on the debt to the Federal Reserve -- so in 1933 Congress entered the United States into bankruptcy, by the suspension of the payment of debt in gold mandated by HJR-192 in 1933. This one act terminated national Federal Common Law. This one act breached the flood gates which held the maritime law at the tidelands

(with the ebb and flow of the tide) and permitted Maritime Admiralty Law and its jurisdiction to sweep over the American people -- because we substituted the payment of debt in lawful gold with discharge of debt under limited liability in maritime. What we have in lieu of lawful money is federal reserve notes of an insurance underwriting scheme that is a tontine -- just like the George Rapp Society was a tontine and just like the early

tontine insurance programs.

Now, you may say to us at this point, how is it that a communistic, religious society that's operated for economic profit, and insurance companies, and the Federal Reserve -- how do these totally interlock? In all three cases there was a pool of assets involved. In all three cases, limited liability was involved, which is insurance. In all three cases, there was a policy of survivors take all -- that is a wagering policy.

In the George Rapp Society, people and property were pledged to the pool. In tontine, premium payments were pledged to the pool. In the Federal Reserve, premium payments, people and property are pledged to the pool.

In all three cases, there was no accountability to the members or subscribers. In all three cases, there was forfeiture for withdrawal. In the George Rapp Society it was labor interest and intransmissability of property to heirs. In tontine it was the premiums and the interest thereon. In the Federal Reserve, it is Social Security, Unemployment Premiums, property Tax, etc. For example, **what happens if you withdraw from social security, or from unemployment insurance, or stop paying property taxes -- is not a forfeiture demanded?**

In the George Rapp Society, List's "National Economy" was practiced on a small scale -- in the Federal Reserve, List's "National Economy" is regulating and controlling our economy.

In the George Rapp Society, there was no risk to the insurer, George Rapp and his associates. In the Federal Reserve, there is no risk to the Maritime lender, or insurance underwriter.

In the George Rapp Society, labor was pledged, and labor was the premium for the privilege of remaining in the society for the chance of "making a profit". -- In the Federal Reserve, labor is pledged to obtain the units of credit (Federal Reserve Scrip) to pay the interest to the maritime lender, or the maritime insurance underwriter (one and the same under maritime law).

In the George Rapp Society, George Rapp had no vested interest in the lives of the society members. In the Federal Reserve, the Federal Reserve has no vested interest in the lives of the United States, or its citizens, nor does it have any risk at stake in the maritime venture of the Public National Credit System.

In the tontine, the premium was never to be repaid in the original tontine scheme; in the Federal Reserve, no provision is made to ever pay the principle of the loan from the Federal Reserve, in the Federal Reserve Act -- which is the contract between the United States and the Federal Reserve System.

I am sure that some of you in this audience has performed service in the Navy. Imagine yourself as a seaman aboard a ship, in this case the ship is the credit commune in a joint

maritime venture for profit -- behold to the class A Stockholders, the owners of the ship, the Federal Reserve. The Captain of the ship, for arguments sake, let's say is the Secretary of the Treasury.

Now let's look at Common Law versus Maritime: First of all, under the Common Law, the rights of privacy are respected. Aboard the ship, on the credit voyage, in the credit commune, there is no privacy. The Captain has the right at any time to invade your privacy. Under Common Law, we always deal in substance -- by substance we mean with gold and silver, and we are dealing with real goods and services.

Under Maritime Law, in the credit commune, we are dealing with bills, notes, cheques, and credit -- and of course now credit cards and fictitious documents known as stocks and bonds and so on down the line.

Under Common Law, we protect the right of the family -- understand that this Common Law comes from the early law of the tribes of Israel and from the laws and teachings of Jesus and the Bible. In fact the Common Law and the Bible are totally compatible. But, in and aboard the ship of the credit commune there is no marriage, there is no family unit -- oh yes, we know the Captain performs marriages aboard ship for people travelling aboard ship -- but for all practical purposes there is no family unit. You are a member of the commune, and you have to obey the orders of that commune. In fact, you, under Common Law, have personal rights and property rights. But, there are no personal or property rights in the commune -- Oh you're allowed to keep toilet articles and everything else. But if you have anything that they think is a danger to the voyage, like if you have a wooden foot-locker and they feel that the wood might burn and might be a danger to the ship, they could make you throw the foot locker overboard. Or, if you had some property in one of the holds of the ship and that presented some danger to the rest of the ship because of damage in that hold, or fire in that hold -- they could shut that hold off -- and all your goods would be destroyed. Under Common Law, your rights and property are considered and protected.

