

# **ECONOMIC HISTORY**

that Ron Paul wants every American to know

## Preface

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[U. S. economic history than Ron Paul wants every American to know: Part I](http://www.dailypaul.com/96696/us-economic-history-that-ron-paul-wants-every-american-to-know-pt-I)

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# **U.S. economic history that Ron Paul wants every American to know**

## **Part I**

Before the decorated days when the thirteen colonies emerged into existence, America was but an idea. This idea was the brainchild of European investors: a few very, very rich families and bankers. These investors, who were always in search of new ways to expand their banking empires and family fortunes, banded together for the purpose of creating the grandest investment ever undertaken.

Residents of England and other countries were encouraged to go thrive on the newfound land for the purpose of bringing life to this new investment through their labor. The migrants agreed to this because of their hopes for new, better, American lives. In return for living and working on the land, they were required to pay taxes back to the Bank of England, which acted as the central bank for all of America's investors. America's economic situation was and still is no different than any other creditor/debtor relationship today. If a teenager spends too much on her credit card, she needs to pay the interest and the accumulated debt until the debt is cleared, because she created this obligation to pay when she cosigned the credit card company's contract with her dad. The investors were the creditors and the colonists were the debtors.

In time, the people of the young country decided that they just didn't want to pay their contractual obligation anymore and gave England and its other investors the proverbial finger – an action which was and still is illegal according to international law (commercial law.) One tactic to avoid paying taxes was the introduction of fiat money. There are 3 different types of money: commodity, receipt and fiat<sup>1</sup>. Commodity money is simply goods, like a cow or a chocolate bar. Before the other types existed, people bartered goods amongst each other and assigned their own values to these goods.

People, however, would've had a difficult time carrying cows around in their pockets; and this difficulty led to the use of receipt money. This type of money is a basically intrinsically worthless item that is used as an excepted representation of how much of a commodity will be transferred.

This worthless item is made unique through a minting or painting process, among other modifications. The birth of representational money gave birth to the potential to exchange a fraction of a commodity, making this type of currency more effective. Receipt money is given value because each monetary denomination is used as a representation of a fraction of the value of real goods existing somewhere else – it is backed by things that have real value. Gold and silver are the preferred backings of receipt money because they have perceived value and are rare

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<sup>1</sup> Fractional money is an arguable fourth type. It is the loaning of money that doesn't really exist at all, using existing capital to back it. I believe it is more of a banking trick than a type of money.

enough so there won't be a huge addition of these substances into an economic system, which would significantly alter the value of the existing receipt money, destabilizing an economy.

Many people think that Federal Reserve Notes are a form of receipt money: this is utterly false. Federal Reserve Notes are a form of fiat money.<sup>2</sup> Fiat money, what early Americans used to spite the king of England, is money that isn't backed by anything at all – it is simply worthless items that, for no good reason, have perceived value and can be created out of thin air by the controller of the currency for the benefit of this controller. The early Americans simply got tired of being taxed through the king of England's gold-based economic system, so they created their own monetary system out of thin air. Fiat money is merely a promise to pay real goods or services later, a.k.a. an I.O.U.<sup>3</sup>

America's fiat money was uncontrollable by the King; so, in his anger, he passed a law requiring his subjects to pay their taxes in gold only. Americans had very little gold in relation to the king, so this action instigated a returned anger of the colonies and a plea for legal reform. Being angry, the king didn't hear their plea, which was a major cause for the start of the Revolutionary<sup>4</sup> War<sup>5</sup>.

During this time, America had two obligations. One was to their foreign creditors and one was to the legal stipulations of the king. Although America fended off the king, it didn't and couldn't fend off its creditors from hounding it. The best way to state what the result of the Revolutionary War was is that we made peace with England – words one will hear when one sees any accurate history documentary. America may have stopped fighting, but it didn't get out unscathed. It still had its monetary obligations to the Bank of England; so it, according to commercial law, wasn't truly a free nation. It was a debtor nation – a subservient nation to sovereign, truly free creditors.

The upside to winning the war was that America gained its ability to control its own government. Soon after its victory, the first guidelines for the first American government were formed, called the Articles of Confederation. Little known is that there were presidents before George

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<sup>2</sup> In chapter three we will discuss what Federal Reserve notes are in much greater detail.

<sup>3</sup>The downside to using intrinsically worthless fiat money is that its potential to deflate in value is very high, so it isn't the wisest choice of money for a government to use. This deflation occurs by printing additional money, which removes some of the value of the existing money. In theory, if a money supply consists of 100 notes, and 10 more are printed, the total value of all of the money remains the same, but each note in the supply decreases in value by .091% of the total value of the system (1/100 – 1/110.)

<sup>4</sup> America once again used fiat money in 1775 during the War, called Continental Currency. The deflation of this fiat money gave rise to the saying "not worth a Continental."

<sup>5</sup> King George III hired rented Hessian soldiers from investors Amshel Mayer Rothschild and Prince William (who used his royal connections in Denmark and England to provoke the war) to fight the American colonists.

Washington under the Articles of Confederation, the first of which was Thomas McKean.<sup>6</sup>

Gaining freedom was the primary goal of those who fought for independence, so America's forefathers attempted to keep this dream alive when they ratified the Constitution in 1789. The relevance of the Constitution is a little different than is taught in schools, which also incorrectly teach that its relevance is fading out. The Constitution is a contract of limitations, created in attempt to both keep America's new government from becoming oppressive and preserve the sovereign<sup>7</sup> rights of its people.

Being a debtor to foreign investors, America needed to either completely pay off or continually pay interest on its debt. This caused an almost immediate reintroduction of taxes.<sup>8</sup> These taxes deeply affected some Americans, especially farmers, and some decided to do everything they thought they could to save themselves from them. In 1786 Daniel Shays of Massachusetts led a rebellion, which one could call the second Revolutionary War in American history. He, however, did not win his war against the early American government; and taxes have since existed, just as they did before America gained legal independence.

