

**NORFED REPORT:**  
**VOL. 2 NO. 7**  
**JULY 2000**

Welcome Fellow Redemption  
Centers:

**EDITOR'S NOTE:** NO THE  
FEDS DIDN'T GET US! Sorry for  
the delay in emailing this edition of  
the NORFED Report. If any of you  
have tried to email NORFED, you  
know already that **our email has  
been down for over a week** as  
your email was returned or  
unanswered. My apologies. The  
good news is that our web site  
problems are a result of posting a  
new, improved and much faster  
NORFED site. Check it out! And if  
you sent any emails and they have  
not been answered, please re-  
send...the feds didn't get  
us...Thanks again for all your  
support and efforts to return  
America to value – one dollar at a  
time.

**THE BIG NEWS:** No tax on  
shipments to Canada...Answers to  
storage fees, etc...Major  
development for an offshore  
entity...Great issue by Media  
Bypass...shirts...caps Outstanding  
efforts by We The People...a  
poll...and more short and simple  
info...

**PLEASE READ THE FIRST 4**  
**ARTICLES**  
**IMMEDIATELY**

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## **1. No Canadian Tax on American Liberty Dollars!**

Due to the outstanding efforts by, Ms. Sylvia Rose Rast, a new Canadian Redemption Center; the extraordinarily high costs of sending the American Liberty Dollars in Canada has been eliminated. Everyone in Canada should send a thank you to Ms. Rast for her efforts. NORFED is now shipping under excise Tax Schedule #7 and under Exemption Tariff #4907009090.

Unfortunately, we can not get the previous duties back, but it appears to be smooth sailing with no duty now. Congratulations Canada!

## **2. Expiration Date, Unclaimed Currency and Storage fees...**

Without a doubt, the Question(s) of the Month pertains to why there is an expiration date, what happens to the unclaimed currency after twenty years and how expensive is the storage fees? As the American Liberty Currency (Dollar) is a warehouse receipt that is a legal

instrument based on the Uniform Commercial Code (UCC); an Issue Date and an Expiration Date are two of the seven parts as required by the UCC. No expiration date, no legal instrument. But wait, if you read the Terms of the Warehouse Receipt, it says: "...shall expire unless renewed or surrendered within twenty (20) years from date of issue." Of course "surrendered" pertains to when you surrender your warehouse receipt to NORFED for redemption, but what is "renewed"? When silver rises over \$10.00 per ounce, NORFED will issue a new Twenty Dollar Silver Certificate (\$20 SC) backed by one Troy ounce of silver. When you trade your old Ten Dollar Silver Certificate backed by one Troy ounce of silver for the new \$20 SC it will contain a "(re)new(ed)" Issue Date and of course a renewed Expiration Date. And if this happened in the first five years of the prepaid storage fee, then you would have an additional five years of free storage! (For a complete explanation of the issue of the new \$20SC please consult the Redemption Center information you received or the NORFED web site as the new \$20 SC will be issued before silver rises to \$10 per ounce due to overhead costs, referral fees, etc...) Storage fee is defined as: "Storage and insurance fees are one percent (1%) per year of the value of silver prorated at the time of surrender." First, the 1% is the industry standard, used by MATS in Switzerland, e-gold, most depositories and of course NORFED. Second, the first five years are prepaid. Third, if the cost of silver never raised over \$5/per ounce, or more on target, was \$5/per ounce "at the time of surrender" then the storage would be a measly \$5.00 times 0.01 times 15 which equal 75 Cents if you held the Currency to the very last day of the twenty years. The cost is only a nickel per year for the convenience of \$10.00 Liberty Dollar Certificate versus lugging around a one ounce Silver Liberty.

It is only a half a cent per year for one ALDollar. Just compare that to the cost of taxes...it is very inexpensive! And if silver was \$20 per ounce on the day you surrendered your ALD for redemption the storage and insurance fee would be all of \$3.00 per Certificate backed by one ounce of silver. So you have used the ounce for 20 years, it has doubled in value and costs you \$3.00, this is still an amazingly cheap service... What happens to the gold and silver that is not redeemed at the end of the "twenty years"? All non-redeemed gold and silver goes to NORFED to first satisfy all outstanding debts and second to continue its mission to repeal the Federal Reserve Act and return America to value – one dollar at a time.

### **3. First step towards a "Bank"**

Those interested in being a part of the evolving effort to initiate a 100% value backed bank may wish to inquire about a new offshore entity which is its first step. Inquires with \$10,000 minimum are now being accepted. If you are interested, please contact me via email: [bernard@libertydollar.org](mailto:bernard@libertydollar.org) and please put "bank" in the subject field.

### **4. Media Bypass tax article**

As many of you know, NORFED occupies the same building as Media Bypass magazine and that its publisher. Jim Thomas, was the national coordinator for the introduction of the American Liberty Dollars. Apart from that close relationship, it is my pleasure to bring the latest issue to your attention as it is simply outstanding. Please note that **Appendix I** contains the cover story about Mr. Dick Simkanin,

president of Arrow Plastics and yet another American who is strong enough in his moral convictions to NOT withhold any taxes from his 50 employees. I encourage everyone who has not read this amazing story of one man's enlightenment and action to read this story and subscribe to Media Bypass! This is a great magazine of our times that deserves your support as you deserve its valuable and forceful articles. To subscribe call: 800.4.BYPASS –mention NORFED.