Now, in Common Law, we are totally responsible for our actions -- but under Maritime Law there is limited liability for payment of debts. And, if we just look at that a little bit further, we find how, now, we have a situation where even our criminal law has been corrupted by Maritime Law and we find people who have murdered and raped innocent people; eight, ten, twelve years later they are released from prison to become a probable danger to society again. A person who has murdered a supervisor and mayor of San Francisco is also out of jail in 7 years, because of limited liability for payment of debt. People can pull the trigger and wound the President and say I was insane at the moment that I did that --and other than having to go to a mental institution, served no time at all in jail.

Under Common Law, these people would probably have been executed. John Booth didn't even get a trial when he shot President Lincoln. Under the Common Law, we have the right to refuse an order, as a free sovereign. Aboard the ship, the Captain can make every seaman perform, and do his duty -- as the Captain sees fit.

Under Common Law, the jury not only determines the admissibility of evidence and judges the facts, but its first and foremost duty is to judge the justice of the law as it applies to the particular case. It is this feature of a Common Law jury that caused our founding fathers to refer to the Common Law jury as the "palladium (i.e. the very foundation or cornerstone)" of liberty.

Aboard the ship, the chancellor does not even have to have a jury -- but if he chooses to have one, it is merely advisory -- and those jurors must consider only the evidence permitted by the chancellor; and they must take the law as the chancellor dictates it to them.

The history of due process is essentially the history of the Common Law jury. The right of a Common Law jury to say no, or jury nullification, was clearly established in England in 1670 when the jury refused to convict William Penn on charges of preaching before an unlawful assembly. For refusing to convict, as instructed from the bench, the jurors were fined 40 marks each and sentenced to imprisonment till paid. Upon a Habeas Corpus petition release from prison, the jurors were vindicated by a decision concurred in by all the judges in England, except one, abolishing the practice of punishing juries for their verdicts.

In the period immediately before the Revolution, jury nullification had become an integral part of the American judicial system and there is agreement among many commentators that the right of the jury to decide questions of law and fact prevailed in this country until the middle 1800's. By the end of the century, however, the power of the jury had been thoroughly decimated by a jealous judiciary.

The specific demise can be traced to four highly influential cases, three of which were exclusively within the Admiralty jurisdiction of the Federal courts. Being Admiralty cases, limitation of the powers of those particular juries was perfectly proper. The problem is, not understanding and distinguishing jurisdictional bounds, we have allowed admiralty case law to be imposed in the totally different, and inapplicable, jurisdiction of Common Law.

Under the Common Law, there is no such thing as a victimless crime, and a victim receives redress and compensation for damages -- Aboard the ship, the Captain can make any act a crime, and he can impose his sanctions accordingly. His concern is for the safety of the voyage, and he has little time or inclination to see that the victim of a real crime, under the Common Law, receives compensation from the perpetrator of that crime.

Under the Common Law, there is very little need for jails; whereas. aboard the ship, particularly when there is discontent among the crew regarding certain policies of the Captain, there is a continual need to contract more brigs -- enlarge the penal enforcement staff.

Remember what Justice Story said in the DeLovio case about appeals and Writs of Error?

Writs of Error are Common Law writs. Appeal is Equity and Admiralty, in civil matters, and Admiralty alone in criminal matters because equity courts do not have criminal jurisdiction. These are some simple tests you can use to determine in which jurisdiction a particular court is operating, in any particular case.

So you see, because of the early customs and traditions of the perils of the sea, a very harsh group of laws grew up. Because of the danger of shipping substantive money, gold and silver, from pirates and storms they started transporting bills, notes and credits -- and this grew up into the evil practice of issuing bills, notes and credits when they didn't have the substance to back them up. And this is the basis for our inflation that is defrauding the American public today. Under the Common Law, all these things would not be possible -- under Maritime Law they are.

When we entered the credit commune and began forfeiting payment of debt and substituted a mere discharge of an obligation in its place, we lost access to our Common Law rights and were handed a pottage of privileges; and in fact, we transferred ourselves from free allodial title to that of sub-tenants, villains, working the land subject to the Captain of the ship. Yet, people still think that they own land -- Yet, we still think that we have rights -- and we go into traffic court not knowing we are under Maritime Law. This is why we don't get a jury trial for infractions anymore.

This is why the jury is merely advisory in every court in this land -- and must take the law as the judge gives it to them, and see and hear only the evidence allowed by the chancellor. Not knowing this, we have taken, time and time again, Common Law issues into courts of admiralty and wondered why our substantive constitutional rights were not upheld and respected by the courts. Being an Admiralty court, it had no jurisdiction to rule on such issues, or grant relief, regardless of how sound your law and facts were at Common Law!

