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Breaking Rad- Federalism For Real

**Assessing The Damage From The  
Misapplication Of The Income Tax**

*Americans end up as dependents when nearly every one should retire a millionaire.*

I HAVE AN ABIDING CONCERN that the average American is completely unaware of the "opportunity cost" of the exploitive misapplication of the income tax to earnings which don't actually qualify that has been widespread since the 1940s. (If this subject is new to you, see [this](#) to get a quick handle on the scam and [this](#) to quickly see the truth of that little story. Or, click [here](#) for a much more in-depth presentation.)

Laid out for viewing, that opportunity cost is startling and appalling, to say the least. Let's have a look (working with available 2015 figures).

ACCORDING TO THE U.S. CENSUS BUREAU, [median individual earnings in 2015](#) for all workers over 15 totaled \$30,240. We'll use that low-weighted figure so as to be exceedingly conservative (the higher the earnings-figure with which we begin, the more dramatic are all the lost opportunities we're going to examine).

Treating that \$30,240 as subject to the income tax and applying the 2015 \$6,300 "standard deduction" for a single filer and a \$4,000 single personal exemption, we end up with a "taxable income" for 2015 of \$19,700. (Some folks would apply a few additional specialized deductions, which would reduce this figure somewhat in those cases. But since many would not, and we're using a low-weighted starting point anyway, I'm going to treat those variables as evening out for purposes of this discussion.)

The nominal federal income tax on a single filer reporting \$19,700 of "income" in 2015 was \$2,498. The FICA income tax bite on that filer's \$30,240 of earnings was \$4,626.72. (Those

working for others may be surprised at that figure, since they only see half of the FICA tax bite being diverted from their pay. But the worker actually pays the whole thing. The other half, which is nominally "paid" by the company, is financed by a reduction in what would otherwise be the worker's total pay.)

So, we have a tax extraction of \$7,124.72 from our model young worker during 2015. Even under a 401(k), only a small fraction of just the non-FICA third of that total can be deferred until taken later at an unknown and possibly higher rate, and even that modest reduction can only happen by a much larger reduction in available current "take home" pay. All in all, a pretty hefty chunk gets taken, and especially from an earnings total of only \$30K. But we're just getting started.

Over our model's working life, his or her earnings will rise, and dramatically more will be extracted each year in taxes. Upon reaching just the [average \(mean\) earning level](#) of \$44,510, our worker will be tapped for \$10,703.03 (while still using 2015 tax figures, which skew low against reasonable projections into the future, and even while throwing in an extra \$5,210 mortgage interest deduction at this point).

SO, THAT'S THE CURRENT SITUATION for most American workers, broadly sketched: a whole lot of money being extracted under the auspices of the "income tax". Even allowing for no rise over average earnings throughout, and figuring that 23 of his or her 45 working years remain at the median number before rising overnight to the mean figure and then never increasing further, our model will have had taken away between ages 20 and 65 a total of \$399,335.22-- just in "income" taxes.

What's more, that already very large figure is just the *federally*-collected portion of the income tax. Residents in 43 of the fifty union states face additional applications of the same tax, making the actual total extracted considerably higher.

In return, our deeply-mulcted worker can expect to get back a lifetime total in Social security and Medicare benefits of

\$484,000. (This is based on current (2015) benefit levels, to be fair to our current earnings- and tax-rates model, as [calculated by the Urban Institute](#).)

OK, SO FAR, SO SUCKY. We're supposed to be living the American Dream, and the reality is not so "dreamy".

But wait, there's more! Now let's look at the opportunity cost of that income tax extraction from our young worker. Best sit down...

That same worker, if keeping the otherwise extracted amounts of his or her own money over that period and investing it-- even at an unreasonably-modest long-term rate of return of only 5%-- would end up with \$1,403,398.28 in the bank at age 65!

Here's how we get there: 5% interest on \$7,124.72, with the same amount added to the principle each year (in a single increment, which is a calculating factor that skews the results downward as compared to the constant increases which would really take place), yields \$331,823.31 after 23 years ([see the calculator here](#)). Bumping the rate of annual principle increase to \$10,703.03 over the next 22 years winds up at that whopping \$1,400K+.

BUT LET'S STOP BEING SO GENTLE with the tax-scam status quo! Bump the rate of interest to a much more normal 7% (see, for instance, [this](#) and [this](#)) and our worker ends up with a staggering **\$2,515,665.66** at age 65!

*Think about it. At 65, our non-victimized worker could afford to charitably contribute twice as much as would have been taken from him over his entire working career in "income" taxes, and still have in hand-- for retirement, care of family and legacy-- well over three times what SS and Medicare would dole out to him! And all while having had the full use of every penny of what would have been called his "take home" pay throughout those working years.*



Further, this is without factoring-in the somewhat smaller but otherwise identical advantages and added increments of wealth from retaining and investing income tax amounts collected by the states. Those collections are committed under precisely the same income tax scam deployed by the feds to improperly apply the tax (again, explained [here](#) + [here](#) in simple terms; [here](#) more comprehensively, and [here](#) in complete detail).

SO THAT'S HOW TO PROPERLY ASSESS THE INCOME TAX SCAM-- a deep, grinding, ruinous rip-off, which steals away the wealth and well-being to which every hard-working American is truly entitled. Think about how much more in charge of his or her destiny everyone would be if unhindered by the scam. Think how much more powerful every individual American would be.

Think how much more powerful and in command of your own destiny YOU would be. Maybe thwarting that is part of the reason for the scam...

It's amazing to me that everyone responsible for perpetrating, perpetuating and concealing the truth about this nasty scheme isn't facing an angry mob.

