

# Re: Notes of Debt are not Income

Recently, Levi Philos, whom I had asked about the e-mail below, did some searching of his own, and came up with the article by The Informer that follows below the e-mail. I think you'll find all of this to be very interesting AND useful!

-Fred

Levi Philos wrote:

Now I understand the full meaning of this message posted to yahoo group tips\_and\_tricks (archives limited to members) where "brokenwrench" posted on Feb 10, 05:

( [http://groups.yahoo.com/group/tips\\_and\\_tricks/message/7411](http://groups.yahoo.com/group/tips_and_tricks/message/7411) )

"The irs has never tried to collect, it has been over 25 years since I was audited, and then I got a refund. I have a stamp that prints [DEPOSITED FOR CREDIT ON ACCOUNT OR EXCHANGED FOR NON-NEGOTIABLE FEDERAL RESERVE NOTES OF FACE VALUE] when I was audited, I produced the front and back copies of my paychecks to the irs man. He took a break and came back and told me that those checks endorsed that way were not taxable income. I got in a hurry and open signed 3 of my checks, those were the only ones I had that they said they could tax that is the last I heard from them."

=====

Dear brokenwrench,

I'm very interested in your adventures with the stamp for the back of checks.

Would you care to correspond with me about that?

-Fred

Making checks a non-taxable event

This is all based upon what is lawful money of value and HJR-192 (House Joint Resolution-192, June 5, 1933) , that none is in circulation for private use by the public. There are no lawful dollars out there only credit and debt ledger entrees, and no one gets paid for anything with anything of valuable substance. The IRS can't tax credit, debt, or barter.

The Congress licensed the use of FRNs to be used as money, as a medium or exchange for discharge of public and private debt into the US bankruptcy. At that point FRNs became contraband and that gives the BATF and the IRS jurisdiction over its use and transfer. Just like trafficking in alcohol, guns, drugs, or tobacco , or other substances subject to excise taxes

There are many types of commercial paper that properly prepared can discharge debt other than FRNs but few know how to use them. Using FRNs is licensed money laundering, plain and simple.

When I get a check, it says "dollars" on the front. If I endorse it openly, I just testified I received dollars of valuable substance, even though there are none. When I stamp or write:

*DEPOSITED FOR CREDIT ON ACCOUNT  
OR EXCHANGED FOR  
NON-REDEEMABLE FEDERAL RESERVE NOTES*

I just corrected the error on the front and converted the check into a bill of exchange. In other words: a barter transaction of two different kinds of things being traded even-up for equal value are not taxable, there was no sale or financial gain just a private trade.

Sincerely, brokenwrench

So, brokenwrench has cut a Gordion Knot with a pen, instead of a sword. If you wish to use such a sharp pen, you would do well to read the article below, and if that doesn't lead you to study further then you don't understand enough about the honing and care of a good blade...start over with a study of the life of The Master who told his disciples to sell their cloaks to buy a sword and intervened when Peter used his: Exhaust administrative remedy, first!  
Ignorance is curable.

-Fred

=====  
=====

**Re: Notes of Debt are not Income**

( <http://www.atgpress.com/inform/tx064.htm> is printed out below.)

**WHAT TO PRESENT ADMINISTRATIVELY TO SHOW  
THAT YOU HAVE NO INCOME.**

**By: The Informer**

**(Fred's note: Any words in bold-face parentheses are my addition, and any bold-face type in the text is my added**

**emphasis. The author has placed his notes/insertions in [square-brackets]. I will make them *bold-blue Italic*. All of author's words are in blue *Italic type*. The author also specified **red type** in certain quoted text, and I left it that way.)**

*Here is a observation that no one realizes, or even knows it exists. Here is a problem that may be brought before a court it you are drug into one. But it is better used administratively. Just a hypotheses. Could it work? Who knows?*

- (1) You work for a company.*
- (2) You receive a negotiable instrument for your work (a check).*
- (3) You have to cash it at a bank.*
- (4) You are given federal reserve **notes** in exchange.*
- (5) You have not been paid anything but **worthless securities**.*

*So now let's put on your thinking caps and do some digging starting with:*

TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B > PART VI > § 165

### **§ 165. Losses**

Release date: 2003-05-15

(a) General rule

**There shall be allowed as a deduction any loss sustained during the taxable year and not compensated for by insurance or otherwise.**

(b) Amount of deduction

For purposes of subsection (a), the basis for determining the amount of the deduction for any loss shall be the adjusted basis provided in section 1011 for determining the **loss** from the sale or other disposition of **property (think: your labor)**.

(c) Limitation on losses of individuals

In the case of an individual, the deduction under subsection (a) shall be limited to-----

- (1) losses incurred in a trade or business;
- (2) losses incurred in any transaction entered into for profit, though

not connected with a trade or business; and

(3) except as provided in subsection (h), losses of property not connected with a trade or business or a transaction entered into for profit, if such losses arise from fire, storm, shipwreck, or other casualty, or from theft.

(d) Wagering losses

Losses from wagering transactions shall be allowed only to the extent of the gains from such transactions.

(e) Theft losses

For purposes of subsection (a), any loss arising from theft shall be treated as sustained during the taxable year in which the taxpayer discovers such loss.

(f) Capital losses

Losses from sales or exchanges of capital assets shall be allowed only to the extent allowed in sections 1211 and 1212.

### **(g) Worthless securities**

(1) General rule

**If any security which is a capital asset becomes worthless** during the taxable year, the loss resulting therefrom shall, for purposes of this subtitle, be treated as a loss from the sale or exchange, on the last day of the taxable year, of a capital asset.