A complete and thorough understanding of jurisdictional bounds is so absolutely essential that it is worthwhile to spend just a little more time on the subject at this time. **The Federal Rules of Civil Procedure** (Title 28, United States Code) gives us some more specifics:

#### Rule 9. PLEADING SPECIAL MATTERS

(H) Admiralty and Maritime Claims. A pleading or count setting forth a claim for relief within the Admiralty and Maritime jurisdiction that is also within the jurisdiction of the district court on some other ground may contain a statement identifying the claim as an Admiralty or Maritime claim for the purposes of Rules 14(c), 38 (e), 82 and the Supplemental Rules for Certain Admiralty and Maritime Claims. If the claim is cognizable only in Admiralty, it is an Admiralty or Maritime claim for those purposes whether so identified or not.

#### VI. TRIALS Rule 38. JURY TRIAL OF RIGHT

(a) Right Preserved. The right of trial by jury as declared by the Seventh Amendment to the Constitution or as given by a statute of the United States shall be preserved to the parties inviolate.

(e) Admiralty and Maritime Claims. These rules shall not be construed to create a right to trial by jury of the issues in an Admiralty or Maritime claim within the meaning of Rule 9 (h). As amended Feb. 28, 1966, eff. July 1, 1966

1966 Amendment RULE 39:

(c) Advisory Jury and Trial by Consent. In all actions not triable of right by a jury the court upon motion or of its own initiative may try any issue with an advisory jury or, except in actions against the United States when a statute of the United States provides for trial without a jury, the court, with the consent of both parties, may order a trial with a jury whose verdict has the same effect as if trial by jury had been a matter of right.

RULE 82. JURISDICTION AND VENUE UNAFFECTED These rules shall not be construed to extend or limit the jurisdiction of the United States district courts or the venue of actions therein. An Admiralty or Maritime claim within the meaning of Rule 9 (h) shall not be treated as a civil action for the purposes of title 28 U.S.C. 1391-93.

\* After the War for Independence, by way of the Declaration of Independence and US Constitution, domestic law was to be the substantive Common Law in the United States, forever, -- and this was to operate on allodiums and gold, a portable substance representing those allodiums.

\* The encroachment of Admiralty law onto the domestic law of the colonies was the primary inducement for the Declaration of Independence.

HJR-192 removed access to substantive Common Law and brought Admiralty law inland by way of the Public National Credit System -- making everyone who touches it a merchant under Maritime Law.

\* Maritime loans and maritime insurance are treated exactly the same under the Maritime Law of the Law of Nations. In one case the party is called the lender, in the other the underwriter.

If, as was well-settled law by the courts prior to 1933, wages were not income within the meaning of the 16th Amendment -- then, obviously, wages are still not income within the meaning of this amendment.

The evidence conclusively establishes that the legal basis for the collection of these so-called income taxes, since 1944, is that they are, in fact, interest or insurance premiums to the Federal Reserve for the privilege of limited liability for the payment of debt.

The legal basis for this so-called tax was established in 1933 by HJR-192. The fact that implementation of this premium was postponed until 1942 and put into effect under the guise of an emergency war measure, thereby conditioning wage earners to believe it was actually a tax, smacks of willful and intentional concealment of material facts for the

purpose of deceiving wage earners and concealing the truth.

Further, Forest D. Montgomery, Counsellor to the General Counsel for the Department of Treasury, wrote a letter to Mr. Smigeilski on this subject, wherein he stated: "31 U.S. Code, Section 742, generally exempts Treasury obligation from taxation by state or local governments. This provision, as well as the Constitution, prohibits state taxation of Federal Reserve Notes."

If this is true, and IF the states are actually collecting "income taxes" based on Federal Reserve Notes, they are in clear violation of Federal laws.

Do you really believe the States are openly flaunting Federal law, or is it possible that both the Feds and the States know something that has been kept from us all these years?

This letter was signed over the title of "Counsellor to the General Counsel" of the Department of the Treasury. Surely, this man would know if the states are flaunting Federal law. Note also, that he says that the Constitution prohibits state taxation of Federal Reserve Notes -- clearly referring to the absolute prohibition stated in Article I, Section 10, Clause 1. Just what is going on here, and just what is Mr. Montgomery telling us?