## **5. We the People – USA Today ad.**

Equally outstanding this month is Mr. Bob Schulz's efforts with the "WE THE PEOPLE" organization! I can only hope you are well aware of Bob's [Remonstrance](#) and his four conferences regarding the IRS. Of particular interest should be his forceful, full-page ad in the USA Today on July 7, 2000. Copies are now available and circulating widely. Please note **Appendix II** for a copy. Printed copies are available from WE THE PEOPLE: [www.givemeliberty.org](http://www.givemeliberty.org). Get involved! We the People ARE winning!

## **6. NORFED T-shirts and caps**

The unstoppable Tom Curtis, one of our most active Redemption Centers has outdone himself by issuing NORFED T-shirts and caps. They both carry NORFED's new logo that is on the new Acceptance Stickers. Both the T-shirt and caps are very reasonably priced at only \$10.00 each. The shirts are 100% cotton and the caps are very well made and fully adjustable. Please call the NORFED office to be the first on your block to wear sign of The Liberty Dollar logo. Please support Tom's efforts to support NORFED

for only \$10, plus they make great gifts too.

## **7. Regarding my non-filing**

Never have I gotten so many emails, as I have recently with more and more people watching the PSI/Las Vegas video of my talk. Although I am happy to have the response and support for my actions, I am NOT an IRS expert. The problems in "dealing" with the IRS, is that there is no sure way. What works for someone will not work for someone else. We are all on our own and all together against the IRS. Just look at Bob Schulz's USA Today ad, contact his website: [www.givemeliberty.org](http://www.givemeliberty.org) and the other web sites listed. There is more than adequate info for anyone to follow. There has never been a better nor easier time to exit the system. Just Do it! Get out now!

## **8. Round 2: "Know your customer"**

"They" are at it again! They want America to fold into "their" global monetary system by making the banking industry a snitch organization. Round 2 is now building under the idea that it is just the "offshore" "international" bank accounts that need to be spied on. Don't believe it. This is just another "incrementalist" move towards totalitarianism. Please read **Appendix III** – "Round 2: Know your customer". We should not be "known". Money should be anonymous! This is more government propaganda at its finest!

## **9. Readership poll**

This is a quick test to see how many people actually get to this

point. If you read this, please respond by clicking "reply". No message is necessary, unless you want to. We just want to see how many people are reading the NORFED Report this deeply. Many thanks for all your support. Remember, your comments are always welcome.

## **10. Video feed back/problems**

Well we knew going into summer was not the best time to issue the video. ...but we could not resist getting the IPS/Las Vegas video out to the Redemption Centers. Unfortunately, we have discovered that nearly everyone's grillin', swimmin' and fishin' and we have not received much reply on the video. Although, those who have seen it have found it to be a great aid to their Redemption Center, unfortunately most have not seen it. The unfortunate part of all this is that NORFED put out over \$5000 for the tape and mailing and little of this money has flowed back into the organization. If you are one who has not found time to watch the video and are reading this Report...please give it a go and let us hear from you. Thanks.

## **11. Three articles about the NORFED Currency**

This month, in the dead of summer, three articles have appeared about NORFED. The Foundation for Economic Education featured an article, "Competitor for the Fed?" by Professor Lawrence H. White in their latest issue of ***Ideas on Liberty***. Dr. White is a staunch Austrian economist with a Ph.D. in economics and just moved to occupy the F. A. Hayek Chair at the University of Missouri in St.

Louis. Contact FEE's web site at [www.fee.org](http://www.fee.org) to read the article. **Silicon Alley**, an East Coast e-magazine informed us of an article about the NORFED currency by Leo Jakobson. At the time of this posting the article was not available on line but their web site is [www.siliconalleyreporter.com](http://www.siliconalleyreporter.com). "National group mints its own dough to take control from government" by Kelley O. Beaucar for **ConservativeHQ.com** is the third outstanding article. The article can be found at their web site: <http://www.conservativehq.com/chq/displayarticle?articleId=1582>

All three articles will be posted on the NORFED site ASAP under NEWS & UPDATES located on the side bar.

## 12. Winning Story of the Month

Submitted by Doug Stehling/Redemption Center on July 2, 2000"

It was a spur of the moment thing, and although I was sure that most chain stores are not accepting ALCs yet, I decided to go ahead and ask the young man at the checkout in the electronics department at Walmart in Faribault, MN if they were accepting the new American Liberty Currency (ALC) yet. He didn't know, so he called his supervisor to find out.

Well, much to my surprise, he said "Yes"! Well, I was amazed! Normally, I do not like to shop at Walmart, but now I will be pleased to give them some of my business, now that they are helping the American people regain their country.