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P. S. Do you fear that everything will grind to a halt if the misapplication of the income tax ends and only the 30 million or so Americans who really owe it are left paying it? Not so. See [this](#).

FIND THIS ARTICLE as a sharable and printable .pdf [here](#).

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### **So, What's Up With These "Tax Honesty" People?**

*The leaders of this community are a huge problem, but could be a huge solution*

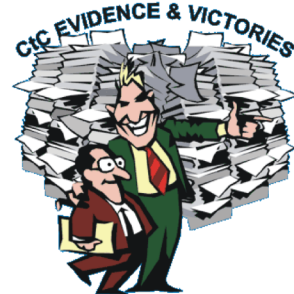
ONE THING HAS SERIOUSLY MYSTIFIED and bothered me

over the years. I'm talking about the stubborn refusal of so many "tax honesty" leaders to acknowledge the unique and indisputable accuracy of [CtC](#).

It's one thing for the media to be slow to recognize revelations of the liberating truth about the tax. Journalists generally don't even realize that the subject merits scrutiny of this kind in the first place.

But folks like Larry Becraft, Chris Hansen, Joe Bannister and Bob Schulz-- to name just a few with influence in the very large community of tax-truth activists-- DO realize. In fact, by their own declarations, the truth about the tax is the Holy Grail for which they have been searching for the better part of their adult lives.

And yet, now that the truth has been uncovered, and sharing it with more Americans is all that is needed to deliver its benefits of liberty and the restoration of limited government, these folks are not lending a hand. Instead, many of them spend much energy distracting Americans away from the truth!



IN THE EARLY YEARS AFTER [CtC](#)'s REVELATIONS were first published in 2003, slowness of recognition and acknowledgement were forgivable. But we are now 13 years on, with [hundreds of thousands of hard-core acknowledgements by 35 federal and state tax agencies](#) behind us, [all thoroughly vetted](#), and [some made only after protracted agency efforts to resist](#).

We are also 13 years into a steadily-better-documented series of transparent government and judicial evasions concerning [CtC](#). Every one of these evasions constitutes an unmistakable back-door admission of the insurmountable correctness of its revelations and the degree to which they are THE solution to the "ignorance tax" scam that has plagued America for the last

75 years.

After all, you don't [lie about the contents of a book](#), conduct [bogus judicial proceedings](#), outright lie to the jury about the text of key statutes in not just [one](#) but [two](#) show trials, or create [elaborate hoaxes](#) to frighten people away from something you can defeat on its merits.

Nor do you make all those hundreds of thousands of refunds and other concrete acknowledgments during all the foregoing efforts at suppression, mis-information and evasion-- each incident of which is but a part of [a seamless campaign of suppression for the entire 13 years](#)-- unless you have no choice.

And even all that is just the practical evidence. Let's not forget the scholarship and data involved in [CtC](#)'s revelations (a taste of which can be found [here](#)). By themselves they are enough to prove the truth, even if the besieged state had done nothing but stonewall the whole time.

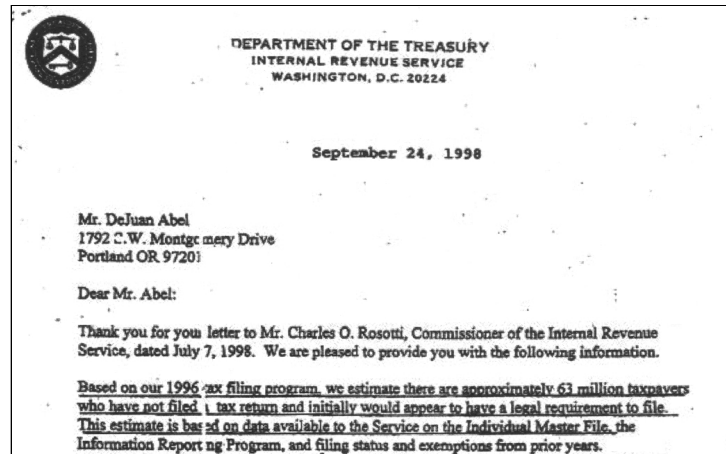
Doubts are no longer credible. Denial is no longer forgivable.

AND YET, THESE INFLUENTIAL "TAX HONESTY" FOLKS persist in their refusal to help spread the word, and instead throw stumbling blocks onto the field before those who do. Some of these distractions are blatant nonsense, like [the "section 83" silliness](#), or the endless variations of the argument that [citizenship and/or residency is relevant to the tax](#). Others are more passive, like encouragement of the "show me the law" stance, which [erroneously suggests](#) to the credulous that the advocates of that stance have done thorough research and honestly concluded that "there is no law".

Whatever their hobby-horse, though, every "tax honesty guru" who allows him- or herself to be seen as such and yet does not present the actual truth about the tax, either by directing all comers to [CtC](#) and [losthorizons.com](#) or by thoroughly learning the truth themselves and commencing to share it each in their own way, *actively hinders the realization of its benefits*. Every

distracted "tax honesty" activist is someone *not* helping move the ball downfield, and is, rather, much like a disease vector, spreading the distraction from which they suffer to others.

WHY DOES THIS MATTER? Here's the reason: The "tax honesty" community runs to an estimated 35 MILLION Americans. Look at this excerpt of an IRS response to an inquiry in 1998 on the subject:



So, in 1998, the IRS itself estimated 63 million non-filers who its data indicates would appear to have a legal requirement to file (by which would be meant "information return" allegations of payments of "income" above the exemption threshold).