The California insurance Code itself can help us make the connection between insurance and so-called "taxes":

Sec.103. Marine insurance includes insurance against any and all kinds of loss of or damage to: ... all goods, freights, cargos, merchandise, effects, disbursements, profits, money, bullion, securities, choses in action, evidences of debt, valuable papers, bottomry, and respondentia interests and all other kinds of property, and interests therein, in respect to, appertaining to or in connection with any and all risks of perils of navigation".

And, the California Insurance Code can also help us decide how a person gets involved, and incurs liability, under a policy of marine insurance: Article 1885. Interest in source of profits In marine insurance, a person who has an interest in the thing from which profits are expected to proceed, has an insurable interest in the profits.

So, we see that pursuant to California Code, any and all kinds of such things as evidences of debt and bottomry (that is maritime loans) are the subject matter - and under marine insurance law in the State of California.

Obviously, the Law of Nations applies to the facts presented in this case, so, let's first find out just what this law is.

## **LAW OF NATIONS**

General	Conventional	Customary
The necessary and natural Law. It is always obligatory upon a nation with respect to its conscience and on all nations in the regulation of their internal conduct.	May be confined to particular states and depends on their arbitrary volition. A rule which their welfare and common safety obliges them to oblige them to follow in mutual intercourse (public policy)	May be confined to particular states and depends on their arbitrary volition. A rule which their welfare and common safety obliges them to oblige them to follow in mutual intercourse (public policy)
External law which dictates what every nation may require of every other, and yet being founded in the will of the governed (public policy) by reason	Arises from express consent (declarations of independence, treaties, constitutions, etc.)	Arises from tacit consent (e.g., convention and custom)
The natural or internal law of conscience. It is universal and founded in nature	Binds those who have assented to it	Obligatory on those nations who have adopted it
It proceeds from the general consent of mankind and binds all nations.		

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"The law of nations may be considered of three kinds, to wit: general, conventional or customary. The first is universal, or established by the general consent of mankind, and binds all nations. The second is founded on express consent, and is not universal, and only binds those nations who have assented to it. The third is founded on tacit consent; and is only obligatory on those nations who have adopted it". Ware, Administrator of Jones v. Hylton, et al (1796)

Thus, it is clear that:

1. The United States Constitution is an ordinance (or statute) within the Law of Nations.
2. The various State constitutions are ordinances (or statutes) within the United States Constitution, and are a part and parcel of the law of Nations.
3. "Public policy" is within the jurisdiction of the law of Nations.

In the Seneca Case, decided by a court of appeals in Pennsylvania in 1829; the court said:



"The jurisdiction of the district court, under the 9th section of the Judiciary Act of 1789 (1 Stat. 76), embraces all cases of maritime nature, whether they be particularly of admiralty cognizance or not; and such jurisdiction, and the law regulating its exercise, are to be sought for in the **General Maritime Laws of Nations**, and are not confined to that of England, or any other particular maritime nation. So we see that our Admiralty and Maritime courts are not only bound by the Maritime Laws of this country, or England, but are bound by the General Maritime Laws of all nations.

Now, let's look into some of those General Maritime Laws dealing with the subject matter brought into evidence in this case. From the Statutes at Large from the 15th to the 20th year of King George II, we find the following: "The from and after the first day of August, one thousand seven hundred and forty six, no assurance or assurances shall be made -- interest or no interest, or without further proof of interest than the policy, or by way of gaming or wagering, ... and that every assurance shall be null and void to all intents and purposes."

The reason for this enactment was stated to be: "Whereas, it has been found by experience that the making of assurances, interest or no interest, or without further proof of interest than the policy, hath been productive of many pernicious practices, ... and by introducing a mischievous kind of gaming or wagering, under the pretence of ... the institution and laudable design of making assurances, hath been perverted; and that which was intended for the encouragement of trade and navigation, has in many instances, become hurtful, and destructive to the same:" Here we have a clear and distinct statement that interest or no interest, insurance policies, and gaming and wagering, are absolutely against the "public policy" of nations -- and are, therefore, void.

From the Halsbury's "Statutes of England" we find:

"The Life Insurance Act", 1774 (14 Geo. 3c. 48)

1. No insurance to be made on lives, etc., by persons having no interest, etc. -- From and after the passing of this Act no insurance shall be made by any person or persons, politick or corporate, on the life or lives of any person or persons, or on any other event or events whatsoever, wherein the person or persons for whose use, benefit, or on whose account such policy or policies shall be made, shall have no interest, or by way of gaming or wagering; and that every assurance made contrary to the true intent and meaning hereof shall be null and void to all intents and purposes whatsoever. NOTES: At Common Law, wager policies were legal contracts.