### **(2) Security defined**

For purposes of this subsection, the term "security" means—

(A) a share of stock in a corporation;

(B) a right to subscribe for, or to receive, a share of stock in a corporation; or

(C) a bond, debenture, **note**, or certificate, or other evidence of indebtedness, **issued by a corporation or by a government or political subdivision thereof**, with interest coupons or in registered form.

*Ok so now you have been given "evidences of debt" for your work. You have never made "income" but received evidences of debt. The US Treasury admits to (g) above in its website (and you really **must** visit this website!):*

*<http://www.ustreas.gov/education/faq/currency/legal-tender.shtml> wherein the website states:*

“Federal Reserve notes are legal tender currency notes. The twelve Federal Reserve Banks issue them into circulation pursuant to the Federal Reserve Act of 1913. A commercial bank belonging to the Federal Reserve System can obtain Federal Reserve notes from the Federal Reserve Bank in its district whenever it wishes. It must pay for them in full, dollar for dollar, by drawing down its account with its district Federal Reserve Bank.

Federal Reserve Banks obtain the notes from our Bureau of Engraving and Printing (BEP). It pays the BEP for the cost of producing the notes, which then become liabilities of the Federal Reserve Banks, and obligations of the United States Government.

Congress has specified that a Federal Reserve Bank must hold collateral equal in value to the Federal Reserve notes that the Bank receives. This collateral is chiefly gold certificates and United States securities. This provides backing for the note issue. The idea was that if the Congress dissolved the Federal Reserve System, the United States would take over the notes (liabilities). This would meet the requirements of Section 411, but the government would also take over the assets, which would be of equal value. **Federal Reserve notes represent a first lien on all the assets of the Federal Reserve Banks, and on the collateral specifically held against them.**

**Federal Reserve notes are not redeemable in gold, silver or any other commodity, and receive no backing by anything.** This has been the case since 1933. The notes have no value for themselves, but for what they will buy. In another sense, because they are legal tender, Federal Reserve notes are "backed" by all the goods and services in the economy.”

(The underlined sentence above, deserves attention because a man once wrote (I believe to Alfred Adask, publisher of AntiShyster magazine) that he had robbed a bank, was caught, and with the aid of counsel, was prepared to argue in court that since he had taken only Federal Reserve Notes, he had taken nothing of “value” and therefore could not be guilty of the criminal code section he was accused of violating. Apparently the prosecutor decided to drop the

case, rather than have his argument go on the public record. This was probably more than 10 years ago. Having read what follows, I can assure you that our author will suggest no such course of action! And, of course, neither do I! I won't even make this note in the bold-face type.)

*Now they, not you, have established that their confidence game, what you received in exchange for the company draft (check) was absolutely nothing. They are valueless so you exchanged your labor for valueless paper that has a lien on it already. They are identified in two statutes (Code) and they are Title 18 Section 8 wherein it states:*

TITLE 18 > PART I > CHAPTER 1 > § 8 Release date: 2004-08-06

### **§ 8. Obligation or other security of the United States defined**

The term "**obligation or other security of the United States**" **includes** all bonds, certificates of indebtedness, national bank currency, **Federal Reserve notes, Federal Reserve bank notes**, coupons, United States notes, Treasury notes, gold certificates, silver certificates, fractional notes, certificates of deposit, bills, checks, or drafts for money, drawn by or upon authorized officers of the United States, stamps and other representatives of value, of whatever denomination, issued under any Act of Congress, and canceled United States stamps.

And the second statute (Code) is:

CITE-

12 USC SUBCHAPTER XII - FEDERAL RESERVE NOTES 01/23/00

-EXPCITE-

TITLE 12 - BANKS AND BANKING

CHAPTER 3 - FEDERAL RESERVE SYSTEM

SUBCHAPTER XII - FEDERAL RESERVE NOTES

-HEAD-

SUBCHAPTER XII - FEDERAL RESERVE NOTES

-CITE-

12 USC Sec. 411 01/23/00

-EXPCITE-

TITLE 12 - BANKS AND BANKING

CHAPTER 3 - FEDERAL RESERVE SYSTEM

SUBCHAPTER XII - FEDERAL RESERVE NOTES

-HEAD-

Sec. 411. Issuance to reserve banks; **nature of obligation; redemption**

-STATUTE-

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

-SOURCE-

(Dec. 23, 1913, ch. 6, Sec. 16 (par.), 38 Stat. 265; Jan. 30, 1934, ch. 6, Sec. 2(b)(1), 48 Stat. 337; Aug. 23, 1935, ch. 614, title II, Sec. 203(a), 49 Stat. 704.)

-REFTEXT-

#### REFERENCES IN TEXT

Phrase "hereinafter set forth" is from section 16 of the Federal Reserve Act, act Dec. 23, 1913. Reference probably means as set forth in sections 17 et seq. of the Federal Reserve Act. For

classification of these sections to the Code, see Tables.

-COD-

#### CODIFICATION

Section is comprised of first par. of section 16 of act Dec. 23, 1913. Pars. 2 to 4, 5, and 6, 7, 8 to 11, 13 and 14 of section 16, and pars. 15 to 18 of section 16 as added June 21, 1917, ch. 32, Sec. 8, 40 Stat. 238, are classified to sections 412 to 414, 415, 416, 418 to 421, 360, 248-1, and 467, respectively, of this title. Par. 12 of section 16, formerly classified to section 422 of this title, was repealed by act June 26, 1934, ch. 756, Sec. 1, 48 Stat. 1225.