Then, just a little later, after picking



up a few more items, I decided to ask again at the main checkout lines if they were accepting the ALC yet. The lady had not seen it before, and asked her supervisor who was nearby. The supervisor told her "yes" and then shouted out to another clerk, "Hey, here is the new American Liberty Currency people have been asking about!", and then she held it up for all of the customers and checkouts to see.

So, you see, it pays to think "out of the box" of your own self-imposed limitations, and just ask about the ALC -- even in the most unlikely "corporate" situations!

PS And, speaking about "out of the box" thinking, you should risk having a "Matrix" experience yourself, by clicking on my new web site at:

<http://skyboom.com/freedomnews>

## 13. Personal

Thank you very much Doug and all the other active Redemption Centers...and the "choir" who has penetrated this far into the Report. As I toil away down here in Florida, it is a simple fact that summer is a time for the great outdoors and rightly so. So look forward to major changes as we all get back into the swing of things and the election bs covers us all...My heartfelt thanks also to Ms. Annie Miller Taber and others who answered my call to meet while I am in the Northwest for the Annual Audit and Tour of Sunshine. I am looking forward to meeting as many RCs as possible while in the Northwest area...so if you are interested in holding a rally, sharing a beer or have a place for me to stay a night, please let me know as I prefer to stay with RCs... With your continued help we can Change the Money / Change the Country.

Thanks again for all your support and efforts to return America to value and take back our inalienable rights to liberty – one dollar at a time.

That's it. Wishing you a great day.

**APPENDIX I: MEDIA BYPASS  
ARTICLE:**

## **Company CEO Obeyes the Law**

### **Arrow Plastics Stops IRS Withholding; No Law Requires It!**

**by Pat Shannan**

Dick Simkanin, 56, is the 1978 founder of Arrow Custom Plastics in Bedford, Texas, and for the first half century of his life he labored - as do most Americans - under the misinformation of the Internal Revenue laws. An engineering graduate from the University of Akron, he moved to Texas a quarter century ago and soon began his plastics company. As prototype tool builders and molders, Arrow occupies a 23,000 square foot facility, employs nearly 50 workers and produces an annual volume of over \$4,000,000.

Six years ago, Simkanin was enlightened by a friend to the fact that he just might be one of the majority who is not required to submit to the withholding and filing statutes imposed by IRS. Of course, his reaction was the same as that of any of us when we are first confronted with such shocking information. After all, surely the government would not deceive us!

"I sort of wrote the guy off but had the good fortune to run into him about a month later, and he gave me a book entitled Secrets of the Federal Reserve by Eustace Mullins. I was fascinated, couldn't put it down, and went through the whole book in about two days." Simkanin began to realize that "there just might be something to this." He continued his study and eventually drifted into the area of the Fed's twin sister of deception, the Internal Revenue Service.

Open-minded and thirsty for truth and knowledge, Simkanin began to understand the deception under which he had been living and operating a business. He began to see the fact that people cannot be independent, self-governing and free unless those in public office are dependent upon being paid with something the people produce, be it gold, silver, corn, coal or oil. The Constitution restricts this to gold and silver coins. But this was stripped away by federal statutes and without a lawful amendment. When we became dependent on ink and paper that those in public office print without restraint, the government became our masters and we became its slaves.

But as Mr. Simkanin so deftly points out, this law, while still on the books, can no longer exist in practice.

"As far as lawful money goes, I understand all of those arguments and they are valid, but what choices do we have?" Simkanin asks. "We have been duped into using a Federal Reserve Note as 'money,' while it is not money at all. But while the Federal Reserve Note is nothing more than ink on paper, we have been given no choice but use this fiat money as money. That's where my study actually got started.

"The income tax laws, as written, are perfectly constitutional. But if you don't fall into a taxable excise

activity, then you don't owe an income tax. That, in essence, is the core of our stand." Mr. Simkanin agrees with Dave Bosset, the Clearwater, Fla., accountant featured on these pages a few months ago who doesn't want to abolish the IRS at all. "Let's just all obey the law as written."

Mr. Bosset pointed out to the "We the People Congress" in Washington, D.C., last November that unless one receives remuneration from a source listed in 26 CFR Sec. 1.861-8(f)(1), there is no tax liability. These include U.S. citizens working abroad and foreign corporations or individuals earning within the United States. It does not include U.S. citizens living and working within the 50 states.

If there ever was a "Silver Bullet" of truth, this is it. State citizens need only obey the law as written. Why protest a law that does not apply to most of us in the first place? Rather than "Taxation without Representation," this may have evolved into "Involuntary Misrepresentation of Non-Taxation through Coercion."

Not only did the IRS, once presented with its own law, have to agree with Bosset, but the agency abated all of his taxes for the previous two years and began refunding with interest the moneys Mr. Bosset had withheld as their employer from some 500 people. The law simply did not fit the case, and they knew it.

Our colleague Tupper Saussy said, "If an alien doesn't like the income tax system, let him or her depart." The problem, of course, is that American citizens have been detoured into obeying a law that does not in any way apply to them. And if that citizen volunteers to be an "alien" and sends money to a government agency, why should that agency argue? It has been

receiving most of its remuneration in this manner for years.