America won the Revolutionary War but its investors were smart enough to know that its Revolutionary War caused its economy to become too unstable to survive in a productive manner. Knowing this, Congress was forced to pass the 1791 Assumption Act – which created America's first national bank (a.k.a. the First Bank of America), chartered by the Bank of England for a term of twenty years – in attempt to stabilize it. On December 12, 1791, this bank, which controlled the American money supply, opened for business in Philadelphia. Regarding the creation of this bank, James Madison said, "History records that the money changers have used every form of abuse, intrigue, deceit, and violent means possible to maintain their control over governments by controlling money and its issuance."

In order to create this bank, America was forced to charter it with the same European investors and bankers that were holding its debts before the war. At first, the bank's capitalization was \$10,000,000 – 80% of which was owned by foreign bankers. In other words, the American government agreed to its creation under the condition that America would only own 20% of it. The bank was authorized to lend up to \$20,000,000, which was a profitable condition for both the government and the investors, since they could lend and collect interest on money that they didn't actually have (a common banking trick.<sup>9</sup>) The bankers, however, led the government – which was

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<sup>6</sup> Also little known is that Barack Obama was not the first black American president. A black man named John Hanson was once the active President by default (everybody got up and left Congress for a while except him, giving him his short seat as President.)

<sup>7</sup> Sovereignty means the complete independence and self-government of an individual.

<sup>8</sup> A restricted power of the government outlined in the Constitution.

<sup>9</sup> This type of money is called fractional money: money that is lent but doesn't really exist. The Federal Reserve System uses this principle today.

more naïve when it came to banking practices and how to handle money – down a spiraling path that would quickly rob it of its share in the ownership. Just five years later, the government owed the bank \$6,200,000 and was forced to sell most of its shares to its investors in order to resolve this debt in order to prevent an even worse situation. By 1802, the government was forced to sell all of its shares, leaving America with no stock whatsoever in its own national bank, giving it no control over its own currency and economic well being. The importance of this crisis was well illustrated by Thomas Jefferson:

*“If the American people ever allow private banks to control the issue of their currency, first by inflation, then by deflation, the banks...will deprive the people of all property until their children wake-up homeless on the continent their fathers conquered.... The issuing power should be taken from the banks and restored to the people, to whom it property belongs.”<sup>10</sup>*

America’s first central bank was primarily created because its secured party creditors – its investors overseas – demanded a private bank for holding the securities (assets) of their investment, being America. This bank, holding America’s assets, acted as collateral for America’s debts and loans. During the creation of this bank, one of the largest private investors, Amshel Bauer Rothschild, made the famous statement, “Let me issue and control a Nation’s money and I care not who writes the laws.”<sup>11</sup>

About two decades later, Napoleon began conquering Europe. When he reached Frankfurt, Germany, Prince William left 3 million dollars in the hands of Amshel Mayer Rothschild for the purpose of paying off his Hessian troops. After losing the battle of Jena, William fled to his relatives in the North. Instead of giving the money to the troops, Amshel Mayer put the money in the stock market, investing in an inside tip he received from his world revolutionary network. Amshel Mayer’s five sons then inflated their family’s power by creating five authoritative banks in five major European cities: Amschel, Frankfurt; Jacob, Paris; Nathan, London; Karl, Naples; Solomon, Vienna.

## **The War of 1812**

In 1811, the twenty year contract with the Bank of England expired. On February 20, the American government again decided to give England the finger and not renew the charter on the grounds that the Bank was unconstitutional. This led to the withdrawal of \$7,000,000 by European investors, precipitating an economic recession and an English military response.<sup>12</sup> In

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<sup>10</sup> An 1802 letter of the Secretary of the Treasury Albert Gallatin, later published in *The Debate Over the Recharter of the Bank Bill, 1809*.

<sup>11</sup> The Rothschild family has since become the wealthiest family on the planet.

<sup>12</sup> The problem with not renewing the charter wasn’t that the central bank wasn’t unconstitutional. The problem was that its creditors wished to decide how they will collect their debt and America, the debtor, wasn’t abiding by international law.

1812, England waged the war we now call the War of 1812. On August 24th and 25th, it invaded Washington D.C., burning down the first White House, the first Library of Congress,<sup>13</sup> the President's house, etc. The Brits invaded because America dishonored its contract, and according to International Law, the only remedy left was to come into America on a letter of marque and seize its assets. More accumulated debt as a result of this war reaffirmed the need for a new bank charter: the Second Bank of the United States, founded in 1816 and chartered for another term of 20 years.

Four years before this charter was set to expire, England once again came knocking, this time proposing an early charter renewal. Andrew Jackson – a true patriot and very possibly the best American President ever<sup>14</sup> – in his presidency denied this charter renewal. Jackson had the bravery to assert that the Constitution doesn't delegate the government's authority to establish a national bank, but also had the brains to fix the problem. At the time, the States were having trouble deciding if they wanted to collect taxes. For the greater good of America, Jackson sent federal troops into these states and forced them to collect taxes. He then used these taxes to completely pay off the National Debt, eliminating the creditor's rights over its debtor. Jackson stated, "If Congress has the right under the Constitution to issue paper money, it was given to them to use themselves, not to be delegated to individuals or corporations."<sup>15</sup> America went without another national bank for seventy-seven years, until the institution of the Federal Reserve.<sup>16</sup>[16]

What happened to Jackson after doing this? On January 30, 1835, Richard Lawrence, an unemployed house painter, attempted to assassinate Jackson via pistol. The gun, however, malfunctioned, and the bullet didn't discharge. Jackson defended himself with his cane, while a second weapon was used, which also misfired. Jackson believed the attacker was sent by his political enemies, the Whigs, because of his plan to do away with the Second Bank of the United States. This began a sad trend for American presidents: if they try to truly stand up for their country, soon after they tend to get shot at, with varying degrees of success. The ones who don't fight for their people just get shoes thrown at them.