-MISC3-

#### AMENDMENTS

**1934 - Act Jan. 30, 1934, struck out from last sentence provision permitting redemption in gold.**

-CHANGE-

#### CHANGE OF NAME

Section 203(a) of act Aug. 23, 1935, changed name of Federal Reserve Board to Board of Governors of the Federal Reserve System.

-CROSS-

#### CROSS REFERENCES

**Gold coinage discontinued, see section 5112 of Title 31, Money and Finance.**

*Since there is no more real "money" to be redeemed then, as the Treasury Web Site stated, they are worthless in conformity with 26*



*USC 165 (g). Ergo: you cannot go into a bank and demand gold or silver coin for a federal reserve note.*

*So the question is, Have I received any income that is reportable for filing a tax form? Have I objected openly that I do not accept federal reserve notes as "payment" for my labor? See the Padleford case 14 Ga. 438 wherein they stated:*

"Supposing this not to be taxed for inspection purposes, has Congress consented to it being laid? It is certain that Congress has not expressly consented. But is express consent necessary? There is nothing in the Constitution which says so. There is nothing in the practice of men, or in the Municipal Law of men, or in the practice of nations, or the Law of nations that says so. **Silence gives consent, is the rule of business life.**

A tender of bills is as good as one of coin, unless the bills are objected to. To stand by, in silence, and see another sell your property, binds you. **[Ok people how many times has your property (labor included) been stolen and turned over to the tax man in your silence? Did you file a refusal for good cause shown?]** These are mere instances of the use of the maxim in the Municipal Law. In the Law of nations, it is equally potent. Silent acquiescence in the breach of a treaty binds a nation.(Vattel, ch. 16, sec.199, book 1. See book 2, sec. 142 et seq. as to usucaption and prescription, and sec. 208 as to ratification). Express consent, then, not being necessary, is there anything from which consent may be applied? There is--length of time."

*Has the company caused a theft when issuing you a draft that only will result in you receiving evidences of debt that are no longer "at Par" with a face value US Silver Eagle dollar denominated coin? This is what the court stated on this type money issue,*

**Westfall vs. Braley, 10 Ohio 188, 75 Am. Dec. 509:**

**"Bank notes are the representative of money, and circulate as such, only by the general consent and usage of the community. But this consent and usage are based upon the convertibility of such notes into coin, at the pleasure of the holder, upon their presentation to**

the bank for redemption. This is the vital principle which sustains their character as money. So long as they are in fact what they purport to be, payable on demand, common consent gives them the ordinary attributes of money. But upon failure of the bank by which they are issued, when its doors are closed, and its inability to redeem its bills is openly avowed [See Letter, Oct. 26, 1989, Dept. of Treasury, Russell Munk, Asst. Gen. Council, (International Affairs) as recorded in the Office of the Clerk & Recorder, Baca County, Colorado, admitting the notes are worthless and not redeemable at par.], they instantly lose the character of money, their circulation as currency ceases with the usage and consent upon which it rested, and the notes become the mere dishonored and depreciated evidences of debt . . . It is only upon this idea that they can honestly be tendered as money, and when accepted as such, under the same supposition, the mutual mistake of facts should no more be permitted to benefit one party, or prejudice the other, than if the notes had been spurious, or payment had been made in base or adulterated coin."

*Again the question begs of any court what the last sentence says, in that you have never received any income in "money", but evidences of a debt issued with a lien already on it, thereby taking them out of the realm of money, as they are a debt obligation, or in reality, an I.O. U. issued by a private banking system, that are trademarked as such.*

*Want more statutes and code on the matter for you to decide? Here is more info that is incontrovertible.*

*So with your question in mind as to what statutes say in regard to federal reserve notes, read all of this:*

TITLE 31 > SUBTITLE IV > CHAPTER 51 > SUBCHAPTER II >  
Sec. 5119.

Sec. 5119. - Redemption and cancellation of currency

(a) Except to the extent authorized in regulations the Secretary of the Treasury prescribes with the approval of the President, the

Secretary may not redeem United States currency (**including Federal reserve notes and circulating notes of Federal reserve banks** and national banks) in gold. However, the Secretary shall redeem gold certificates owned by the Federal reserve banks at times and in amounts the Secretary decides are necessary to maintain the equal purchasing power of **each kind of United States currency**. When redemption in gold is authorized, the redemption may be made only in gold bullion bearing the stamp of a United States mint or assay office in an amount equal at the time of redemption to the currency presented for redemption.

*[COMMENT. As stated in the CODE, in **red** above, it can be taken as not being U.S. currency like you say, until you read all the statutes and the words "IN KIND". Then the worthless note IS taken as currency by the government. True, it is not a pay to, but only a legal offer (tender). That's all they care about: a legal offer. You can decline a legal offer even if in federal reserve notes as stated on the US Treasury web site. Go back and read all of it if you have to.]*

(b) (1) Except as provided in subsection (c)(1) of this section, the following are public debts bearing no interest:

(A) gold certificates issued before January 30, 1934.

(B) silver certificates.

(C) notes issued under the Act of July 14, 1890 (ch. 708, 26 Stat. 289).

(D) **Federal Reserve notes** for which payment was made under section 4 of the Old Series Currency Adjustment Act.

(E) United States currency notes, including those issued under section 1 of the Act of February 25, 1862 (ch. 33, 12 Stat. 345), the Act of July 11, 1862 (ch. 142, 12 Stat. 532), the resolution of January 17, 1863 (P.R. 9; 12 Stat. 822), section 2 of the Act of March 3, 1863 (ch. 73, 12 Stat. 710), or section 5115 of this title.