### **Arrow Did Its Homework**

After preparing its employees in Texas for three months last year with education on the law - straight out of the IRS Code - Arrow Plastics stopped all withholding of taxes from its 45 employees on Jan 1.

*"There is a principle which is a bar against all information, which cannot fail to keep a man in everlasting ignorance - that principle is contempt prior to investigation." - Herbert Spencer, British philosopher*

Simkanin says that a few of the people were bothered by the fact that they now believe that they have to take responsibility to pay their own taxes.

With a classic demonstration of Cognitive Dissonance, two employees actually quit because of the new tax posture Arrow has taken. According to Mr. Simkanin, the rest have taken a "wait and see" attitude.

About half have said that they would not file this year based on the education they have been given by the company. Simkanin has made it plain that he is only giving education and not advice. If his workers determine that they are liable for the taxes, it is their business and not Arrow's.

On January 31, Arrow Custom Plastics filed corrected and amended W-2s, 941s, 940s and 1099s for the past three years. This involved \$2,954,607 in remuneration. Matching funds totaling \$240,000 from company contributions to Social Security are awaiting a reply for a refund.

The company hired four new people in January. When told that Social Security numbers nor signed W-4 forms would not be required, they were delighted, especially after hearing an explanation as to why this information was not needed. Simkanin explained to us as he had to them:

"Arrow does not have the authority nor the police power to determine if the people who work for the business either are or are not responsible for any tax whatsoever. Also, Arrow has determined that it is not an agent for any government agency, including the IRS.

"In the past, Arrow has acted as an agent, free of charge, for the IRS and extracted funds from every worker and passed it along to the IRS. Arrow has determined that this could be construed a conspiracy with the IRS to defraud the people that work for Arrow and Arrow no longer wished to participate in such an activity."

Arrow Custom Plastics has not capriciously reached this decision with arbitrary and willful intent. When Dick Simkanin consulted with Attorney Ed Rivera of California, he discovered that the attorney had reached the same conclusion six years ago himself and attempts daily to explain the law to all who will listen or read his website ([www.edrivera.com](http://www.edrivera.com)). Aware that the government's effort to trick people into thinking the income tax applies to everyone who earns a living, Rivera points out that, consequently, most people think that it is a crime to not "file" an income tax "return."

Rivera explains:

"First of all, there is no place in the code (except in the titles, which are meaningless), where it states that an individual must file a return. What it says is that an individual who is liable is required to make a return. If you look under the IRC

section 6696 you will see that the definition of the term 'return' means: 'Any return of any tax imposed by subtitle.' Those definitions are limited to sections 6664 and 6695. Both of those sections refer to the understatement of a taxpayer's liability by the income tax preparer, so if a tax liability is under reported they have to return, or give back the money.

"Now in law words mean what they say and say what they mean. So when the law says that those who are liable are required to 'make a return,' it means just that. Here is the question: How can a return of money be sent to the government unless the income originated from a government source? This is just one little point that establishes his teachings that the income tax is imposed on certain sources that derive income from the government. That is because the Federal Government only has power to impose the income tax on its own territories or those who do business with it. When the code is read from that perspective it all starts falling into place.

"Where the code is speaking of interest, dividends, foreigners, profit from services or business, corporations, partnerships, employers, employees, gross income, or any other source of income - the liability of the income tax stems from the source deriving its funds from the federal government."

For years the IRS has used its "Notice of Levy" to terrorize corporations into unlawfully turning over the funds of others. On the flip side of these notices, IRS prints "Excerpts from the Code" and begins with Section 6331(b); very cleverly leaving out 6331(a). With (a) omitted, corporation principals are easily led to believe that they are required to submit to this extortion. But with (a) included, it is quite obvious that only government employers are

liable. See for yourself. This is (in part) to what attorney Rivera refers in the paragraph above:

Sec. 6331 (a). Levy and Distrain –  
"...Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer (as defined in Section 3401[(d)] of such officer, employee, or elected official."

Section 3401(d) further defines "Employee" as one who works for the government only.

In order to behave within the law, corporations which receive Notices of Levy from the IRS should respond with the demand for a court order before turning over the funds of one of its workers. Otherwise, it could be legally constructed by a lawyer with the knowledge of Mr. Rivera that the corporation was a participant in a conspiracy with the IRS to defraud the worker.

Mr. Simkanin has received hundreds of letters of support from all over the country the past few months. Ironically, on the morning of our telephonic interview, he read one to us he had just received from a former IRS Agent, Accountant, and longtime tax adviser and Certified Financial Planner in North Carolina.

The astute tax advisor, who prefers privacy for now, congratulated Dick Simkanin on his lawful stand and called it a wave of honesty that is growing in the country, "Thanks to the Lord," and further said, "...for years I have attempted to cause my clients to do the same thing, but old habits are hard to break." He further applauded Mr. Simkanin for the stopping of the "stealing" from his workers, parenthetically adding not



employees, and offered his help with those workers who might feel they are doing something wrong and that the company should continue withholding. "I have some suggestions that might be of assistance," he said.