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<sup>13</sup>We will discuss why this was burned in the next chapter.

<sup>14</sup> Interestingly, this former general of the Tennessee militia was the first President not to have been born into wealth.

<sup>15</sup> Veto message regarding the Bank of the United States, July 10, 1832.

<sup>16</sup> Which the government also didn't have the power to establish, but we shall discuss this in great detail in chapter three.

## **Part II:**

America had finally become a free country; this is until shortly before the start of the Civil War. Having lost the battle with President Jackson, the foreign investors of the Second National Bank were perturbed. Throughout America's early years, a close business relationship developed between the cotton growers in the South and the cotton manufacturing industry in England. Due to such business ties, the States swarmed with British agents, especially the Southern ones. These British agents carefully planted and nurtured political propaganda between the North and the South, which ultimately led to servile insurrection and the succession of South Carolina on Dec. 26, 1860. In South Carolina's declaration of succession, it stated:

*"They have encouraged and assisted thousands of our slaves to leave their homes: and those who remain, have been incited by emissaries, books and pictures to servile insurrection."*

The political imbalance between the states in the South and the states in the North had more to do with economic policies than any moral issue of slavery. Even in the early 19th Century, the North's economy was primarily driven by factories and the South's economy was primarily driven by slaves on plantations. In 1828 the "Tariff of Abominations" was passed which greatly favored Northern industries over Southern plantations. Tension and arguments lasted for the next 32 years over how to deal with these taxes. Political propaganda eventually enticed South Carolina, who hurt the worst from industry-favoring tariffs, to secede from the Union. Other Southern states soon followed, commonly because they felt the North wasn't respecting the Constitution by denying them their property rights when their slaves were freed. Texas stated during its secession:

In all the non-slaveholding States, in violation of that good faith and comity which should exist between entirely distinct nations, the people have formed themselves into a great sectional party, now strong enough in numbers to control the affairs of each of those States, based upon an unnatural feeling of hostility to these Southern States and their beneficent and patriarchal system of African slavery, proclaiming the debasing doctrine of equality of all men, irrespective of race or color – a doctrine at war with nature, in opposition to the experience of mankind, and in violation of the plainest revelations of Divine Law.

The truth is that the North wasn't doing this for moral reasons, as is taught to school children today. They were simply stealing the blacks, under the guise that they have obtained "freedom," to work for cheaper wages than the whites would during the boom of the Industrial Revolution. The end of slavery was more an incidental result of the War than the reason for fighting it. Slavery, it can be argued, just changed definitions, as one can make a very valid argument that working for dirt cheap is equivalent to slavery.

On March 27, 1861, the event that initiated the movement towards the Civil War occurred, when the representatives for the Southern states walked out of Congress over the aforesaid matters.



When these Congressional members walked out of Congress, it adjourned sine die, meaning it adjourned without a definite return date. This left less than the constitutionally required amount of Congressional members to perform business as usual for America, making Congress as a whole legally powerless: Congress ceased to exist as a lawful deliberative body. Consequently, the only constitutionally lawful American authority that could declare war was no longer lawful, nor present.

Without the proper legal authority to do so, Abraham Lincoln executed Lincoln Executive Order 1, putting America under martial law (mob rule) on April 15, 1861. Congress did eventually assemble again, but did so under the military authority of Lincoln (the Commander in Chief) and not by the rules of parliamentary law or Constitutional law. This institution of marital law has not changed since. A 1973 Senate Report illustrated this situation well:

*A majority of the people of the United States have lived under emergency rule.... And, in the United States, actions taken by the Government in times of great crises have – from, at least, the Civil War – in important ways, shaped the present phenomenon of a permanent state of national emergency.<sup>17</sup>*

Knowing that his Executive Proclamation was unconstitutional, Lincoln, on April 24, 1863, commissioned General Orders No. 100<sup>18</sup>: a special code to “govern” his illegal actions while under martial law, giving the illusion that his actions were justified.<sup>19</sup> This code also gave the illusion that the laws of the District of Columbia and the provisions of Article I, Section 8, Clauses 17-18 were legally extended into the States, seemingly putting them under the same laws of war and private commercial laws as those of federal territories.

With the patriotic South absent, representatives of America’s former investors rushed into Congress, seeing an opportunity to corrupt the nation for their benefit, and helped the North illegally ratify two very important and damaging Constitutional amendments: a new 13th Amendment and the 14th Amendment. Today’s 13th Amendment is the new amendment because it replaced the old 13th Amendment (a.k.a. the Titles of Nobility Act), which was created shortly after the origins of America in order to prevent exactly what had happened after the South left.<sup>20</sup>

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<sup>17</sup> Senate Report 93-549, 93rd Congress, 1st Session, 1973

<sup>18</sup> also known as the Lieber Instructions and the Lieber Code

<sup>19</sup> “It is sometimes argued that the existence of an emergency allows the existence and operation of powers, national or state, which violate the inhibitions of the Federal Constitution. The rule is quite otherwise. No emergency justifies the violation of any of the provisions of the United States Constitution. An emergency, however, while it cannot create power, increase granted power, or remove or diminish the restrictions imposed upon power granted or reserved, may furnish the occasion for the exercise of power already in existence, but not exercised except during an emergency.” - 16 AM.Jur.2d, Section 71, National League of Cities vs. Uery, 426 U.S. 833, 49 L.Ed.2d 245

<sup>20</sup> The creation of the Titles of Nobility Act was an important cause for the War of 1812 and was the direct cause for the burning of the Library of Congress during it.