(2) Redemption, cancellation, and destruction of currency. -

The Secretary shall -

(A) redeem any currency described in paragraph (1) from the general fund of the Treasury upon presentment to the Secretary; and

(B) cancel and destroy such currency upon redemption.

The Secretary shall not be required to reissue United States currency notes upon redemption.

(c) (1) The Secretary may determine the amount of the following United States currency that will not be presented for redemption because the currency has been destroyed or irretrievably lost:

(A) circulating **notes of Federal reserve banks** and national banks issued before July 1, 1929, for which the United States Government has assumed liability.

*[COMMENT. Does this mean that the notes are no longer assumed by the United States? Kinda presumes they are assumed by the IMF/fed. Res. that issues them as first liens on the U.S., huh?]*

(B) outstanding currency referred to in subsection (b)(1) of this section.

(2) When the Secretary makes a determination under this subsection, the Secretary shall reduce the amount of that currency outstanding by the amount the Secretary determines will not be redeemed and credit the appropriate receipt account.

(d) To provide a historical collection of United States currency, the Secretary may withhold from cancellation and destruction and transfer to a special account one piece of each design, issue, or series of each denomination of each kind of currency (**including circulating notes of Federal reserve banks** and national banks) after redemption. The Secretary may make appropriate entries in Treasury accounts because of the transfers

*Here are the actual statutes on the above that you wanted:*

Notes on Sec. 5119.

SOURCE

Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 985

Pub. L. 102-390, title II, Sec. 226(b), Oct. 6, 1992, 106 Stat. 1630

Pub. L. 103-325, title VI, Sec. 602(g)(14), Sept. 23, 1994, 108 Stat. 2294.

Historical and Revision Notes Revised Section  
Source (U.S. Code) Source (Statutes at Large)

5119(a) 31:408a (less last proviso). 31:444 (1st sentence words between 2d and 3d semicolons). 31:822b. Jan. 30, 1934, ch. 6, Sec. 6 (less last proviso), 11, 15(1st sentence words between 2d and 3d semicolons), 48 Stat. 340, 342, 344. 5119(b)(1) 31:405a-3. 31:911. 31:915(a), (b). June 24, 1967, Pub. L. 90-29, Sec. 1, 2, 81 Stat. 77. June 30, 1961, Pub. L. 87-66, Sec. 2, 5, 6, 9, 10, 75 Stat. 146, 147.

5119(b)(2) 31:404. 31:420. 31:914. 31:916. May 31, 1878, ch. 146, 20 Stat. 87; June 30, 1961, Pub. L. 87-66, Sec. 7, 75 Stat. 47. R.S. Sec. 3580.

5119(c)(1) 31:915(c) (words before last comma).

5119(c)(2) 31:405a-2. 31:915(c) (words after last comma).

5119(d) 31:917. In subsection (a), the words "Secretary may not redeem" are substituted for "no . . . shall be redeemed" in 31:408a (less last proviso) because of the source provisions restated in section 321 of the revised title. The words "United States currency (**including Federal reserve notes and circulating notes of Federal reserve banks and national banks**)" **are substituted for "currency of the United States"** and the text of 31:444(1st sentence words between 2d and 3d semicolons) for consistency with section 5103 of this title and to eliminate unnecessary words.

*[COMMENT. Can't be any plainer than this, right?]*

*In subsection (b)(1), before clause (A), the words "upon completion of the transfers and credits authorized and directed by section 912 of this title" in 31:915 and "and the amount of the payment credited as a public debt receipt in accordance with such section" are omitted as executed. In clause (B), the text of 31:405a-3(last sentence) and 31:915(a)(4) is consolidated. The text of 31:405a-3(1st sentence) is omitted as executed. In clauses (C) and (E), the citations in parentheses are included only for information purposes.]*

In subsection (b)(2), the words "cancel and destroy" are substituted for "retired" in 31:914 for consistency in the revised section. The words "paragraph (1) of this subsection" are substituted for "Any currency the funds for the redemption or security of which have been transferred pursuant to the provisions of section 912 of this title, and any Federal Reserve notes as to which payment has been made under section 913 of this title" **because of the restatement**. The words "presented to the Secretary" are substituted for "presentation at the Treasury" because of the source provisions restated in section 321(c) of the revised title. The text of 31:916 is omitted as unnecessary **because of the restatement**. The text of 31:404 and 31:420 is omitted as superseded by the source provisions restated in this subsection and subsection (c). The words "All acts and parts of acts in conflict herewith are hereby repealed" in the Act of May 31, 1878 (ch. 146, 20 Stat. 87), are omitted as executed.

In subsection (c)(2), the words "When the Secretary makes a determination under this subsection" are added **because of the restatement**. The words "on the books of the Treasury" are omitted as surplus. The text of 31:405(e)(2)(1st sentence) is omitted as superseded by the source provisions restated in subsection (b).

In subsection (d), the word "paper" is omitted as surplus. The words "**(including circulating notes of Federal Reserve banks and national banks)**" are substituted for "including bank notes" for consistency in the section. The words "heretofore or hereafter issued" are omitted as surplus

REFERENCES IN TEXT

Act of July 14, 1890, ch. 708, 26 Stat. 289, referred to in subsec. (b)(1)(C), which was known as the Sherman Purchase of Silver Act of July 14, 1890, was classified to sections 408, 410, 412, and 453 of former Title 31, and sections 122 and 145 of Title 12, Banks and Banking, and was repealed by Pub. L. 97-258, Sec. 5(b), Sept. 13, 1982, 96 Stat. 1069.