It can't be assumed that all of these 63 million in 1998 were "tax honesty" non-filers, of course. But many doubtless were--anger at the lawlessness of the IRS was so high that year that Congress held hearings on the agency's abusive practices and ultimately enacted the "Internal Revenue Service Restructuring and Reform Act of 1998"-- you know, the act in which Congress felt obliged to provide a "Taxpayer's Bill of Rights".

Considering the passage of another 18 years in which the internet has had a chance to expose vast numbers to even erroneous adverse notions about the tax and the increased population overall, I feel pretty good about my very conservative estimate of there now being 35 million or so in the

defiant "tax honesty" community. Whatever the exact number, it is a very big one.

*Do you understand now why the government is so focused on suppressing [CtC](#)?*

Do you understand now why the simple task of spreading [CtC](#)'s revelations is so pregnant with promise for *really and truly* transforming America by the restoration of limited government, liberty and the real rule of law?

So, perhaps you also understand my frustration with folks like Becraft, Hansen, Schulz and others who not only don't help spread the truth, but actively hinder the truth's spread.

It's this simple: Once just 1% of 35 million Americans get it, within 6 months 10% of that number will get it.

Once 10% of 35 million Americans get it, the "ignorance tax" scam is dead.

In short, as little as one year after these influential "tax honesty" folks end their distractions and start spreading the truth, the Big Bad can be history.

Please help them see the light.

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### **Another Crack In The CtC-Freeze-Out Ice**

*G. Edward Griffin steps up to prosecute the state under the law of unintended consequences*

FOR 13 YEARS AMERICAN JOURNALISTS-- even "alt-media" journalists who are not normally courtiers to the state as "mainstream" journalists so often are-- have shied away from the truth about the income tax uniquely revealed in '[Cracking the Code- The Fascinating Truth About Taxation In America](#)' (CtC). The reasons are variously good and bad.

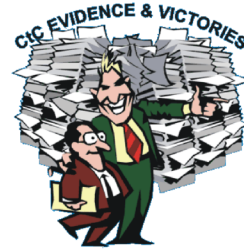
In some cases CtC has been avoided due to imagining the truth

about the income tax to be too complicated for confident, competent coverage without a great deal of effort.

In other cases there is prior intellectual investment in some old and CtC-debunked theory about the nature of the tax, meaning that making the CtC story known will be an embarrassment. Or a reluctant journalist may have already published calls for the abolition of the income tax or the IRS, which CtC has proven to have been misguided.

On the other hand, in some (perhaps most) cases, the government's 13-year [campaign to prevent actual understanding of CtC's revelations](#) and discourage thoughtful consideration of the [ever-growing pile of federal and state acknowledgements of their accuracy](#) has simply worked.

Many silent journalists simply haven't ever really looked at CtC and the enormous body of authority and proof-of-concept practical evidence with which it is surrounded. They may well have heard of the book, and may even have been urged to look more closely. But hey, there are all those troll posts telling them not to bother. Further, even recognized names in the "tax honesty" community (who DO have those prior-investment incentives in play, but certainly don't say so) tell them to not go there...



The bottom line is that a lot of silent journalists have been so for very forgivable reasons. They're busy people and have to implement triage policies in choosing where to spend their finite supply of attention, and they've been being discouraged from spending any of it on CtC by the best discouragers in the business.

BUT THE LATEST SUPPRESSION EFFORT by the deeply-threatened deep state-- which understands that CtC's revelations are the actual and only sharpened stake hanging over its breast, and one to which it has no answer except suppression-- is different. The assault on Doreen is easy to

understand in its pernicious evil and easy to write about; and no one has ever made an intellectual investment favoring government-dictated testimony.

In fact, the assault on Doreen pretty-much demands coverage by any honest journalist or pundit purporting to be of a natural-or-Constitutional-law-respecting bent. It is beginning to get that coverage.

In [February](#) and again [earlier this month](#), the excellent Alex Newman and World Net Daily stepped up with major stories about what is being done to this good American woman. Now G. Edward Griffin has stepped up as well, with [a featured story on Doreen's case in his newsletter last week](#).

SO HERE'S THE GRATIFYING IRONY: It is this latest and most corrupt-thus-far suppression effort that is cracking the very same icy wall it is meant to fortify, and pushing CtC's revelations into the daylight. The simple fact is, reporting on what is being done to Doreen demands attention to the question of why this is being done.

People with even the most modest degree of insight will recognize that the question is not whether the courts have legitimate authority to tell someone what she must say on a tax form and swear she believes true (which everyone knows they do not), but *why* any would want to do this (or more precisely, why the DOJ/IRS that wrote these orders and asked a judge to issue them would want this done).

After all, people have been saying things on tax forms which the government would prefer they didn't for as long as we've had tax forms. Millions don't even fill them out at all. And yet never before in American history has anyone been ordered to say particular things on a form (rather than just ordered to "report your income"), and sign the thing (falsely) indicating that those particular dictated expressions are her own.

So, why now? Well, [this is why](#), of course, and while by itself,

even this astonishing news has been successfully frozen out of journalistic attention for the reasons listed above, the assault on Doreen is bringing the heat which is melting that wall.

Scott observed that a tangled web is woven by deceit. Here, the corrupt "ignorance tax" scammers have finally woven such a web in defense of Leviathan's deepest and thickest tap-root that they're starting to trip themselves up in it.

Praise God, pass the ammunition, and crack on. The People are starting to awaken.