The old, forgotten 13th Amendment, ratified on December 9, 1812, read: "If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honour, or shall without the consent of Congress, accept and retain any present, pension, office, or emolument of any kind whatever, from any emperor, king, prince, or foreign power, such person shall cease to be a citizen of the united States, and shall be incapable of holding any office of trust or profit under them, or either of them."<sup>21</sup> When the South walked out of office, those with titles of nobility poured into Congress, creating the need for these nobles to replace any remembrance of the old 13th Amendment. Government officials still sometimes deny the existence of this old Amendment in order to hide American history from the American people, but it has in fact been found and verified.

honour: An old and accepted way of spelling "honor."

The new, two part 13th Amendment was soon illegally ratified by Congress:

Section 1. Neither Slavery nor servitude, except as a punishment for crime where of the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction. Section 2. Congress shall have the power to enforce this article by appropriate legislation.<sup>22</sup>

This amendment ended slavery, except for in the instance of crimes, of which were to be decided by the government, itself.

The new 13th Amendment was a stepping block for the 14th Amendment, which is the most important piece of legislation in terms of what was to come in American law. Here are the sections that most concern what we are discussing:

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

**Section 4.** The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the

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<sup>21</sup> Notice the capitalization of "United" in the first instance and the conflict with the second instance. We will discuss why this was done soon.

<sup>22</sup> There is also much controversy regarding whether this amendment was ratified by members of Congress who had signed under duress, making their signatures invalid. Notice how the capitalization of "united States" changed from the old 13th Amendment.

United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.<sup>23</sup>

American law is a tricky thing to understand. Almost all people don't understand what the 14th Amendment really means, and that is because the words used have legal definitions which typically aren't the definitions found in a normal dictionary. The use of words that have multiple legal meanings fuels the power of the 14th Amendment. For starters, there is a legal difference between the "United States" and the "united States." Legally, the "united States" are the unity of the sovereign States of America. The "United States" is actually referring to a corporation, a.k.a. "The United States of America." The "united States" is the abbreviated form of "united States for America." The "United States of America" is the name used in the Constitution to describe the federal government, not the States that are united. The purpose of the old 13th Amendment was to keep those with titles of nobility – in other words, representatives of Britain – out of the government of the United States of America – being the federal government – by not allowing them to be citizens of the united States, a Constitutional prerequisite for office.

Section 1 of the 14th Amendment was an attempt to tie the sovereign American of the united States to the United States federal government. Doing so required the change in the definition of what a Citizen is: we see the case of "Citizen" was changed to "citizen." The American "Citizen," addressed in earlier parts of the Constitution, was replaced by the 14th amendment title of "citizen." This was a necessary step for controlling the people because before this time, there was no tie between the federal government and the Citizen of a State. States were like countries of their own, only the federal government acted as a mediator between them. The 14th Amendment made people citizens of both their States and the federal government, subjecting them to both entities' laws. The other key element is the use of the word "person" or "persons," which is distinguishable in law from "people." The word "person" has three legal definitions, the third of which being the confusing factor:

*"3. An entity (such as a corporation) that is recognized by law as having the rights and duties of a human being. In this sense, the term includes partnerships and other associations, whether incorporated or unincorporated."*<sup>24</sup>

In short, person can also mean a corporation. So, looking back at the 14th Amendment, one can reword the first line "All corporations born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside." A 14th Amendment "citizen," as we shall later see in much greater detail, can and commonly does

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<sup>23</sup> It will become apparent why a national debt is included in this package later on in history.

<sup>24</sup> Black's Law Dictionary 1178 8th ed., 2004

refer to a corporation.<sup>25</sup>

The 14th Amendment didn't truly rewrite the rights of the "Citizen," it just refers to the rights of the "citizen," which is different altogether. Schools teach that this amendment made everybody equal. Its purpose was to do just this; but this equality didn't come with the condition that everyone is free. It was an attempt to lower everyone's status to a "citizen," which means subservient to the federal government. The popular belief that these two amendments made people free isn't quite accurate. It simply was an attempt to remove everyone's freedom from the federal government.

At the time, the Amendment didn't affect people and, partially as a result of this, most people didn't realize the significance of the wording and bought the propaganda that its purpose was to make the slaves equal, as uneducated Americans still do today. The real reason for the implementation of this Amendment was to set in place the first step in a gradual plan being implemented by America's former investors, which wouldn't be fully realized until the New Deal in 1933. The Amendment was a staging point which would set the course for new federal laws to be written, which would eventually end up rewriting all of American law, including the Constitution.

Being an attorney, Lincoln tended to make presidential moves that weren't fully in the interest of the American people as a whole or respective to the Constitution.<sup>26</sup> When it comes to defying American interests, it seems that the most historically celebrated presidents are the most culpable. This is because the families that these Presidents did their favors for still have their economic foothold in America today. Lincoln accepted war loans from the same investors that Jackson patriotically broke away from, putting America back in debt.

He, however, did do one thing that was admirable: at the end of his presidency, he finally stood up to the bankers. After generously loaning both sides of the War, the bankers argued that, due to the present chaos in America, their American beneficiaries of the future couldn't be trusted with the Constitutional powers and the political and monetary system of free enterprise created by their forefathers. They wanted to regain a monetary and political foothold in America, using their powers as creditors to persuade Lincoln into assisting their plan by manipulating his will to win the War. In 1865, Lincoln declared his new monetary policy, which he contrived for the purpose of paying off war debts without accruing harmful interest:

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<sup>25</sup> The 14th Amendment was never properly ratified because it lacked the proper governing authority to do so. "I cannot believe any court, in full possession of its faculties, could honestly hold that the amendment was properly approved and adopted." (State v. Phillips, Pacific Reporter, 2nd Series, Vol. 540, pp. 941-2, 1975) Also see Utah Supreme Court Cases Dyvett v Turner, (1968) 439 P2d 266, 267 and State v Phillips, (1975) 540 P 2d 936. Also see Coleman v Miller, 307 U.S. 448, 59 S. Ct. 972. Also see 28 Tulane Law Review, 22 and 11 South Carolina Law Quarterly 484. Also see the Congressional Record, June 13, 1967, pp. 15641-15646.