Section 4 of the Old Series Currency Adjustment Act, referred to in subsec. (b)(1)(D), is section 4 of Pub. L. 87-66, June 30, 1961, 75 Stat. 146, which was classified to section 913 of former Title 31, and was repealed by Pub. L. 97-258, Sec. 5(b), Sept. 13, 1982, 96 Stat. 1079.

Acts February 25, 1862, July 11, 1862, and March 3, 1863, and resolution January 17, 1863, referred to in subsec. (b)(1)(E), are acts Feb. 25, 1862, ch. 33, 12 Stat. 345, July 11, 1862, ch. 142, 12 Stat. 532, and Mar. 3, 1863, ch. 73, 12 Stat. 709, and resolution Jan. 17, 1863, 12 Stat. 822, respectively, which are not classified to the Code

#### AMENDMENTS

1994 - Subsec. (b)(2). Pub. L. 103-325 inserted concluding provisions. 1992 - Subsec. (b)(2). Pub. L. 102-390 amended par. (2) generally. Prior to amendment, par. (2) read as follows: "The Secretary shall redeem from the general fund of the Treasury and cancel and destroy currency referred to in paragraph (1) of this subsection when the currency is presented to the Secretary."

*[Now let's go here:](#)*

TITLE 31 > SUBTITLE IV > CHAPTER 51 > SUBCHAPTER I > Sec. 5103.

Sec. 5103. - Legal tender

United States coins and currency (**including Federal reserve notes and circulating notes of Federal reserve banks** and national banks) are legal tender for all debts, public charges, taxes, and dues. Foreign gold or silver coins are not legal tender for debts.

*Now here is something people do not know in the notes which I will put in **bold-face blue**:*

TITLE 31 > SUBTITLE IV > CHAPTER 51 > SUBCHAPTER I > Sec. 5103.

Notes on Sec. 5103.

#### SOURCE

Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 980

Pub. L. 97-452, Sec. 1(19), Jan. 12, 1983, 96 Stat. 2477.

Historical and Revision Notes 1982 Act

Revised Section Source (U.S. Code) Source (Statutes at Large)  
5103 31:392. 31:456. July 23, 1965, Pub. L. 89-81, Sec. 102, 79  
Stat. 255. R.S. Sec. 3584.

The words "All . . . regardless of when coined or issued" are omitted as unnecessary **because of the restatement**. The word "debts" is substituted for "debts, public and private" to eliminate unnecessary words. The words "public charges, taxes, duties, and dues" **are omitted as included in "debts"**

#### 1983 ACT

This restores to 31:5103 the reference to public charges, taxes, and dues **because they are not considered to be debts**. See, Hagar v. Reclamation District No. 108, 111 U.S. 701, 706 (1884).

#### AMENDMENTS

1983 - Pub. L. 97-452 inserted ", public charges, taxes, and dues" **after "all debts"**.

#### EFFECTIVE DATE OF 1983 AMENDMENT

Amendment effective Sept. 13, 1982, see section 2(i) of Pub. L. 97-452, set out as a note under section 3331 of this title



SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 5112, 5132 of this title.

***Now as to taxation of these "notes" and coin read this:***

TITLE 31 > SUBTITLE IV > CHAPTER 51 > SUBCHAPTER V >  
Sec. 5154.

Sec. 5154. - State taxation

A State or a territory or possession of the United States may tax United States coins and currency (**including Federal reserve notes and circulating notes of Federal reserve banks** and national banks) as money on hand or on deposit in the same way and at the same rate that the State, territory, or possession taxes other forms of money. This section does not affect a law taxing national banks

***Here are the statutes for the above and are you ready for this?  
Read on:***

TITLE 31 > SUBTITLE IV > CHAPTER 51 > SUBCHAPTER V > Sec.  
5154.

Notes on Sec. 5154.

SOURCE

Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 992

Pub. L. 97-452, Sec. 1(22), Jan. 12, 1983, 96 Stat. 2477.

Historical and Revision Notes 1982 Act

Revised Section Source (U.S. Code) Source (Statutes at Large)  
5154 31:425, 426. Aug. 13, 1894, ch. 281, 28 Stat. 278.

The words "United States coins and currency (**including Federal reserve notes and circulating notes of Federal reserve banks** and national banks)" are **substituted for** "Circulating notes of national banking associations and **United States legal tender notes** and other notes and certificates of the United States payable on demand

and circulating or intended to circulate as currency and gold, silver, or other coin" in 31:425 to eliminate unnecessary words and for consistency with section 5103 of the revised title

### **1983 ACT**

**This restates 31:5154 to clarify the intent of the section. See: 26 Cong. Rec. 7152, 7170 (1894).**

### AMENDMENTS

1983 - Pub. L. 97-452 substituted "other forms of money" for "United States coins and currency circulating within its jurisdiction".