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THE EXCELLENT RICK VAN CAMP has penned a powerful comment in response to G. Edward Griffin's post on Doreen's case, which I'm very pleased to share:

I am glad Ed Griffin has taken up this story, along with World Net Daily. I (and many others) am composing a letter to the AG of the State of Michigan, Bill Schuette, to initiate an investigation of this outrageous event, with possible *criminal indictment of several of the participants, including the two Federal Judges*, for suborning Perjury. Which is, always, a Felony; in All States and Federal jurisdictions. The AG office has shown great interest in this case; We shall see what he is made of.

This case strikes at the very heart of the Rule of Law and our Rights as citizens of the US. If government can, in the course of prosecuting a citizen dictate the testimony of the defendant to comply with the version preferred by the prosecution, then the trial by Jury under the Law is merely a charade, a sham. All of you are old enough to remember being taught of "trials" of this nature that occurred regularly in the Soviet Union. Well, welcome to the USSA.



That this nearly unbelievable story is not front and center on every news network in America tells me all I need to know about the "Free Press", not to mention the state of the legal profession.

There are no hidden stories here, no extenuating circumstances or any other reasonable justification(s); this is, clearly and simply an outright criminal fraud by IRS/DOJ and the US District Court to compel a citizen of the United States Of America to perjure herself in order to advance their continuing deception of the American people that protects the river of wealth extracted under the carefully nurtured but false understanding of the true nature of the Tax.

Can you imagine the consequences of 300 million Americans awakening to the fact that their government has been deceiving them since 1943, and has conscripted every "employer" (and Bank, Savings and Loan and Credit Union) in the country as participant in this fraud? Can you imagine, then, what would happen to that government, even should it survive this revelation, if it should suddenly lose the 3 Trillion or so it extracts under deliberately false understanding of a "voluntary" tax each year?

And what of the 10's of trillions levied and spent for the past 73 years since the institution of the Withholding Act?

For most of us, we simply can not conceive that such a monstrous and deliberate deception is possible; or that "someone has not discovered this" and set it straight. Well, someone has; and he, his wife and their family are under assault by those agencies of government that stand to lose everything should the truth be revealed. Without wishing to add melodrama to this discussion, just what the Hell did the men and women under all of

those white crosses die for if not for the right of All Americans to live under a government ruled by Law, and Laws constructed by the people themselves through their Representatives, and not the tyranny of a corrupt and avaricious State that ignores the fundamental basis of self-government, to be ruled only *by the consent of the governed*"?

I ask you all to take the time to learn the pertinent facts surrounding this astonishing bit of tyrannical overreach, and [urge the office of Mr. Schuette](#) to investigate, prosecute and convict all parties (the very definition of conspiracy) of any and all charges possible under Statutory and Common Law. Title 18 of the USC provides for prosecution under the Law for those who have exceeded their lawful authority, and Perjury, and any efforts to solicit, induce or coerce perjury, is always a Felony.

As we honor the sacrifice of those who fell in defense of this country, let us not forget what they sacrificed for.

Enjoy your Holiday, but do not forget.

RVC



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## **THE "Smoking Gun" Proof Of Government Corruption**

HAVE YOU EVER FOUND YOURSELF IN A DEBATE with someone who just can't wrap his or her well-conditioned mind around the fact that the US executive agencies and the federal courts are corrupt? It can be hard.

Usually you're faced with the uphill climb of coaxing the skeptic into learning some complex backstory, following your logic and drawing inferences that support your case. It's only occasionally that you'll be given the kind of time and honest attention necessary to get there using such delicate tools. But now you don't need to rely on mere argument-- concrete proof is at hand!

Whether you're trying to explain "false flags" or election fraud, or support any other good reason Americans should be skeptical of government claims, one single sentence from a federal trial transcript provides you with an atom-bomb of evidence. You will never again have even a single person walk away shaking his head, unconvinced.

Here it is, the best new resource for the entire "truth" community:

**It is not a defense to the crime of Contempt that the Court Order that the Defendant is accused of violating was unlawful or unconstitutional.**

WHAT YOU'RE LOOKING AT HERE is an instruction requested by the US Department of Justice in each of the two trials of Doreen Hendrickson (in 2013 and 2014). Doreen was being tried on a DOJ-brought charge of "criminal contempt of court" for refusing to commit perjury as ordered by a court in 2007 at the agency's request.

This instruction (see the actual transcript pages [here](#)) was issued by the trial court (over Doreen's objection) and subsequently upheld as valid by the Sixth Circuit Court of Appeals in 2016. But as is obvious to any kindergartener, this instruction is invalid on its face.

An unlawful order-- by its inherent nature-- *imposes no legal duty*. Disobedience of an unlawful order *cannot* be a contempt

under ANY circumstances.

So, no leap of logic is needed here. The unlawfulness of an order plainly and unmistakably *is* a defense to a charge of contempt; indeed, *it is the most fundamental kind of defense* to such a charge.

In fact, the statute defining criminal contempt, 18 U.S.C. § 401(3), specifies that it only applies to "lawful" orders, to ensure that even the most mentally-challenged among us can't misunderstand this fact: "...Disobedience or resistance to its **lawful** writ, process, order, rule, decree, or command."

Plainly, this jury instruction is invalid. Plainly, the request for it, its issuance, and it being upheld are all acts of executive and judicial corruption.

This instruction is the "red pill" with which any doubter of the government's willingness to lie and break the law can be awakened to reality. Use it that way yourself, and share it around with everyone-- even those with no interest in the truth about the income tax, but with other causes in which government corruption is a factor.

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NOTE: The instruction discussed here would be invalid in ANY contempt prosecution. The details of the charge involved are irrelevant to that point.