"The Marine Insurance Act, 1906 (6 Edw. 7c. 41) ...

1. Marine Insurance Defined. - A contract of marine insurance is a contract whereby the insurer undertakes to indemnify the assured, in a manner and to the extent thereby agreed, against maritime losses, that is to say, the losses incident to maritime adventure."

4. Avoidance of wagering or gaming contracts.

(1) Every contract of marine insurance by way of gaming or wagering is void.

(2) A contract of marine insurance is deemed to be a gaming or wagering contract - (a) where the assured has not an insurable interest as defined by the Act, and the contract is entered into with no expectation of acquiring such an interest; or (b) Where the policy is made 'interest or no interest,' or 'without further proof of interest than the policy itself,' ... or subject to any other like term."

#### 5. Insurable Interest Defined.

(1) Subject to the provisions of this Act, every person has an insurable interest who is interested in a maritime adventure.

(2) In particular a person is interested in a maritime adventure where he stands in any legal or equitable relation to the adventure or to any insurable property at risk therein, in consequence of which he may benefit by the safety or due arrival of insurable property, or may be prejudiced by its loss, or damage thereto, or by the detention thereof, or may incur liability in respect thereof."

"Disclosure and Representations" #17 ... A contract of marine insurance is a contract based upon the utmost good faith, and, if the utmost good faith be not observed by either party, ...NOTE... if this good faith be not observed by either party, there being any concealment or non-disclosure of a material particular, the contract may be avoided by the injured party;" #41 ... Warranty of Legality. -- There is an implied warranty that the adventure insured is a lawful one, and that, so far as the assured can control the matter, the adventure shall be carried out in a lawful manner ... NOTES: ... it seems that the assured cannot hold the insurer to a waiver of illegality for ... only legal adventures can be insured."

"The Marine Insurance (Gambling Policies) Act, 1909, (9 Edw. 7 c. 12)

#### 1. Prohibition of gambling or loss by maritime perils.

(1) If - (a) Any person effects a contract of maritime insurance without having any bonafide interest, direct or indirect, ... or a bonafide expectation of acquiring such an interest; ... the contract shall be deemed to be a contract by way of gambling on loss by maritime perils ...

And, from "An Essay on Maritime Loans from the French" of M. Balthazard Marie Emerigon, we find: "The Lender (of a Maritime Loan) was not prohibited from demanding pledges and hypothecations as an additional security; providing it was not a pretext for exacting maritime interest after the sea risk should be at an end." "It is essential to this contract that there be a risk, and that the risk be incurred by the lender ... The stipulation, interest or no interest is a real wager ... This is not permitted among us ..." "If the contract was void in its commencement, the maritime interest is not chargeable, because no maritime dangers were borne by the lender." "Difference between contracts of bottomry and those of Loan, Partnership and insurance. Bottomry is different from the contract of loan because:

1. The peril of money, simply lent, concerns the borrower: whereas money lent at bottomry is at the risk of the lender.

2. In a simple loan, interest is due by positive stipulation only; whereas, maritime

interest is implied in the contract itself.

3. In a simple loan, the interest, among merchants, could not exceed the rate fixed by the Prince, or, at most the custom of the country; whereas, bottomry may carry any interest."

" ... Maritime interest is not subject to the limits of ordinary legal interest, but that it may be regulated by the degree of danger to which the lender exposes or believes he exposes his money." "The contract of maritime loan approaches more nearly to that of Insurance. There is a strong analogy between them. In their effects they are construed on the same principles. In the one contract, the lender bears the sea risks, in the other, the underwriter. In the one, the maritime interest is the price of the peril; and this term corresponds with the premium which is paid in the other."

From the Marine Insurance Act of 1906. Previously referred to: #82. ... Enforcement of return. - Where the premium or a proportionate part thereof is, by this Act, declared to be returnable, - (a) If already paid, it may be recovered by the assured from the insurer; and (b) If unpaid, it may be retained by the assured or his agent." #84. ... Return for failure of consideration.

(1) Where the consideration for the payment of the premium totally fails, and there has been no fraud or illegality on the part of the assured or his agents, the premium is thereupon returnable to the assured ... (3) In particular - (a) Where the policy is void, or is voided by the insurer as from the commencement of the risk, the premium is returnable provided that there has been no fraud or illegality on the part of the assured;"

So you see, that pursuant to the Positive Law of the Law of Nations, if there has been no fraud or illegality on your part -- and you have marshalled your facts to prove that the Federal Reserve contract is a wagering policy, you can void the contract and are entitled to a refund of all premiums paid.