### EFFECTIVE DATE OF 1983 AMENDMENT

Amendment effective Sept. 13, 1982, see section 2(i) of Pub. L. 97-452, set out as a note under section 3331 of this title

*So I think you have enough statutes you wanted to show that federal reserve notes, although worthless, ARE considered to be legal tender (offer) as currency of the United States. **The key in all the above relies on that "restatement" of law.** Best to get it and read what they had to say about currency and the worthless note.*

*Now, were you ever "paid" in "money" or evidences of debt? Is that reportable and income when there is no worth attached as stated in Title 26 USC 165 (g) and in the U.S. Treasury Web site quoted above plus all the other sources including the court cases? Would it not be feasible to bring this argument in the administrative forum rather than wait for your butt to be dragged into their court where you will never be allowed to present this as evidence? Better to get it on the administrative record as NOT your argument, but their proofs you have no income with which requires you to file any IRS form whatsoever. Says so, right on your master file, in a code that is theirs, not yours. After all you are hitting them with their own admissions. Never put -0- income on any 1040 or you will have defeated this plain proof that you have no reportable income.. Now you know why the IRS considers your labor value as -0- and anything above that is pure profit to you. Never thought of it that way did you? Well, when is the onslaught gonna happen? Don't take*

*my word for this, read it for yourself and draw your own conclusions from the very statutes I gave you here. This ought to really put the binders on them for a long time once you people see the truth they place before you every day.*

*Peace be with you*

*The Informer*

*2-05-05*

*A fine is a tax you pay for doing wrong, and a tax is a fine you pay for doing all right.*

**#3**

Yesterday, 11:37 PM

**BarnacleBob**

Founding Member

Join Date: Mar 2003  
Location: "Shark Infested Waters"  
Posts: 7,913

**Re: Notes of Debt are not Income**

At one time in my life, I thought I had a handle on the meaning of the word "service". The act of doing things for other people.

Then I heard these service terms:

Internal Revenue Service,  
Postal Service,  
Civil Service,  
Telephone Service,  
Service Stations,  
A O L Service Desk,  
Customer Service,

City/County Public Service.

And I became confused about the word "service."  
This is not what I thought "service" meant.

Then one day, I overheard two farmers talking, and one of them mentioned that he was having a bull service a few of his cows.

SHAZAM!! It all came into perspective. Now I understand what all those "service" agencies are doing to us...

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**"Federal reserve notes shall be redeemed in lawful money on demand at the Treasury Department of the United States, or at any Federal Reserve bank.-  
USC Title 12 Chapter 3, Section 411**

The information contained here was gathered from sources deemed reliable, however, no claim is made as to its accuracy or content. This does not contain specific recommendations to buy or sell at particular prices or times, nor should any of the examples presented be deemed as such.

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#6

Today, 09:47 AM

**Three J Tribe**

Gold Member

Join Date: Nov 2004

Posts: 900

**Re: Notes of Debt are not Income**

This is a truly fascinating topic. Like pouring a "can of worms" down a "deep rabbit hole."

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One thing I know, that, whereas I was blind, now I see.

**Selected "Thoughts" of Hypertiger  
BarnacleBob  
General Discussion  
157  
01-21-2004 01:06 PM**

**We the Collateral, in order to form a more perfect monetary system ....**

=====  
=====  
**And here is more from "The Informer"**

### **OATHS OF OFFICE**

There is much debate on oaths of office of government officials flying around and people have no idea what they are talking about so I decided to let you in on some research and common logical understanding. Almost 100 percent of the people believe the government people should take the oaths and if they don't then when they come after people, like you and me , Mr. and Mrs. John Q .. They have no authority to come after you, you say. What I would like to make certain is that the oath taken to the letter of the law is what they are following when they "come after you." People do not realize that when the oath is cited it is cited for a contract called a constitution of the corporation known as either the State or the United States. It is not taken of, by, or for the people of the country. To prove that states and counties are corporations is found in the North Carolina Library cite on the internet at

<http://statelibrary.dcr.state.nc.us/NC/CNTYOUT/PRECOUNT.HTM#POLITIC> In there is this excerpt and applies to every state in the union.

#### **The County as a Body Politic and Corporate**

A county, as a defined geographic subdivision of the state, serves many purposes. Churches, civic clubs, and other societal institutions use counties as convenient subdivisions for their own purposes. The business world may assign sales territories and franchises to areas composed of one or more counties. The county may play a role in the psychology of people born and raised "in the country" - it serves to establish where they are

from and who they are, thus becoming a part of their personal identity. But the county was created in the first instance by the state as a political unit, and this remains its primary purpose.

More than forty years ago, the North Carolina Supreme Court was called upon to define a county from a legal point of view. (In the case, Wake County was a litigant and the court spoke in terms of that county, but what the Court had to say is equally true of the other ninety-nine counties):

*"Wake County is a body politic and corporate, created by the General Assembly of North Carolina for certain public and political purposes. Its powers as such, both express and implied, are conferred by statutes, enacted from time to time by the General Assembly, and are exercised by its Board of Commissioners .... In the exercise of ordinary government functions, [counties] are simply agencies of the State, constituted for the convenience of local administration in certain portions of the State's territory, and in the exercise of such functions they are subject to almost unlimited legislative control, except when the power is restricted by constitutional provisions."*

The language used by the court is important as it established the definition of a county. A county, according to the court, is a "body politic and corporate." A body politic is a civil division of the state for purposes of governmental administration. A body corporate is a legal entity. In private law, a corporation is a legal person. A county is a legal entity or corporation of a special sort and with a public function. As such, it can buy and hold property, sue and be sued, and enter into contracts - all functions necessary to make its work as a body politic effective.

In *O'Berry, State Treasurer v. Mecklenburg County*, [198 N.C. 357, 151 S.E. 880 ( 1930)], the court stated that "the weight of authority is to effect that all the powers and functions of a county bear reference to the general policy of the State, and are in fact an integral portion of the general administration of State policy. Historically, the primary purpose for erecting a county was to serve state purposes and to perform state functions in a given area rather than to serve the purposes of a particular geographic community. (By way of contrast, a city was primarily formed at the request of the people within its jurisdiction to serve the needs of the

inhabitants.)