But just so everyone using this weapon of truth is fully-equipped if the question should arise, I'll explain that the orders involved in this case command Mrs. Hendrickson to testify over her own sworn signature using expressions dictated by government agents which she does not believe to be true and which directly contradict her previously- and freely-made testimony on the same subjects. (Further, the dictated expressions are meant to be used as evidence against Mrs. Hendrickson for the government's financial benefit.)

Thus, the orders involved in the case in which this instruction was given ARE, in fact, unlawful, and everyone knows it. It was to overcome that problem and allow a false conviction to be accomplished that this corrupt and inherently invalid instruction was sought and issued.

It was to sustain that false conviction that the instruction was upheld by the Circuit Court panel in a ruling in which it also declared that it would not address the constitutionality of the orders themselves. Both those decisions were based on the pretext that unquestioning respect for the "authority" of a court and its orders (even illegal ones!) outweigh the Constitution (by misapplication of the vague judicially-created "doctrine" known as "collateral bar").

You can learn more about that appellate decision [here](#). You can learn why the DOJ and its sock-puppet courts are willing to stoop to these crimes at [losthorizons.com/The16th.htm](http://losthorizons.com/The16th.htm).



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### **The Rule Of Law Is Being Murdered In Cincinnati, And No One Is Saying A Word**

*The failure to sound the alarm-bells now means funeral bells  
will soon be ringing*

ON MARCH 11, 2016, a panel of the Sixth Circuit Court of Appeals issued a decision denying Doreen Hendrickson's appeal of her 2014 conviction on a single count of "criminal contempt of court". The decision upholds unprecedented orders compelling a government adversary in a legal contest to make government-dictated, government-benefitting false testimony.

Also upheld is an equally-unprecedented jury instruction relieving the government of the burden of proving a statutory element of a charged offense: "[I]t is not a defense to the crime

*of contempt that the court order that the defendant is accused of violating was unlawful or unconstitutional."*

The charge in the case concerned orders made to Mrs. Hendrickson by a federal district court judge in 2007. The orders [were written by](#), and issued at the request of, the DOJ in the context of a lawsuit seeking the return of purportedly "erroneous refunds" of amounts withheld from Mrs. Hendrickson's husband, Peter, during 2002 and 2003.

In fact, the refunds were not errors. They had been made by an unusually well-informed, eyes-wide-open United States, and only after [a bit of resistance and a great deal of scrutiny](#). What's more, they had been made even while the DOJ was struggling in several courts around the country to suppress Pete Hendrickson's first book, '[Cracking the Code- The Fascinating Truth About Taxation In America](#)', in which he reveals [information about the income tax](#) which the government does not wish to be widely known.

After [losing in that series of earlier efforts](#), the DOJ tried to work around its lack of a legitimate and lawful way of suppressing 'Cracking the Code'. The "work-around" was a bogus "lawsuit" in which it falsely claimed the refunds it had made to the Hendricksons-- the first of their kind in American history, [but by 2006 being routinely issued to tens of thousands of 'Cracking the Code' readers by the feds and dozens of state governments](#)-- were just big mistakes made by an IRS that had been caught napping.

As a key part of its new book-suppression "work-around", the ruling written by the DOJ for the signature of the presiding judge in the lawsuit included false "findings" about the Hendricksons' tax liabilities for 2002 and 2003 based on [a fictional IRS "examination report"](#). The ruling also included [false "findings"](#) about what 'Cracking the Code' says about the tax\*-- by [a judge who never read the book](#), and didn't even [hold a single hearing](#) in the case before issuing these official "facts"

as requested by the government.

Most importantly, the "work-around" signature-stamped ruling contained two orders to Peter and Doreen Hendrickson. The orders are designed to compel the Hendricksons to personally repudiate Pete Hendrickson's research into the true nature of the income tax, and to create for the government a fictional basis for the application of the tax to the Hendricksons' 2002 and 2003 earnings (which the government would then be able to treat as a retroactive validation of its fraudulent lawsuit).

It is these orders Doreen Hendrickson is accused of "criminally" violating in the contempt charge for which she was convicted after two trials (the first having ended in a hung jury), and which was the focus of her appeal to the Sixth Circuit.

ONE ORDER COMMANDS MRS. HENDRICKSON TO DECLARE-- over her signature and under oath-- that she believes her earnings during 2002 and 2003 as a private tutor, and those of her husband as a purchasing director of a private-sector property-management firm, qualify as "income" as that term is meant in tax law. Mrs. Hendrickson does NOT believe these earnings qualify, and has testified repeatedly to that fact.

The government also does not believe the Hendricksons' earnings qualify. If the government believed the earnings qualify, [26 U.S.C. § 6020\(b\)](#) requires it to produce sworn returns of its own making this allegation (a fact about which [both government prosecutors and the presiding judge lied](#) during Mrs. Hendrickson's second trial).

The government has never made 6020(b) returns concerning the Hendrickson's 2002 and 2003 earnings, as can be seen on [Treasury Department certificates of assessment and IRS Master File transcripts](#) for those years. These official records not only show that no 6020(b) returns have been created, but explicitly show the government's agreement that nothing the couple earned for those years qualified as "income" other than the \$28.34 in interest from a national bank which the Hendricksons

had duly reported.

Nonetheless, the government asked that the Hendricksons be compelled to replace their sworn tax returns for 2002 and 2003 with new ones. The couple was ordered to list their tutoring and property-management earnings for those years as "income", and to sign the forms indicating, under oath, that they believe this characterization of those earnings to be true and correct to the best of their own knowledge and belief.