And, in the California Insurance Code, we find: SEC.1900. Duty to Disclose In marine insurance each party is bound to communicate, in addition to what is required in the case of other insurance:

(a) All the information which he possesses and which is material to the risk, except such as is exempt from such communication in the case of other insurance.

(b) The exact and whole truth in relation to all matters that he represents or, upon inquiry assumes to disclose.

Now, let's consider the public policy as stated in the Preamble to the United States Constitution and compare this statement of public policy to the public policy of the Positive Law of the Law of Nations dealing with wagering policies, and to the so-called public policy of the Federal Reserve Act and HJR-192!

The Preamble to the United States Constitution 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 defense, 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."

This Preamble is a statement of "Public policy" under the "conventional" branch of the Law of Nations. Since wagering policies, interest or no interest insurance policies, and maritime loans at no risk to the lender are forbidden under the public policy of the Positive Law of Nations -- reason and logic dictates that the, so-called, public policy of the Federal Reserve Act and HJR-192 are not public policy, as alleged by Congress, and the Supreme Court in the Erie R.R. decision -- but, instead, are precisely the contrary.

Congress, therefore, had no authority and jurisdiction to enact the Federal Reserve Act, or HJR-192, and it logically and reasonably follows that these acts are a nullity, ab initio. Congress is granted the power to define and punish offenses against the law of nations in Article 1, Section 8, of the United States Constitution; and, therefore, has the duty to do so.

We submit that the law and the facts presented here today establish beyond any reasonable doubt that Congress has authorized and implemented a wagering policy and sanctioned crimes and offenses perpetrated and committed against the people of the United States by the Federal Reserve Board and its class A stockholders.

Consequently, it also follows that no State assembly or legislature had the authority and jurisdiction to hypothecate the State's treasuries, land and people as security to the Federal Reserve.

Our State courts are operating in Admiralty jurisdiction, for the most part. (Remember the McCarren Act which declared that the continued regulation and taxation of insurance by the states was in the public interest? -- and that Judge Friendly said that, as a result of the Erie R.R. decision, the State courts must conform to Federal decisions in areas where Congress has manifested an intent to that end? -- and that the Erie R.R. decision was a result, and implementation of, the "Public policy" stated in HJR-192???)

AND: IN CAL PRACTICE, VOLUME 2, PART I

SECTION 8:183. -- MARITIME CASES

" ... STATE TRIBUNALS ... HAVE CONCURRENT JURISDICTION WITH THE FEDERAL DISTRICT COURTS OVER MARITIME CASES."

"WHETHER A CIVIL CASE IS `OF ADMIRALTY OR MARITIME JURISDICTION DEPENDS UPON THE NATURE OF THE TRANSACTION GIVING RISE TO IT IF THE CLAIM IS IN CONTRACT, AND UPON THE LOCALITY OF THE TRANSACTION OR THE CAUSE OF THE INJURY IF THE CLAIM IS IN TORT."

" ... A RIGHT SANCTIONED BY THE MARITIME LAW MAY BE ENFORCED THROUGH ANY APPROPRIATE REMEDY RECOGNIZED AT COMMON LAW. THUS THE STATE MUST FOLLOW THE SUBSTANTIVE MARITIME LAW, ALTHOUGH IT CAN ENFORCE SUCH LAW THROUGH ANY COMMON-LAW REMEDY. ACCORDINGLY, THE STATE HAS JURISDICTION TO ENTERTAIN PROCEEDINGS IN PERSONS AGAINST ONE WHO HAS VIOLATED A MARITIME

CONTRACT OR COMMITTED A MARITIME TORT, SINCE COMMON-LAW COURTS HAVE TRADITIONALLY ENTERTAINED SUCH PROCEEDINGS. A STATE COURT HAS JURISDICTION WHERE THE SUIT IS IN PERSONAM AGAINST AN INDIVIDUAL, AUXILIARY ATTACHMENT AGAINST A PARTICULAR THING OR AGAINST THE PROPERTY OF THE DEFENDANT IN GENERAL."

#### SECTION 8:184. IN GENERAL

"GENERALLY, THE STATE COURTS HAVE CONCURRENT JURISDICTION WITH THE FEDERAL COURTS IN FEDERAL CIVIL MATTERS, UNLESS THE UNITED STATES CONSTITUTION OR AN ACT OF CONGRESS PROVIDE OTHERWISE. FEDERAL AND STATE COURTS ARE EXPRESSLY GIVEN CONCURRENT JURISDICTION IN SOME MATTERS BY FEDERAL STATUTE, INCLUDING ... LIABILITY ACT ACTIONS, ..."