For the Supreme Court to say that "all the powers and functions of a county bear reference to the general policy of the State and are in fact an integral portion of the general administration of State policy" is not as restrictive as might at first reading appear. "State policy" is a very broad frame of reference; it can touch any aspect of local government. Thus, the truly significant nugget in the Supreme Court's definition of the role of counties is its statement that in the exercise of their functions, counties "are subject to almost unlimited legislative control, except when the power is restricted by constitutional provisions." In effect, if the General Assembly can be persuaded to assign counties any given power or responsibility, and, if the Constitution does not prohibit it, that assignment becomes state policy for county administration.

Now that you have irrefutable proof that you , when calling yourself a "state citizen" are an integral part of a corporate body and you yourself take on the **character** of a legal entity called a "person". All statutes are private corporate law and they all address a "person" and not a man. The common law of God would address a man and that's why there is no common law anymore when dealing with statutes which are all corporate in nature. Now you know why they refer to you as person. This I had explained on the articles on atgpress.com and in my book, *The New History of America* , and in *Which One Are You* published back in 1990. In fact I include here one small portion of *Which One Are You* here to show even back then I was on point.

What was the American before he "resided" in a State? Wasn't he a "free white person?" See Works of John Adams, 213 and Thayer, Cases on Constitutional Law, note on page 459, stated in part:

"The proper english meaning of the term `citizen' imported membership of a borough or **local municipal corporation**. The usual word for a man's political relation to the **monarch** of the state was `subject'. . . . The word

`citizen' is not found in any of our state constitutions before that of Massachusetts (1780); . . . In the Declaration of Independence (1776), we read it once, `He has restrained our fellow citizens,' etc. and once in the Articles of Confederation."

Yet no one will take the time to understand what I had written was all documented and then proceed to engage in arguments with each other that go nowhere except on a merry- go- round. So, both the State government and the United States government are corporate entities of the Crown/Vatican cabal and the people you call criminals are just obeying the contract set upon them when they took office. With that in mind we go to oaths.

The oath thus states in part; I, ..... do solemnly swear (or affirm) that I will support, obey, and defend the Constitution ...

Now we go to the paper called the Constitution of the United States. The two **main** parts that this oath apply are Article VI and the 14th Amendment Paragraph three. Remember that the oath is to a contract that they have to abide by and nothing else. You are not involved nor mentioned in the oath and with good reason. So let's see what they are abiding with.

### **First is the oath to Article VI.**

United States Article VI protects the debt owed to the creditor King by each debtor colony. It protects the treaties the Colonies had with the King and proves the works of James Montgomery that we are still under the control of the King by treaty.

**Article VI, U.S. Constitution. 1.** All Debts contracted and Engagements entered into,



before the Adoption of this Constitution, shall be as valid as against the United States under this Constitution, as under the Confederation. [The King's money and debt is protected and this is their solemn oath they take.]

2. This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made [the treaty of 1606 and 1782 made with the King], or which shall be made [Jay's treaty of 1792 with the King], under the Authority of the United States, shall be the supreme Law of the Land; [despite anything to the contrary Treaties are part of the Constitution and reign supreme over all you people despite the fact you have nothing to do with it. You said it's your constitution, live with it and don't complain]; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding."

To prove these treaties are the "Law of the Land" here is what the HAMILTON v. EATON, 1 N.C. 641 (1796), HAMILTON v. EATON. 2 Mart., 1. U.S. Circuit Court. (June Term, 1796.), had to say.

"Headnote 5. Besides, the treaty of 1783 was declared by an Act of Assembly of this State passed in 1787, to be law in this State, and this State by adopting the Constitution of the United States in 1789, declared the treaty to be the supreme law of the land. The treaty now

under consideration was made, on the part of the United States, by a Congress composed of deputies from each state, to whom were delegated by the articles of confederation, expressly, "the sole and exclusive right and power of entering into treaties and alliances"; and being ratified and made by them, it became a complete national act, and the act and law of every state.

If, however, a subsequent sanction of this State was at all necessary to make the treaty law here, it has been had and repeated. By a statute passed in 1787, the treaty was declared to be law in this State, and the courts of law and equity were enjoined to govern their decisions accordingly. And in 1789 was adopted here the present Constitution of the United States, which declared that all treaties made, or which should be made under the authority of the United States, should be the supreme law of the land; and that the judges in every state should be bound thereby; anything in the Constitution or laws of any state to the contrary notwithstanding. Surely, then, the treaty is now law in this State, and the confiscation act, so far as the treaty interferes with it, is annulled."

Evidence what was stated by the same court; that those that join the State are "**SUBJECTS**" not sovereigns:

"By an act of the Legislature of North Carolina, passed in April, 1777, it was, among other things, enacted, "That all persons, being subjects of this State, and now living therein, or who shall hereafter come to live therein, who have traded immediately to Great

Britain or Ireland, within ten years last past, in their own right, or acted as factors, storekeepers, or agents here, or in any of the United States of America, for merchants residing in Great Britain or Ireland, shall take an oath of abjuration and allegiance, or depart out of the State."