The couple was given a second order, as well. This one enjoins the Hendricksons from filing tax documents "based on the false and frivolous claims in [the book] 'Cracking the Code' that only federal, state and local government workers are subject to the income tax," even though, as noted previously, the book [makes no such claims](#), and the judge issuing this order, which was based on a "finding" as to the book's contents, has [admitted to never having actually read the book](#).

The practical effect of this second order is to compel the Hendricksons to declare any and all earnings to be "income" on any future forms they complete, and to declare their belief in the truth of this characterization, since any failure to do so will be alleged to be based on the falsely-ascribed "claims made in 'Cracking the Code'...", and thus, a violation of this second order. This false construct was, in fact, deployed in the charge against Doreen Hendrickson, which included an allegation of contemptuous violation of this second order for her failure to declare a belief that \$65 she earned in 2008 from a day's work as a movie extra qualifies as "income".

PLAINLY, BOTH ORDERS DOREEN HENDRICKSON WAS CHARGED with a crime for disobeying attempt to take control of two Americans' expressions of belief. Both orders try to force these Americans to declare beliefs for the government's benefit, and more, things the coerced speakers believe to be false.

Plainly, both orders are transparent violations of the speech rights the government is prohibited from abridging by the First



Amendment, and lack even a pretense of validity.

Both orders are plainly fraudulent, as well. As has been shown, the government admits that what it wants the Hendricksons to say they believe is untrue even in its own mind. Further, the second order is constructed of a false ascription of content to a book the order-issuing judge has never even read.

The Hendricksons have refused to obey these fraudulent, rights-trampling, transparently invalid orders, just as would any decent, law-abiding American. Nonetheless, in 2013, Doreen Hendrickson was indicted on a charge of contempt of court for her courageous exercise of her right to control her own expressions even in the face of this executive and judicial corruption.

In trial, the government requested, and the judge issued, an instruction to the jury that, "*[I]t is not a defense to the crime of contempt that the court order that the defendant is accused of violating was unlawful or unconstitutional.*" By this instruction-- which invokes a doctrine of generic character, equally applicable to any court order as much as to these particular orders-- government-requested court orders are elevated to the level of divine edicts, to be suffered without recourse no matter what they command.

This doctrine will equally shield from challenge and correction an order to confess to alleged child abuse as much as it shields these orders to commit tax-law perjury. This doctrine says, "It doesn't matter what the state commands you to do. The state can command anything, legal or illegal, authorized by the Constitution or in defiance of the Constitution, it doesn't matter. You must simply do whatever you're told. If you do not, you go to prison, period."

This instruction has never been made in any trial before in American history. But now it has, and it has been upheld by the Sixth Circuit in a decision originally unpublished, but now published on the government's motion and therefore a formal

precedent which can be used to argue for the same instruction in every other case involving orders issued by any judge.

IN ITS DECISION, THE APPELLATE PANEL argues for exactly what I have just described. Refusing to address the question of the lawfulness of the orders involved, the panel spends several pages arguing that it need not conduct any such analysis, finishing with, "[T]he constitutionality of the underlying order is not at issue in this case." Doreen Hendrickson should have just done what she was told, the panel says, whether the orders were illegal or not.

Upholding the instruction keeping the question from the jury the panel "reasons" that if the jury were to consider "lawfulness" it would invade the authority of the court. Again, the argument is, orders of a court are not to be questioned by mere citizens.

If told to jump, all a citizen can say is "How high, m'lord?" The pretense of a jury trial will be conducted for the ostensible purpose of getting the People's agreement that a crime was committed, but, well... not really.

Perhaps recognizing the inanity of its own positions in this regard and as in its own refusal to strike down the orders, the panel then digs deeper still. It goes so far as to argue that "lawful" is not an element of criminal contempt anyway, despite its explicit inclusion in the statute under which Doreen Hendrickson was charged, 18 U.S.C. § 401(3):

A court of the United States shall have power to punish by fine or imprisonment, or both, at its discretion, such contempt of its authority, and none other, as--

(3) Disobedience or resistance to its lawful writ, process, order, rule, decree, or command.

The details of these arguments and positions of the appellate panel can be seen laid out in concise detail in this filed "[Petition for En Banc Re-Hearing](#)" of the appeal (or in this more

accessible, and slightly warmer "[journalist's version](#)").\*

AT BOTTOM, THEN, A FEDERAL CIRCUIT COURT has held that an American can be ordered to declare beliefs she does not hold. It has further held that when tried for disobedience her jury can be prevented from considering the unlawfulness of the orders, and an appellate court needn't consider that issue. In short, a federal circuit court has established a precedent upholding an unchallengeable judicially-administered tyranny.

This decision has been out there for more than three weeks now. And yet, there has not been a single word about it on any website other than this one, to my knowledge, and not a speck of media attention.

No one has expressed an opinion about the legitimacy of this decision, or about its deadly threat to the rule of law. No one has spent a pixel asking why the Sixth Circuit would resort to these absurd and unprecedented arguments in this particular case, why the DOJ sought these bizarre, plainly illegal orders in the first place, or why one district court judge went along with them back in 2007, and another went along with this prosecution in 2013 and 2014.

Instead, everyone is just standing there watching.

The rule of law is being murdered here, in an effort to cover up information critically-important to the preservation (or restoration) of liberty and limited government in America.

And so far, everyone is just letting it happen.

Has America become the land of the sheep and home of the knave?

I hope not.

I hope people will finally start raising their voices, before it's too late.

PLEASE RECOGNIZE WHAT IS AT STAKE in all this. I say without any hyperbole at all that the preservation of even a hint of liberty for you and your kids rests on immediate action. We must slam shut the new door to despotism pushed open by the Sixth Circuit in this barbaric decision RIGHT NOW!