There is another subject matter that falls exclusively within the jurisdiction of Admiralty that we should all be aware of; and that is "Revenue Causes:"

In *Delovio v. Boit*, the court said: "A third exposition requires an examination of the authority and powers of the Vice Admiralty Courts in the United States under the colonial government ... The commissions of the crown gave the courts, which were established, a most ample jurisdiction over all maritime contracts, and over torts and injuries, as well in ports as upon the high seas. And acts of parliament by giving or confirming cognizance of all seizures for contraventions of the revenue laws." (emphasis added) And in the *Huntress Case*: "For more than a century before the formation of the Constitution, that is, from the early part of the reign of Charles II, revenue causes had been heard and tried in the colonies by courts of Vice Admiralty." (emphasis added)

Neither the Declaration of Independence, the Constitution, nor any subsequently enacted statutes have modified the originally established jurisdictional boundaries over revenue causes in this country. In summary, some subject matters and causes that are exclusively with Admiralty/Maritime jurisdiction are:

- \* Limited Liability
- \* Bills, notes, and cheques issued by the U.S. Government
- \* Credit borrowed into circulation by the U.S. Government
- \* Hypothecations
- \* Violation of a maritime contract
- \* Commission of a Maritime tort (for example, failure to perform an obligation founded in a maritime contract.)

These are exclusively within the jurisdiction of Admiralty/Maritime -- whether the claim is so identified or not!

Judge Friendly also said that the Lincoln Hills Doctrine (dealing with labor contracts and commerce) was "pregnant with possibilities." In this context the friendly judge was

talking about the possibilities of Federal courts increasing their powers because of the nature of the source, and the nature of the right being enforced. That source being the credit voyage -- and that right being derived from a maritime contract under Admiralty/Maritime jurisdiction.

We are constantly told that, today, the law is what the Supreme Court says it is. Well, that is perfectly true, if this voyage is were lawful one -- it is absolutely not true, if this voyage (the source of its increased powers) was unlawful from its inception. The task before us is clear. Maybe we can take a page or two from their own book. The facts and law presented here today are truly pregnant with possibilities for those of us who want to apply them effectively!!

Now that we understand the particulars of how we have been tricked into joining this maritime voyage for profit, and what, and where our remedies are, we will then have to know much more fact and law, in order to do this: we will have to know how to analyze and determine which jurisdiction a particular issue is in -- or should be in; we will have to know courtroom procedures for that particular jurisdiction, we will have to understand the essential issues and know them inside-out and frontward and backwards; we will have to develop a winning strategy to apply and use this knowledge most effectively.

Years ago, particularly in the late 1970's many of us were bringing Civil, Common Law, actions in State and Federal courts --based on alleged violations of Constitutional and Common Law rights under color of law. All of these complaints were summarily dismissed on the grounds that "There is no cause of action stated for which the court can grant relief."

Others have relied on Common Law defense in criminal actions. There have been a few minor "victories" -- some stalemates -- many outright losses -- and, never, a substantive win. Even in criminal cases, some of us have been told that: "Your law is valid and sound, but your conclusions are wrong." What were the courts telling us?

Let's consider a hypothetical situation. You are in San Francisco, short of funds, and hear about a fantastic voyage on a ship about to set sail from port -- security and profits guaranteed!! You go down to the ship and sign up to the voyage. Let's also assume that material facts about the voyage are withheld from you, in order to induce you to sign up -- and, that the contemplated voyage was in violation of the positive laws of the Law of Nations, and was contrary to the meaning and intent of the United States Constitution.

Nevertheless, the ship sets sail in the middle of the night -- when no one was watching from the shore. After a week at sea, you have discovered that concealment of material facts -- and that you are on an unlawful voyage. You go to the Captain, inform him of your newly discovered evidence --and demand your Constitutional and Common Law rights, as a United States citizen. What do you suppose the Captain is going to do?? He has no jurisdiction to hear Common Law complaints -- his sole responsibility is to insure the safety of the voyage, under Maritime Law. His only jurisdiction is under maritime law. He sees you as possibly influencing other members of the crew -- thereby fomenting

a mutiny. To him, his duty is clear: He must mete out a form of punishment, to some degree, thereby instilling in other members of the crew a fear of joining in that line of conduct. Therefore, he may give you one of two alternatives: (1) Go back to work and continue to perform, and I will forgive this outburst, and allow you to remain on this voyage, if you agree to pay a penalty which I shall determine and impose. (2) If you refuse to perform, I will order you to be confined to the Brig.