Well I told you that the masses just traded kings and are now "citizens" (slaves) of a State rather than the King of England. The Declaration took you out from under the King but left the people worse off, because they became the credit of the State to pay the King's money that the people were indebted to in the first place. **This is an excerpt from my book The New History of America**

Now that you know what the paramount reason for the US Constitution was, how can we say the government officials are shrugging their oath and not obeying it? They are very much in conformance to that oath that they defend the Crowns property and to make sure that treaties before 1787 and immediately after it, like they knew Jay's treaty of 1791 was to be consummated, were adhered to. You cannot say no to this. So lets go to the 14th Amendment and see if they are following their oaths to obey and defend the contract of the corporations (state and federal).

But before we do we must set the stage for the reason the judges are only following their oath to the contract, which is in no way directed to you as you are not a party to the contract and never were. I will get to the Bill of Rights later.

Bouviere's Law Dictionary defines Insurgent as, "One who is concerned in an insurrection. He differs from a rebel in this, that rebel is always understood in a bad sense, or one who unjustly opposes the constituted authorities; insurgent may be one who justly opposes the

tyranny of constituted authorities. The colonists who opposed the tyranny of the English government were insurgents, not rebels."

As a side note , the 1933 trading with the enemy Act did not, I repeat, DID NOT make you the enemy of the United States despite what anyone says or writes about it. What it did was make you the enemy of the banks and that's why the banks were closed for 6 days so the President could issue them licenses to deal with the enemy, A.K.A. the American people. Your ancestors were already the enemy starting 1863, therefore, you too are the enemy and there is nothing you can do about that unless you want to declare war against this government who is the conqueror. We are a people under conquest and if you have not read up on conquest I suggest you do so, soon. James Montgomery is the expert on this and has written extensively about it.

Now we go to Article 149 of the Lieber Code or General Order 100 of President Lincoln, who, prior to this, through 12 Stat 319, made you the enemy of the "State". That 1863 statute was never repealed and exists in Title 50 Sections 212, 213 and 215 as well as in Title 28 sections 2461 to 2465 seizure. If you do not believe me go and pull those Title 50 sections and go to the source law. Also note what Title 50 is named. So they still, unbeknownst to you, operate under this General Order 100. This is the part that they use against us today because remember, WE ARE STILL THE ENEMY INSURGENTS when attacking any laws of government.  
Read carefully.

The Lieber Code of 1863

CORRESPONDENCE, ORDERS, REPORTS, AND RETURNS OF  
THE  
UNION AUTHORITIES  
FROM JANUARY 1 TO DECEMBER 31, 1863.  
--#7 O.R.--SERIES III--VOLUME III [S# 124]

GENERAL ORDERS No. 100.  
WAR DEPT., ADJT. GENERAL'S OFFICE,  
Washington, April 24, 1863.

PAGE 28 of 30

The following "Instructions for the Government of Armies of the United States in the Field," prepared by Francis Lieber, LL.D., and revised by a board of officers, of which Maj. Gen. E. A. Hitchcock is president, having been approved by the President of the United States, he commands that they be published for the information of all concerned.

SECTION X.--Insurrection-- Civil war--Rebellion.

149. Insurrection is the rising of people in arms against their government, or portion of it, or against one or more of its laws, or against an officer or officers of the government. It may be confined to mere armed resistance, or it may have greater ends in view.

Now, "**when we go against one or more of its laws**", and that is the income tax laws, the Registration laws, the Driver license laws or any one of the multitude of laws they make, we are in insurrection because we are, remember, the enemy. When we defy an officer collecting revenue by any means then we are going "**against an officer or officers**" and are therefore considered dangerous and an insurrectionist.

In comes the 14th amendment paragraph to which the judge took his oath to obey. It states-- "No person shall be a Senator or Representative in Congress, or elector of President and Vice President, or hold any office, civil or military, under the United States, or under any State, who having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against same, or given aid or comfort to the enemies thereof. But Congress may by vote of two-thirds of each House, remove such disabilities.

Please note the passage "**or given aid or comfort to the enemies thereof**". This is a key part because the judges are bound by oath to obey Article VI as to the debts to be paid and this paragraph three. You might

see that paragraph four states that we cannot question the debt. We are a declared enemy under 12 Stat 319 and a declared enemy of the banks under section 5 b of the Trading with the Enemy Act that was not repealed with the rest of the act. Then if the judge, in ruling in the enemy's favor in any revenue laws, would be violating his oath of office. So you cannot complain that they are not following the oath of office. If ruling against the IRS they would then be violating their oath to protect the status quo of the corporation.

We now proceed to the oath as was stated above. No where did they state in the oath that they were to obey the Bill of Rights as that is a separate document only dealing with United States citizens. It carries its own Preamble. It does not deal with the people in the states. The ultimate case for this is the John Barron vs the Mayor and the City of Baltimore, which I have gone into detail on the atgpress.com site, so there is no need to go into and rehash it here. Too many people have understood this Bill of Rights to be the Constitution. Again, it is not and rather to go into it here; that too is on the atgpress.com site.

In conclusion the judges are really obeying the contract that they have with the states and the Crown and they have no contract with you, the private man. See 14 Ga 438, Padleford and Fay vs the Mayor and City of Savannah. But you, as the private man, are a man under conquest and you better understand that because that misunderstanding is your downfall and why you cry that the judges are not obeying the contract. You just have been lied to all your lives and believe all the myths from the inception of this government called the United States, that that contract was formed by people like you, for you. That is the biggest lie in history. In fact I wrote an article called The Big Lie and the Big Lie II. In order to understand conquest I suggest you read James Montgomery's articles on atgpress.com under Knowledge is Freedom.

Sincerely  
The Informer 7-24-2002