You know how this goes. If the state gets away with dictating Doreen's testimony in this case, it will soon be dictating the testimony and "admissions" of anyone it chooses to target for property-seizure, compelled waiver of rights or simple punishment. If the damning "testimony" is not made, trial for "contempt" follows, and the unlawfulness of the order will be off the table for the jury, just as in Doreen's trials. The only thing that will matter is that the false testimony was not made as commanded.

This ploy will be used to control testimony about others, or concerning matters of public policy, also. And the public will never know. One feature of Doreen's case was that she was ordered not only to swear she believes what she does not, but to conceal the fact that what she said was not her own testimony, and that she was forced to say it.

The potential for evil here is unprecedented. Please, PLEASE get involved in helping to publicize this outrage and demanding the overturning of Doreen's conviction, if not the impeachment of every judge responsible for the whole ugly affair.

#### HOW YOU CAN HELP:

Send emails to journalists. Attach [this file](#); or paste in the link. Make your email a personal message asking the recipient to read the 4-page .pdf and the exhibits linked from within it, and explaining that it concerns an unprecedented assault on speech rights and the rule of law in general that you want to see publicized.

Letters to the editor of your local (or favorite larger) paper would be great, too. So would letters and emails to lawyer's

organizations and law professors across the country. Keep in mind that EVERYONE will recognize their own stake in this issue, if it is properly put to them.

A serious and sustained clamor right now might succeed in helping the *en banc* Sixth Circuit decide to do the right thing, being thus informed that what they do will not have the cover of darkness and public disregard. Please make that noise.



*"A free people claim their rights as derived from the laws of nature, and not as the gift of their chief magistrate."*

-Thomas Jefferson

\* As good as it is, the odds of the full court re-hearing the case per this petition are vanishingly small *absent a hue and cry from the public*. The courts in general have already shown their stripes, and even in cases not being managed by the DOJ there is an institutional disinclination against repudiating decisions once made.



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**The Founders' Defense Against Sociopaths In**

## **Office**

*"In order to get power and retain it, it is necessary to love power; but love of power is not connected with goodness but with qualities that are the opposite of goodness, such as pride, cunning and cruelty."*

-Leo Tolstoy

IT IS WELL ESTABLISHED that there are an inordinate number of sociopaths in public office as compared to the general population. As observed by Martha Stout, clinical psychologist and author of The Sociopath Next Door,

"[P]oliticians are more likely than people in the general population to be sociopaths. I think you would find no expert in the field of sociopathy/psychopathy/antisocial personality disorder who would dispute this..."

These sociopaths are people of the "power sickness", characterized by narcissism, self-importance, a willingness to manipulate others and the charm to do it effectively, and a perpetual habit of deflecting blame when their self-interested actions cause harm to others, all stemming from a basic lack of conscience. See [here](#), [here](#), [here](#) and [here](#).

This overrepresentation of sociopaths in the "political class" is no surprise. After all, public office offers all the things gratifying to such people. Office-holders get lots of attention from others, much of it fawning; they get easy money and lots of it; they get the opportunity to rule over other people; and they face a standard of success that relies more on a skill at bullsh\*tting than on the hard work needed to actually gratify the needs and desires of strangers, such as is required in any other occupation.

Further, the skills needed to achieve public office-- being willing and able to convincingly paint a rosier, more desirable picture than any honest opponent would have the moral turpitude to offer; charisma; and an obsession with self-aggrandizement--are all the natural traits of the sociopath. Healthy men and women are hard-pressed to compete against these political

"naturals" in any but the most extraordinary circumstances.

Given this remarkably-aligned package of requirements and rewards, it's no surprise that sociopaths gravitate toward public office and achieve it in numbers disproportionate to their representation within the general population of healthy men and women. The top prizes go to the very worst of them, and the losers satisfy themselves by joining the swarm of petty functionaries with clipboards that fills government buildings coast-to-coast.

SO, PUBLIC OFFICES ARE TYPICALLY nests of snakes, supported by nests of lesser but just-as-reptilian creatures, including, of course, all the appointees selected by the chief sociopaths (judges, department heads, commission members and so forth), who are from the ranks of those congenial to their benefactors' characters and desires. This has always been the case, from the very beginning of any kind of hierarchic ruling structure in any human society.

*And sociopaths in positions of authority are dangerous!* No one in his or her right mind wants these folks wielding significant power that is capable of causing harm on any kind of mass scale, whether at home or abroad.

HAPPILY, THOSE WHO FOUNDED THE FEDERAL GOVERNMENT IN AMERICA knew all about sociopaths, their lusts, and their skills.

Adams, Jefferson, Madison and the rest were close and accomplished students of history and psychology, and had their own personal lifelong experiences with public office-holders, both elected and appointed. The Founders recognized the danger these mentally-ill but eminently-functional types represented to decent society and the principles of liberty.



At the same time, the Founders also recognized that some form of power-managing societal organization was inevitable, whether theoretically "necessary" or not. So, they made provisions to structure that organization so as to provide for the

accommodation of the inevitable while strictly protecting against the threat of sociopaths using the structure to do great harm or to become an existential threat to the liberty of the People.

THE FOUNDERS' CHOSEN DEFENSES AGAINST THE SOCIOPATHS were two-fold. Informing both was an understanding that while power cannot be kept from bad people, and any degree of power corrupts even good people once it is in their hands, if the power that bad people are able to wield is small, then the harm done by them can be kept small and tolerable.