<sup>26</sup> Also, being an attorney, he possessed a title of nobility, which according to the still technically valid old 13th Amendment made his reign as president illegal. We'll discuss more about why attorneys aren't in favor of the people soon.

*“The Government should create, issue, and circulate all the currency and credits needed to satisfy the spending power of the Government and the buying power of consumers. By the adoption of these principles, the taxpayers will be saved immense sums of interest. Money will cease to be master and become the servant of humanity.... The privilege of creating and issuing money is not only the supreme prerogative of government, but it is the government’s greatest opportunity.”*

Had Lincoln’s policy been implemented, America would have found its way out of its war debts. Just five days after General Lee<sup>27</sup> surrendered and Lincoln won his War, he was shot. Neither Lincoln nor any future President ever repealed the martial law instituted during the Civil War.

### **The Private Laws of the District of Columbia:**

In 1871, three years after the illegal ratification of the 14th Amendment, the government defaulted on its war debts, forcing America into bankruptcy.<sup>28</sup> What resulted is considered the death blow to the united States for America.<sup>29</sup> On February 21st, England claimed what was theirs, according to international law, and incorporated the ten mile square that is Washington D.C.<sup>30</sup> England also incorporated the American Constitution and names for its new corporation, such as THE UNITED STATES, THE UNITED STATES OF AMERICA, U.S., and USA, as well as other titles, as declared in the District of Columbia Organic Act of 1871.<sup>31</sup> A point of interest in these copyrighted names is the implementation of the article “THE.” Before this time, America was a union of “united States,” not a union of “the united States.” The article “the” doesn’t exist when referring to other countries, i.e. Canada and Britain aren’t referred to as “the Canada” or “the Britain.” The British-controlled Corporation, THE UNITED STATES OF AMERICA, exclusively uses the article “the” in its name, which is distinct from the “united States” or the “United States.” One other immense change to America simultaneously occurred: being a bankrupt nation, the united States retained only the power to settle civil disputes, not criminal matters, allowing room for the illusion that only Britain’s private, ever-changing laws appertain to America’s criminal disputes. British law literally attempted to fill the gap created by the bankruptcy without anyone knowing, making it appear that everything was going just as usual. Since this point in history, THE UNITED STATES OF AMERICA has been governed entirely by foreign, private, corporate law and Washington, D.C. has been under British control.

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<sup>27</sup> The Commander of the Southern army.

<sup>28</sup> A statutory procedure by which a (usually insolvent) debtor obtains financial relief and undergoes a judicially supervised reorganization or liquidation of the debtor's assets for the benefit of creditors. [Black's Law Dictionary 156 (8th ed. 2004)]

<sup>29</sup> This event did not truly destroy the united States for America, it just put in place a corporation that exists simultaneously, causing the people to forget that they are truly Citizens of the united States for America.

<sup>30</sup> 16 Stat. 419 Chapter 62

<sup>31</sup> Title 28 USC Section 3002(5) Chapter 176; 534 FEDERAL SUPPLEMENT 724

The UNITED STATES OF AMERICA is a corporation, whose jurisdiction is applicable only in the ten-mile-square parcel of land known as the District of Columbia and to whatever properties are legally titled to the UNITED STATES, by its registration in the corporate County, State, and Federal governments that are under military power of the UNITED STATES and its creditors.<sup>32</sup>

Being incorporated, people need permission to use Britain's imposed laws. These people, who use this British legal system for and usually against the American people, are referred to as attorneys, as opposed to lawyers. Yes, there's a difference. The word "attorney" comes from "attorn," which means to turn over to another; transfer.<sup>33</sup> In old England, the title of attorney meant one who attorned ("attorned" is the old English), which meant to transfer money, goods, etc. to another.<sup>34</sup> Attorneys served the king or queen in handling disputes regarding money/goods with their peasants. In modern times, attorneys transfer things of monetary value through court procedures to both other forms of money/goods and to new owners, being either persons or the government.<sup>35</sup> Attorneys have limited legal power because they are sworn to uphold the British, copyrighted law. A lawyer isn't limited like this. Many believe that one needs to get licensed in order to practice law – this is an utter fiction. One needs to become licensed if one wishes to become an attorney in order to avoid a copyright violation<sup>36</sup>, and the way to do this is to pass the BAR exam and register with the American BAR Association. The American BAR Association is an appendage of the BAR Council, which is the BAR association of England. The term BAR is an acronym for British Accreditation Register<sup>37</sup>: the registry for those who have been accredited [licensed] to use America's British copyrighted law.

Beyond this point in America's legal history, any laws that came about were private laws of Britain. Any sovereign Citizen is exempt from these private laws. Anyone who doesn't dispute being a 14th Amendment "citizen" is subject to these private laws. The 13th Amendment eliminated involuntary servitude, but it said nothing about voluntary servitude. The 14th Amendment was a gateway for voluntary servitude to take place. At this time, simply claiming to be a sovereign Citizen and not a 14th Amendment "citizen" was, legally speaking, enough to avoid being subject to Britain's private laws. How could the Brits get people to agree to be these citizens? The answers they found were implemented into a plan that materialized into the New Deal.

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<sup>32</sup> Act to Provide a Government for the District of Columbia, Section 34 of the Forty-First Congress of the United States, Session III, Chapters 61 and 62, enacted February 21, 1871.

<sup>33</sup> Random House Dictionary, © Random House, Inc. 2009

<sup>34</sup> Black's Law Dictionary 138 (8th ed. 2004)

<sup>35</sup> In the third part we shall discuss the processes that take place to perform these actions.

<sup>36</sup> Although the owners of the copyright wouldn't likely press charges for the sake of concealing this fact.