The former agent offered an illuminating anecdote on the subject:

A couple of years ago I was in need of a secretary at about the same time that I was needing some repairs done to the office building that I used. The young lady, Pat (about 22 years old), who accepted the secretary's job had started her first day of work and it was late morning before we got around to discussing the mechanics of her pay. About that same time, Frank, the man that I had located to do the repairs shows up. Frank is over 70 years old.

Right before Frank shows up I told Pat that I had good news and that she was going to get to keep everything that she earned. She looked at me credulously with a look like "why wouldn't I get to keep everything." She asked what I meant by my statement, and I told her that if she earned a dollar (FRN) she was going to get paid a dollar. After a puzzled look and an apparent thought finding its way through her head, she asked, "What about my taxes?" I said what about what taxes? She said, "Aren't you going to withhold taxes from my pay?"

When I told her that I was not going to be responsible for any of her personal expenses, whether it was her "taxes" or her groceries, she said that she could not work for me unless I withheld taxes from her. When I repeated the payment plan of paying her all that she earned, she said that she could not work for me and left.

Within the hour Frank shows up. Before we got down to discussing

what needed to be done, he says to me: "You ain't going to take out taxes from my pay are you?" When I said that I was not, he said, "Good, because if you was (sic), I was not going to be able to work for you."

"I guess that extra 50 years of living in this Union added a little knowledge to Frank," he said.

Similarly, in Jackson, Miss., for the past two years, activist James Kelly has offered via his business card a \$5,000 reward to anyone who can produce the law that makes one liable for the income tax. Kelly reports that he gets many harassing phone calls, accusing him of being insane, but no takers. "If I am so crazy," says Kelly, "why don't they just prove their point and collect the \$5,000 from me?"

A year ago in April, our cover story was that of Joe Banister, the IRS/CID gun-toting Agent who turned in his badge rather than continue to live a lie. After being prompted by several layman researchers, Banister discovered the law for himself and began to ask questions of his superiors. He asked questions such as 1) How the income tax funds anything at all when credit money is created at will from the top; 2) Whether or not the 16th Amendment ever was properly ratified, and 3) Is the filing of forms mandatory or voluntary?

Rather than answer these simple but sensitive questions, the IRS preferred to accept his resignation from his \$76,000 position. Banister, as a Certified Public Accountant, has hung a shingle and today advises others on the truth in the law.

*"Integrity has no need of rules." -  
Albert Camus (1913-1960)*

Through the efforts of researchers who attempted to enforce the law in their own cases, this writer

discovered the deceiving practice of the IRS nearly 20 years ago. Many of these early fighters for truth had their financial lives destroyed. Some, such as Gordon Kahl, lost their lives to the battle. A few won. When this reporter inquired of the IRS that someone please define a dollar, the question was ignored and I was labeled on their files as "an illegal tax protestor."

After getting no answer to my subsequent question of "What is a legal tax protestor?" I decided that, indeed, by someone's measurement, I must have been protesting an illegal tax. But if the dispensers of deceit wish to label me, I wish they would refer to me as an unlawful money protestor. Give me lawful money and I will be happy to pay all of the lawful taxes. Taxes enumerated in legal tender fund only the tyrannical bureaucracy.

However, Godly truth will always prevail over satanic lies, and as more courageous Americans step forward, as has Dick Simkanin, the mendacity of the IRS will be fully exposed to the confused multitudes and overthrown again.

Meanwhile, it is reported that 42 million former "taxpayers" have awakened and dropped out, perhaps realizing several of the basic deceptions. It is impossible to confirm this figure, if attempting to derive answers from the despot, who will not even define a "dollar," but it is not difficult to understand the law. (The statutes are another thing.)

With lawful money defined as a measurement of gold or silver, it is impossible to pay lawful taxes with paper or credit. One can only pretend to pay, and by so complying, one will be considered a "good citizen" and left alone. Even the U.S. Code, sacrosanct to federal prosecutors, tells us in 12 USC 152, "The terms 'lawful

money' and 'lawful money of the United States' shall be construed to mean gold and silver coin of the United States." Plain enough?

Article One, Section 10 of the Constitution says, "No State shall make any thing but gold and silver coin a payment in tender of debts." It has never been amended. How then, can any merchant calculate even a sales tax based on receipts of paper? Not only, as Dick Simkanin uncovered, is he/she acting as an unpaid agent of government but is also conspiring with the state to break the law and defraud the purchaser. How can one lawfully pay a sales tax to the State in any other substance than that required by law?

*"Thou shalt not have in thy bag divers weights, a great and a small. Thou shalt not have in thine house divers measures, a great and a small. But thou shalt have a perfect and just weight, a perfect and just measure shalt thou have: that thy days may be lengthened in the land which the Lord thy God giveth thee." - Deut. 13-15.*

Christian Americans who wish to "obey God rather than man" (Acts 5:29) should reevaluate the "dumbing down" issued from their Sunday morning corporate pulpits and read their own Bibles for themselves. Render unto Caesar? Caesar was the master of slaves! The American people were masters over the Washington servants until the situation was reversed with the corruption of the money.