What, in this situation, is your recourse? Obviously none, until you get back to a port. Let's say that, eventually, that port is New York -- now, what can you do that makes sense? (1) If you can find a court of Common Law jurisdiction, you can file a Common Law action. The only proper issue in this court being fraud, and fraud is not easy to prove. Now, we know that there are no Common Law courts in New York -- and we know why. So, where does that leave you?? (2) The only place left for you to go is into an Admiralty court, and you can find a proper court of Admiralty jurisdiction, in New York, to hear these issues. You can file an action in admiralty where the proper issues are, under Admiralty and Maritime Law, the unlawfulness of the voyage itself, from its inception, pursuant to the Positive law of the Law of Nations -- all going directly to the issue of jurisdiction, based on the fact that the contract was a nullity, *ab initio*. Now, you have a proper cause of action filed in a court of competent jurisdiction!!

The possibilities are truly pregnant because we can prove several violations of the general Maritime Law of all nations -- laws that were developed to protect the merchants and enhance commerce -- laws that any Maritime court in the world is bound by!! To deny these laws, and properly presented facts and issues, would, thereby, destroy the very foundations that this mercantile superstructure is based upon.

After many futile attempts with Common Law issues and actions, that, just possibly, there may be something more to the law being applied in the courts than we knew about. It dawned on us that a far more comprehensive approach to the problem, than had ever been attempted before, would have to be undertaken if there was any possible solution AT LAW.

We are all involved in a situation that not only is enslaving us, but will make the lives of our children and grand-children unbearable. If we are to experience true freedom, we must educate ourselves now. We, as sovereign individuals, have all the power we need to turn this insane system around.

This document has been edited by Eldon Warman, 310,815-50 Ave SW, Calgary. 259-0002. This brief identifies the chains with which they, the Merchants of Venice and their direct descendants, have used to make, we the people of North America into debt slaves.

The Merchants of Venice bastardized the many courts of Europe during the Middle Ages so as to effect their continued control, which they had established during the period after the collapse of the Roman Empire up to the Dark Ages. The direct effect on us was their influence in the various mixings of the Law of the Sea with the Law of the Land in the British Limited Monarchy system. The situation is as a frog immersed in cold water

brought slowly to a boil; the poor creature doesn't recognize the temperature change and cooks unaware.

It is quite obvious that the Government of Canada has been using similar tactics to enslave the people of Canada; and, to turn over this country's raw materials to the Overlords who hold the economic strings which control it.

Since editing this document for Canadian readers (1992), I have learned that the BNA Act of 1867 did not confederate Canada; but, only combined four British colonies into one colony, the Dominion (Colony) of Canada. The government was a dictatorship, a Governor General and Council (Canada's Parliament). The status of Canada was similar to that of a ship of the British Admiralty. The status of the people of Canada was similar to sailors on a ship of the British Admiralty; not that of an English freeman. In 1931, the Statute of Westminster effectively decommissioned the colonies of the British Empire just as they would decommission outdated ships of the Admiralty. Canada was taken over by a usurper clique of financial barons at that time, supposedly under the "right of salvage": and, no change has taken place since then.....

At the time of writing of this document, the author was obviously unaware of the status of "US citizen". As originally conceived, the States were independent countries tied together by a pact or treaty in which certain sovereign states rights were given over to a federal government; first in the Articles of Confederation, and then more succinctly in the Constitution of the USA. Each person born within a State or naturalized in a State was a citizen of that State; and then by the "commonality clause" of the Constitution, a citizen of the other States - a citizen of the USA.

For eminent domain purposes, so that the Federal Government could purchase land (Louisiana Purchase and Alaska Purchase) and enter into international treaties, a piece of land (a Federal State) was provided for in the Constitution (a necessity arising out of the rules governing eminent domain). Since the Federal Government was not given any Saxon Common Law jurisdiction in the Constitution (whether this was by oversight or by designing scheme, considering later circumstance, remains for conjecture) - only Maritime jurisdiction, the people within such a federal state (Washington, DC) come under Maritime law. In legal terms, United States only means the District of Columbia, some territories, and navy bases. The United States of America is the combined 50 States.

Through interpretations of the Fourteenth Amendment and the Social Security Act (the act of applying for and receiving a Social Security Number being the binder of the contract), a USA citizen also becomes a US citizen. The former has Common Law RIGHTS, the latter has Maritime PRIVILEGE. The author adequately covers the differences in Common Law and Maritime Law. The former citizenship you were born or "naturalized" into; the latter, you were hoodwinked into.

.....END\_