<sup>37</sup> a.k.a. British Accreditation Regency

### **Part III:**

“In politics, nothing happens by accident. If it happens, you can bet it was planned that way.” – Franklin Delano Roosevelt

One of the conditions when Britain took over Washington D.C. during its 1871 bankruptcy was that Britain would bail it out of its debt for a while, but not permanently. In 1909 this bailout ended and economic default again returned. America went back to Britain for an extension; and Britain agreed for a term of twenty years, in exchange for an agreement to three big conditions. One, that America creates another national bank, despite Andrew Jackson’s valid reasoning for discontinuing such in 1836. The second and third conditions were that Britain’s 16th and 17th Amendments were ratified.<sup>38</sup> The national bank was the Federal Reserve Bank, which was completed and fully operational by 1913. Also in 1913 came the 16th Amendment. This chapter discusses the little-known, complete nature and relevance of these two big changes to American law and their affect on the American people.

#### **The Great Depression:**

When economic default loomed again in 1929, something different happened. J.P. Morgan and Kuhn and Loeb illegally sent advanced warning to their insiders of an economic collapse, who all pulled out of the stock market. The problem initiating the crash was created by Warburg’s Federal Reserve when it printed money at a 62% inflation rate and then raised interest rates to 6%. Congressman Louis T. McFadden claimed the crash was created by the international bankers who sought to become rulers of us all. In his famous 1932 Congressional address, he said:

*Mr. Chairman, we have in this country one of the most corrupt institutions the world has ever known. I refer to the Federal Reserve Board and the Federal Reserve Banks. The Federal Reserve Board, a Government board, has cheated the Government of the United States and the people of the United States out of enough money to pay the national debt. The depredations and iniquities of the Federal Reserve Board has cost this country enough money to pay the national debt several times over. This evil institution has impoverished and ruined the people of the United States, has bankrupted itself, and has practically bankrupted our Government. It has done this through the defects of the law by the Federal Reserve Board, and through the corrupt practices of the moneyed vultures who control it.*

Some people think the Federal Reserve banks are United States Government institutions. They are not Government institutions. They are private credit monopolies which prey upon the people of the United States for the benefit of themselves.

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<sup>38</sup> The 17th Amendment deals with the ability of the executive power of a State to fill in a Senate seat in the event where one opens up. This limits the power of the people to choose who gets in the Senate, under the disguise that it helps Congress run more smoothly. A situation like this was recently seen when Rob Blagojevich chose Roland Burris to replace the seat made vacant by Barack Obama’s transition to presidency. This Amendment allows those who already have power and lots of money to handpick Senators for private interests without the people’s consent.

Not long after, McFadden died from food poisoning, following a heart attack, which occurred under suspicious circumstances.

Major stockholders, including America's creditors and their affiliates, pulled out of the market simultaneously, lowering the value of stocks, which caused a nationwide panic. Most everyone decided to pull out, and most naturally did so too late to salvage their family's earnings. This, just as any economic depression, creates a large gap between a pauper class and a dominant high class. The most important effect of the Great Depression for America's creditors was that most of the money – cash, certificates, and other constitutionally lawful receipt money – that was backed by lawful coinage (gold and silver) was pulled out of peoples' hands and moved to the banks. Additionally, many of those who still had cash put it into high-interest yielding Treasury Bonds, driven to a higher value because of their high demand. This also exchanged the lawful money for a different form.<sup>39</sup>

At this point, there was no way out for THE UNITED STATES without resorting to help, meaning accepting new bankruptcy conditions. Being the fiscal agent over the monetary policies of THE UNITED STATES, President Herbert Hoover asked the Federal Reserve for a resolution to the dilemma. The Federal Reserve Board responded:

*“Whereas, in the opinion of the Board of Directors of the Federal Bank of New York, the continued and increasing withdrawal of currency and gold from the banks of the country has now created a national emergency....”*<sup>40</sup>

If it was what money was backed by anyway, why would people holding gold create a national emergency? The emergency came to be because most of the gold withdrawn went not in the hands of Americans, but outside of the U.S. economy: this lost gold actually left at the start of the Depression. “... [T]hat those spectaculars and insiders were right was plain enough later on. This first contract of the ‘moneychangers’ with the New Deal netted those who removed their money from a country a profit of up to 60 percent when the dollar was debased.”<sup>41</sup>

The banks were left without a sufficient amount of gold for their own protection, thus they denied the public its gold. The Federal Reserve Board's proposal to Hoover was that he release an Executive Order, based on the 1917 Trading with the Enemy Act, which read as follows:

*Whereas, it is provided in Section 5(b) of the Act of October 6, 1917, as amended, that “the President may investigate, regulate, or prohibit, under such rules and regulations as he*

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<sup>39</sup> The economic depression was not only felt by America in this time. World War I created towering debts in several European nations, as well as the United States. In 1930 the international bankers declared these nations, and once again America, bankrupt.

<sup>40</sup> From private papers of Herbert Hoover, March 3, 1933

<sup>41</sup> Hoover Policy Paper, written by the Secretary of Interior and Secretary of Agriculture.



*may prescribe by means of licensure [license] or otherwise, any transaction in foreign exchange and the export, hoarding, melting, or ear markings of gold or silver coin or bullion currency, ....”*<sup>42</sup>

President Hoover declined to issue the Executive Order because of the negative impact it would have on the American people.