What about Exodus 23:1? "Thou shalt not raise false reports." To file a 1040 form each April and report an income of dollars with no receipts of silver coins is to raise a false report. The first step in correcting this has been to require the IRS to define its terms, "income" and "dollar," which it has always avoided doing. The better step may now be to have them clarify 26 CFR, as approached by

Dave Bosset and now Dick Simkanin.

Within this article and throughout this magazine are truths uncovered from years of research and court appearances. But the reader should not take the word of anyone in determining what should be done and not done. One should study the law for himself and draw his/her own conclusions. The way has been paved by truth seekers who have gone before us.

From its "Opportunities" page of potential employment positions, Arrow Plastics states:

"Arrow Custom Plastics is a unique company. It holds to the belief that in a free country, people should be free to pursue the opportunities of their choice. The company also believes that its employees should receive 100 percent of their compensation. Therefore, the company does not deduct anything from employee paychecks.

"Since Arrow Custom Plastics is a private domestic company, it is not required to report any information to the federal government, including the IRS... Do not take the word of anyone concerning what you can or cannot do. Study the law for yourself and draw your own conclusions. In other words, understand what you are doing before you do it. The Internet is a great source for all that knowledge, but, remember, there's a lot of misinformation out there as well."

When a few thousand more companies catch on to the truth, Americans will break out of the government stronghold and the country will become great once again. It is only a matter of obeying the law. What is so difficult about asking the question of those who were hired to enforce the law as written? Oh, ye of little faith!

**APPENDIX II: WE THE  
PEOPLE ARTICLE:**

With special thanks to Mr. Bob  
Schulz



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**Text of Full Page Ad Run in USA Today on Friday, July 7, 2000:**

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Dear *We The People:*

- **MOST CITIZENS ARE NOT REQUIRED TO FILE AN INCOME TAX RETURN**
- **THE 16TH ("INCOME TAX") AMENDMENT TO THE CONSTITUTION IS A**
- **IF YOU FILE, YOU WAIVE YOUR 5th AMENDMENT RIGHTS**

These are the major points expressed in a [Remonstrance](#), that was hand delivered to leaders of the federal government on April 13, 2000, by a group of citizen-delegates representing all 50 states. *concern alleged illegal operations of the federal income tax system and the IRS.*

The [Remonstrance](#) was signed by thousands of citizens, and was delivered as part of an event at the People Foundation for Constitutional Education, a not-for-profit corporation dedicated to research on matters of taxation & governance.

**THE MAIN PROPOSITIONS OF THE [REMONSTRANCE](#) ARE:**

1) The 16th amendment to the U.S. Constitution (the "income tax amendment") was fraudulently proclaimed to be ratified in 1913. Exhaustive legal research from both state and national archives has conclusively shown that the amendment did not even come close to being legally approved by the required number of states.

**The Courts have refused to hear this issue.**

*"[Defendant] Stahl's claim that ratification of the 16th Amendment was fraudulently certified is a political question because we could not undertake independent resolution of this issue without respect due coordinate branches of government...."*

**U.S. v Stahl**

2) Filing a federal income tax return is, in fact, voluntary, because there is no statute or regulation requiring it.

vast majority of U.S. citizens to file and pay income taxes -- or to have taxes withheld from the

**Neither the IRS nor the Congress can cite an authorizing law or regulation**

3) Citizens cannot "voluntarily" file a federal income tax return without surrendering their 5th to bear witness against themselves.

**You can be criminally prosecuted for your "voluntary" return.**

Robert Schulz, chairman of the Foundation, and Joseph Banister, a former special agent of the Division of the IRS (accompanied by a videographer) delivered copies of the [Remonstrance](#) to of the three branches.

At the White House and the Capitol, the delegates had the opportunity to explain and discuss the [Remonstrance](#), and to ask that the government send experts representing the three branches to be held in June, where those experts could debate the tax issues with a group of researchers invited

The officials agreed to the idea of having such a conference, and the Foundation scheduled the

The officials the delegates delivered the [Remonstrance](#) to were: At the White House-Jason Furber and Senior Economic Advisor of the National Economic Council; at the Capitol-Dr. William K. Director for Speaker Hastert, and Keith Hennessey, Policy Director for Senate Majority Leader

However, on June 2nd the White House reneged on the promises it made during the April 13th three previous conferences, the government has again refused to debate the grievances. Jason F. Schulz, *"The legality of the income tax is not a high priority item at the White House, and will not be in any conference on the subject."*

**WE HAVE NOW REACHED THE POINT WHERE THE GOVERNMENT'S EVASION OF THE LAW IS REGARDED AS AN ADMISSION.**

If the government had valid counter-arguments to the [Remonstrance](#), it should be a simple matter to provide the appropriate regulatory references and promptly settle the matter. Our government's failure to do these debates should speak volumes.

On this, the 224th birth celebration of our one Nation under God, the We The People Foundation presents the facts, internet links and a challenge for each American:

- **Read the facts for yourself.**
- **Judge what is truth.**
- **Pass it on.**

We hope you will join many who now believe that the time has come for our government and the long-overdue process of public debates concerning the economic, political and constitutional problems of *true legal restrictions upon our current system of taxation.*

As a nation of justice and due process, we cannot tolerate a tax system, or a government, that sends us to prison and induces fear in our hearts -- while refusing to provide us basic *proof of the clearly written tax codes and unambiguous legal ruling* on Constitutional and legal issues concerning

We pray that you be convinced that nothing less than our freedoms, our property and our Republic and the Soul of America needs illumination. Please join us.

# Legal Facts & Did You Know

## Re: Proposition #1

- The issue of the fraudulent ratification of the 16th amendment has never been decided by the courts. The courts have instead tossed the issue into the lap of Congress as a "political question," clear issue for judicial review, not a political question.
- A brief report printed by the Congressional Research Service in 1985 states up front that it will "not attempt to rebut specific factual allegations?." It then goes on to make the astonishing claim that the actions of a government official must be presumed to be correct and cannot be judged by the courts! (John Ripy, "Ratification of the Sixteenth Amendment." CRS, 1985.)
- An attorney speaking for Senator Orin Hatch in 1984 offered to pay former tax investor a fortune not to publish his research proving that the 16th amendment did not even come into effect until legally ratified by the required number of states in 1913.
- Philander Knox, Secretary of State from 1909 to 1913 during the Taft administration, was asked to have the amendment to be ratified just a few days before he left office in 1913, to make way for Woodrow Wilson's administration, even though he knew it had not been legally ratified.
- Philander Knox had for many years been the primary attorney for the richest men in America: Carnegie, Rockefeller, Morgan and the Vanderbilts. He had created for them the large trusts. When he was appointed, at their request, as Attorney General in the McKinley/Roosevelt administration, he refused to enforce the Sherman anti-trust laws against the cartel he had just created.
- The income tax amendment was pushed through Congress in 1909 by Sen. Nelson Aldrich and John D. Rockefeller, Jr. and grandfather and namesake of Nelson A. Rockefeller, and it was not ratified if Knox had not fraudulently proclaimed it so.
- Example: Kentucky's legislature rejected the amendment, but Knox counted Kentucky as having ratified it.
- Example: Oklahoma's legislature changed the amendment's wording so that it meant just what was submitted to the states by Congress, but Knox counted Oklahoma as approving it.
- Example: Minnesota did not submit any results or copy of their vote to Knox, yet he counted it as approving the amendment.
- Legal scholars have agreed that if any state violated provisions of its own state constitution in the ratification process, its approval would be null and void. At least 20 states were guilty of their constitutions. For example, Tennessee's constitution provided that the state legislature could not ratify upon any proposed amendment to the U.S. Constitution submitted by Congress until after the next legislative elections. Yet the Tennessee legislature acted on the proposed 16th amendment before the elections were received and before any elections.
- Judges have been extraordinarily unwilling to allow defendants in "failure to file" cases to present evidence or testimony of expert researchers regarding the constitutionality of the 16th amendment.

## Re: Proposition #2

- Juries have been acquitting defendants in failure-to-file income tax return cases due to evidence that there is any law or regulation that requires it.
- An increasing number of employers have stopped withholding taxes from their workers' paychecks on W-2s and 1099s for the same reason.
- Unless one is a foreigner working in the U.S., or a U.S. citizen earning money abroad, the federal income tax applies.
- The OMB Number on Form 1040 is cross-referenced in the Code of Federal Regulations covering taxes by resident aliens, which, therefore, doesn't apply to most Americans.
- Responding to an inquiry by a constituent who was a tax consultant, Sen. Daniel Inoué said that based on research performed by the Congressional Research Service, no provision of the Internal Revenue Code requires an individual to pay income taxes. He then went on to warn that Section 7201 imposes penalties for not paying income taxes owed. *However -*
- The failure-to-file law applies to alcohol-tobacco-firearms taxes, (Section 7201), not to the failure-to-pay law. The convictions are based on the mis-application of the alcohol-tobacco- firearm regulations.



- No law requires employees to provide a Social Security Number to an employer, nor demand one from an employee.

**Re: Proposition #3**

- The 10th Circuit Court of Appeals has ruled that the filing of an income tax return (Form 1040) is not compelled, and, therefore, the principle that no one may waive their 5th amendment rights in order to comply with a law is not applicable to federal income tax.

*"The [5th Amendment] privilege protects against compelled testimonial communications?."*

**U.S. v Conklin (1994), WL 50**

- No one has been able to collect the \$50,000 reward offered by William Conklin (www.conklin.com) for anyone who can

- 1) show how to file a federal income tax return without waiving one's 5th amendment rights.
- 2) identify what statute in the Internal Revenue Code makes a typical worker liable to pay federal income tax.

## The Internet Sites to Start Your Education:

**[www.givemeliberty.org](http://www.givemeliberty.org)**

Hosts of this ad and sponsors of the [Remonstrance](#) / Grievance

**[www.thelawthatneverwas.com](http://www.thelawthatneverwas.com)**

Bill Benson's detailed legal research exposing the FRAUDULENT RATIFICATION of the 16th Amendment. *his 2-volume report!*

**[www.taxableincome.net](http://www.taxableincome.net)**

Free download of "Taxable Income" report.