Soon after, a President that would play puppet for international interests was purposely sworn in: Franklin Delano Roosevelt. That day, Roosevelt asked Congress for emergency powers to deal with the crisis. The next day he issued Proclamation 2038, asking for a Special Session of Congress to deal with the situation. The first Act of the Special Session began with these words: “Be it enacted by the Senate and the House of Representatives of the United States of America in Congress Assembled, that the Congress hereby declares that a serious emergency exists and that it is imperatively necessary to speedily put into effect remedies of uniform national application.” The same day, Congress passed this statute:

During time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise investigate, regulate, or prohibit under such rules and regulations as he may prescribe by means of licensure [license] or otherwise, any transaction in foreign exchange, transactions of credit between or payments by banking institutions as defined by the President and export, hoarding, melting, or ear markings of gold or silver coin or bullion or currency, by any person within the United States or anyplace subject to the jurisdiction thereof.<sup>43</sup>

Whenever, in the judgment of the Secretary of the Treasury, such action is necessary to protect the currency system of the United States, the Secretary of the Treasury, in his discretion, may regulate any or all individuals, partnerships, associations and corporations to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion, and gold certificates owned by such individuals, partnerships, associations, and corporations. ...Whoever shall not comply with the provisions of this act shall be fined not more than \$10,000 or if a natural person, in addition to such fine may be imprisoned for a year, not exceeding ten years.<sup>44</sup>

**These statutes led to the landmark “Resolution” that was the biggest theft inflicted on the American people ever.**

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<sup>42</sup> Herbert Hoover private papers of March 3, 1993.

<sup>43</sup> Title 1, Sec. 2, 48 Statute 1, March 9, 1933.

<sup>44</sup> Stat. 48, Section 1, Title 1, Subsection N, March 9, 1933

### **House/Senate Joint Resolution 192:**<sup>45</sup>

On June 5, 1933, Congress passed House/Senate Joint Resolution (HJR 192). HJR 192 was passed to suspend the gold standard and abrogate the gold clause in the Constitution. As a result of the conditions set forth by HJR 192, no one in America has since been able to lawfully pay a debt. This resolution reads:

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

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

(b) As used in this resolution, the term 'obligation' means any obligation (including every obligation of and to the United States, excepting currency) payable in money of the United States; and the term 'coin or currency' means coin or currency of the United States, including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations.

Sec. 2: The last sentence of paragraph (1) of subsection (b) of section 43 of the Act entitled 'An Act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide

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<sup>45</sup> It's not of upmost importance that the details in this subchapter need to be closely read or understood in order to continue. Don't bother taking a long time with it unless it's your prerogative to do so.

for the orderly liquidation of joint-stock land banks, and of other purposes;, approved May 12, 1933, is amended to read as follows:

*“All coins and currencies of the United States (including Federal Reserve notes and circulating notes of the Federal Reserve banks and national banking associations) heretofore or hereafter coined or issued, shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, except that gold coins, when below the standard weight and limit of tolerance provided by law for the single piece, shall be legal tender only at valuation in proportion to their actual weight.”<sup>46</sup>*

An older Federal Reserve note, such as one from the 1950s [probably meant the 1850's - editor], establishes the difference between a Federal Reserve note and true legal tender on its face. Where the modern notes read “THIS NOTE IS LEGAL TENDER FOR ALL DEBTS, PUBLIC AND PRIVATE,” the old notes additionally read, “AND IS REDEEMABLE IN LAWFUL MONEY AT THE UNITED STATES TREASURY, OR AT ANY FEDERAL RESERVE BANK.” The ability to redeem this lawful money, however, is illegal, as established by the terms of HJR 192, making this old offer a bluff. In reality, a Federal Reserve note is just an instrument of debt – an I.O.U. – and not a commodity of value. The only “value” in Federal Reserve notes is their perceived value, and the fact that people who carry this perception circulate them throughout America’s economy. If this fundamentally incorrect perception was to fade, people would perceive them to be what they truly are: just pieces of inked paper.

### **The New Deal:**

HJR 192 was the sacrifice for the New Deal. Most believe that Roosevelt – grandson of opium smuggler Warren Delano Junior – was one of the best Presidents ever because he invested lots in jobs, national parks, more roads, etc., and that these investments in due time made the economy boom, as schoolbooks teach. This is a result of what happened, but what changed as a result of the New Deal for the common American “citizen” is avoided in schoolbooks. Deals were being made with the international bankers. The bankers invested in America once again, under new conditions. The first of which was the passing of House/Senate Joint Resolution 192, which further emphasized the country’s necessity for a new national bank – the Federal Reserve. This Resolution commanded people to turn in all of their lawful gold and silver currencies in exchange for Federal Reserve notes. The lawful, gold and silver currencies all went to the bankers, and the Federal Reserve notes<sup>47</sup> acted as debts, merely IOUs in a new, debt-based economic system, completely changing American economics.

Under the new law the money is issued to the banks in return for Government obligations, bills of

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<sup>46</sup> House Joint Resolution 192, 73d Congress, Sess. I, Ch. 48, June 5, 1933 (Public Law No. 10; U.S.C.A. 462, 463).

<sup>47</sup> In legal terms, a “note” is a debt. [Black’s Law Dictionary 1088 (8th ed. 2004)].

exchanges, drafts, notes, trade acceptances, and bankers' acceptances. The money will be worth 100 cents on the dollar, because it is backed by the credit of the nation. It will represent a mortgage on all the homes and other property of all the people in the nation. The money so issued will not have one penny of gold coverage behind it, because it is really not needed.<sup>48</sup>

The biggest effect of the New Deal on the people was that it changed who was to pick up the tab of the national debt. Instead of the United States being the debtor to America's national debt, the new system's goal is to make all of the American citizens individually the debtors, foisting the economic responsibility off of the government and on to its people. Sound atrocious? This plan, however, can't legally be carried out without the American people agreeing to their "share" of the debt. No one in their right mind would voluntarily agree to a share of a debt that they themselves didn't incur, so the U.S. government had to trick its citizens into becoming debt-slaves to foreign creditors.

To do this, Franklin Delano Roosevelt invoked his Emergency War Powers under Public Law 1. The enemy of his war was defined as "any person within the United States or any place subject to the jurisdiction thereof."<sup>49</sup> The war was an economic war, and the government gave everyone a *nom de guerre* – a war name – for the purpose of tracking and regulating its enemies (of the State) in order to "ensure elevated national security." This war name is also called a straw man: a personal account that the government creates for the purpose of continuing an economic transaction when one party doesn't necessarily agree to contracting.<sup>50</sup> This is the name found on your driver's license, social security card, I.R.S. forms, etc. These straw man accounts have the same name as everyone's legal names, but they are purposely capitalized. John Doe's straw man account would be called JOHN DOE. These accounts are capitalized because the accounts are considered to be corporations<sup>51</sup> by law. These corporations are also, in law, called persons.<sup>52</sup> By agreeing that your straw man represents you, the sovereign, you are agreeing to be a person and a UNITED STATES citizen, and are contracting with the UNITED STATES to be within the jurisdiction of its private laws.

In 1921 the government started issuing birth certificates, something the UK had been doing since the mid-Nineteenth Century. These certificates confirmed that a child is officially a U.S. citizen. People had no good reason to start obtaining these birth certificates, so the government had to entice them to do so. Expecting mothers were encouraged to sign them on behalf of their babies in return for paid pregnancy leave. Not understanding the contractual implications of the birth

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<sup>48</sup> House 73rd Congress, Session I, Chapter I, p. 83; Also see Senate Report 93-549 and Executive Orders 6072, 6102, and 6246

<sup>49</sup> 73rd Congress, Sess. 1, Ch 1, Title 1(b)

<sup>50</sup> Black's Law Dictionary 1461 (8th ed. 2004)

<sup>51</sup> Black's Law Dictionary 365 8th ed., 2004

<sup>52</sup> Black's Law Dictionary 1178 8th ed., 2004

certificate, these mothers jumped at the chance for free money with no obvious strings attached.<sup>53</sup> Another condition of the bankers' New Deal was that everyone was to deliver their birth registries – the documentation used before birth certificates were introduced – to the government. These were exchanged for Certificates of Live Birth (birth certificates), which were then filed by the U.S. Department of Commerce into one of its subdivisions, known as the Bureau of Vital Statistics. These titles to people's bodies – their property and future labor – were pledged to the international bankers as security (collateral) for the debt of the United States Corporation.<sup>54</sup>

Later, forms of adhesion contracts arose, making the knot that ties the sovereign people to their straw men corporation names even stronger. Adhesion contracts – contracts that favor one party much more than the other, typically entered unknowingly – are found throughout the government's interactions with its citizens. Registering to vote formally declares one a [lowercase “c” - editor] citizen.

After 1935, Social Security benefits enticed people to contract again and receive a social security number. Nowadays, all businesses that blindly follow THE UNITED STATES' economic laws<sup>55</sup> make one virtually unemployable without a number.<sup>56</sup> Driver's licenses are another example of an adhesion contract. Look at your name on your driver's license. You won't actually find it; instead, you'll find your straw name, which you agreed was you when you registered for your license. Legally, only one of these contracts is sufficient to bind the sovereign to the corporate UNITED STATES' laws.

The monetary implications of the New Deal extended all over the globe. Economies all around the world plummeted into depressions; but history books generally don't disclose much about this fact because it raises obvious questions about the purported cause that the common holders in the U.S. stock market were the prime culprit. Rough worldwide conditions allowed for the propagation of repressive political parties, like Hitler's Nazi Party, a modernized Democratic Party and a modernized Republican Party, all of which support diminished rights for the people and the interests of those abroad.

*“Since March 9, 1933, the United States has been in a state of declared national emergency.”<sup>57</sup>*

One result of this national emergency was the introduction of the so-called “alphabet agencies” –

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<sup>53</sup> Birth Certificates originated as a result of the 1921 Sheppard-Towner Maternity Act.

<sup>54</sup> Title 28 U.S.C. 3002(15)(A)

<sup>55</sup> Which in reality only apply to THE UNITED STATES itself and its subsidiary corporations, along with the ten mile square that is Washington D.C.

<sup>56</sup> This number itself being virtually no different than a brand on a cow

<sup>57</sup> Senate Report 93-549

i.e. the FBI, the CIA, the DEA, etc. – implemented for the purpose of protecting the government from foreign terrorists, which – because the entity in control of the laws is Britain – is usually considered the American people.

In 1944, the states also lost the remainder of their sovereignty through the Buck Act.<sup>58</sup> This Act improperly gave the States the title of 14th Amendment citizens, putting them under U.S. jurisdiction, which, according to the British private laws, eliminated the possibility that they could usurp the authority of the UNITED STATES OF AMERICA.<sup>59</sup> The Act was originally passed as an extension of the Public Salary Tax of 1939, which is a municipal law of the District of Columbia allowing it to especially tax all Federal and State governmental employees and those who live in any Federal area. The problem was that the Act wasn't pervasive enough to apply to the States, being sovereign entities themselves. The Buck Act was an attempt to lower their status as sovereign states to allow the money-grubbing governmental hands of taxation to loot the rest of the country, making state governments even less distinguishable from the Federal government. The Public Salary Tax Act was subsequently renamed the Internal Revenue Code of 1939 and was used to fraudulently apply federal income tax to all federal citizens.

Twenty years later, all of the states adopted the Uniform Commercial Code, which organized all of the economic transactions of every state and the feds. This Code also gave the U.S. the ability to use the copyrighted names of every state. Since all the laws of bankrupt America are rooted in economic principles, the UCC became the supreme law of the land, which was supposedly ruled, under the Buck Act, by THE UNITED STATES OF AMERICA. And thus the current shadow government, of which people unwittingly believe dominates all law-making and national authority, was formed.

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<sup>58</sup> Title 4, U.S.C. 104-116

<sup>59</sup> For example, the sovereign State of Michigan became THE STATE OF MICHIGAN, and its abbreviation changed from "Mich." to "MI," denoting the Federal corporation.