**[www.freedomabovefortune.com](http://www.freedomabovefortune.com)**

Ex-IRS agent quits, in 1999, because the IRS refused to rebut his research showing the illegal tax system *\*Free viewing of report.*

**[www.anti-irs.com](http://www.anti-irs.com)**

A case in Federal Court of Appeals proves you cannot file a return without waiving the 5th. *\*Free viewing of book.*

**[www.taxgate.com](http://www.taxgate.com)**

Comprehensive research on tax, constitutional issues.

### **The Free Enterprise Society**

1-800-794-1791

Resource for federal and CA tax issues. Runs a criminal legal defense fund.

**[www.devy.com](http://www.devy.com)**

Info on the Federal Reserve, money, taxes, Constitutional issues, etc.

[www.freedomlaw.org](http://www.freedomlaw.org)

Educates Americans about U.S. and CA tax law.

[www.paynoincometax.com](http://www.paynoincometax.com)

Irwin Schiff's site. Author & Lecturer on income taxes.

[www.eddiekahn.com](http://www.eddiekahn.com)

Income tax resource site.

**\*\*\* *Special Site for Bankers & Economists!***

[www.gata.org](http://www.gata.org)

Learn how the price of gold is being illegally manipulated to hide inflation and the very large economy. \* *Free Download Report (.pdf)*

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### **APPENDIX III: Round 2 – Know Your Customer**

Reprinted as a courtesy of the:  
Liberty Study Committee who can  
be contacted at:  
[distribution@libertystudy.org](mailto:distribution@libertystudy.org)

July 20, 2000

Dear friend of liberty,

"Know Your Customer" monitoring  
of your bank account is back!

Politicians, federal bureaucrats and  
institutional elites are, once  
again, working to make your local  
bank teller their snitch.

Two years ago, Congress passed a  
bill directing federal banking  
regulators to issue the infamous  
"Know Your Customer"  
regulations.  
Those regulations would have  
required your local bank teller to:  
1. Determine your identity - not for

the bank's purposes, but for the government's purposes.

2. Determine the source of your deposit.

3. Determine your profile of "regular and expected" transactions that is

based, not on your actual banking history, but on what your banking history should be according to racial, economic, geographic guidelines.

4. Report your "suspicious" transactions to the federal government.

Your "suspicious" transactions will be those that don't fit with the government's profile of "regular and expected" transactions for you.

The opposition to "Know Your Customer" was overwhelming.

Over 300,000

Americans from coast-to-coast told the banking regulators in Washington

to stop "Know Your Customer"

regulations. The federal bureaucrats did

back down last year - but they're back.

"Know Your Customer" (version 2) regulations are included in H.R. 3886.

H.R. 3886 will implement the "Know Your Customer" regulations for

international transactions. In

addition, H.R. 3886 will give the U.S.

treasury department (IRS, Customs Service, Secret Service) the power to:

1. Make new requirements on financial institutions at their discretion.

2. Prohibit whole classes of international transactions at their discretion.

3. Prohibit international transactions with certain financial institutions at their discretion.

4. Prohibit international transactions with certain countries at their discretion.

H.R. 3886 will decimate privacy

between you and the financial institutions with which you do business. Politicians, federal bureaucrats and institutional elites desperately want H.R. 3886 to become law. They will tell you not to worry. "These 'Know Your Customer' regulations will only be used to catch criminals. These regulations will only be used for international transactions." The people who are telling us not to worry today are the same people who tried last year to quietly pass regulations that would have forced your local bank teller to become a government snitch.

There are only six weeks of legislative business remaining this year. During those six weeks, many bills will be quietly pushed through the U.S. House in the hope of not being noticed during the year-end flurry of votes. H.R. 3886 is one of those bills.

If we fall for "Know Your Customer" for international transactions today, we'll have to suffer from "Know Your Customer" for local transactions tomorrow. That's what they were after in the first place.

Please urge your U.S. representative to vote against H.R. 3886. You can send an E-mail by going to <http://www.libertystudy.org> and click on Communicate at the top of the page. Please tell your representative to vote "no" on H.R. 3886. To call your representative, dial the Capitol switchboard at 202-224-3121. Also, tell your local bank that you are opposed to H.R. 3886 and ask them to oppose it as well. Last year, many banks helped stop "Know Your Customer" (version 1) after they heard from their customers.

Wired News Article

<http://www.wired.com/news/business/0,1367,37566,00.html>

Orange Leader (opinion) - "Know Your Customer tries the back door"  
[http://www.orangeleader.com/display/inn\\_opinion/opinion1.txt](http://www.orangeleader.com/display/inn_opinion/opinion1.txt)

Ron Paul Press Release  
<http://www.house.gov/paul/press/press2000/pr071900bank.htm>

Kent Snyder  
Liberty Study Committee  
<http://www.libertystudy.org>

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