The lesser (less relied upon) of the Founders' defenses against sociopathy was the recognizably weak measure of granting public officialdom only express, limited powers. The Founders were not fools, and they were well aware that the very same public officials they meant to restrain would assume for themselves the authority to interpret those limitations, and would do so in a fashion which would, over time, nullify them. It was also understood that the class of public officials and those who supported their elevation would also end up manipulating the electoral process so as to largely ensure their perpetuation in office.

Thus, the second, and far more powerful and reliable defense: the juxtaposing of the personal interests of individual men and women directly against the desires of those in office by carefully-designed rules controlling the federal government's taxing authority. Here, too, expressions in the fundamental law were involved, but those regarding taxation are unique among the delegated powers in several critically-important ways.

First of all, under the unique rules controlling federal government (fedgov) taxing powers, the fedgov is given a means by which an unlimited amount of wealth can be commandeered at the sole discretion of Congress and the President-- but only if liability is laid exclusively on union-state



governments. This is "direct" taxation.

At the same time, the fedgov is permitted to allege and seek to enforce individual, personal liabilities, but only in regard to gains from the purely elective exercise of federally-granted privileges. This is "indirect" taxation.

Because the population of a state in the aggregate will ultimately pay all direct tax levies, an explicit incentive exists for residents of the state to pressure its congressional delegation to keep direct taxes low. Further, because apportionment (the mechanism by which liabilities among the states are distributed) lays the burden for a tax upon a state based on its proportion of the national population, not its proportion of the national wealth, the overall per capita burden of any direct tax cannot exceed whatever the poorest state is able to pay, again forcing direct taxes to remain low.

On the other hand, indirect taxes cannot be collected unless individuals have chosen to engage in government-privileged economic activities rather than common economic activities engaged in by right. Thus, every individual is entirely in control of how much, if anything, he or she will pay the government in indirect taxes, such as the "income tax".

Because every individual naturally seeks to optimize the gains from all effort, individuals will keep privileged economic activity at a minimum, unless the rates of tax are kept so low that the overall net gains from privileged activities exceed those that can be had through unprivileged economic activity, even with the additional burden of the tax factored in as a cost. Either way, the power accruing to the government through the capture of indirect tax revenues is kept small.

Putting the two varieties of tax together, Congress has a deep and broad authority to tax. At the same time, the rules under which Congress is exclusively allowed to exercise this authority impose extremely powerful, diffuse, wide-reaching and self-activating constraints on how much power its exercise puts

into the hands of those in public office.

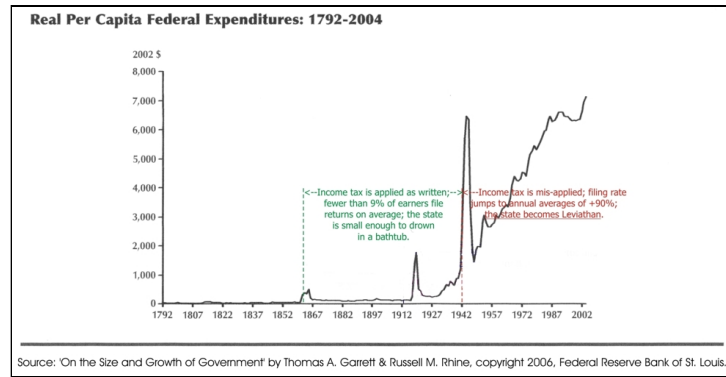
And those constraints operate by virtue of natural incentives needing no special political organization on their behalf. No other provision of the Constitution either authorizing a power of Congress or limiting congressional discretion shares this effective duality of character, and is so unassailable either politically or through creative "construction" of the law.

SO, THIS IS HOW THE FOUNDERS, in their far-seeing wisdom, solved the age-old problem of sociopaths in office. They set up a structure limiting the power those sociopaths can wield which does *not* rely on the inherently unreliable checks and balances of different branches of government, which are always at risk of corruption from "checks and balances" into "You scratch my back and I'll scratch yours."

Instead, the Founders invoke and rely upon the discipline and energy of the competing interests of the individual Americans from whose pockets the power must be taken and against whom it would be exercised. People looking out for #1 look hard and sharply, and in doing so benefit all of society by keeping the sociopath-infested state from growing large, and therefore dangerous.

NEEDLESS TO SAY, THE SOCIOPATHS have struggled over the centuries to escape the constraints of the Founders' design, but to no avail. It has only been by the flimsy artifice of [absurd myths about the nature of the indirect "income tax"](#) that any evasion has been managed. But even this evasion is not an escape.

It is true that under the influence of the sociopaths' myths many Americans have been fooled into treating all their economic activity as federally-privileged and subject to tax during the last 75 years, and this has allowed much more power to accrue to the sociopaths than any sensible person would want.



But the mistreatment of activity as privileged and subject to the tax remains entirely within the discretion of each individual, however much that discretion is being controlled in its exercise by state-encouraged ignorance about the tax. The rules have merely been evaded, and only so far as the state can promote and maintain that ignorance. The rules have not been escaped.

Nor *will* those rules be escaped. It is telling that the sociopath-benefiting mistreatment of non-taxable activities as taxable has not been accomplished by convincing Americans that is it good for their power to change hands. As the Founders understood, this will never happen, and [has never happened](#).

Only the fostering of falsehoods about the nature of the tax and the rules to which it is subject have accomplished this undesirable transfer, which remains entirely vulnerable at all times to the truth about the tax and the rules under which it operates. As rapidly as that re-empowering information spreads the power available to the sociopaths diminishes, and nothing is needed to secure that relief except that spread of knowledge.

Already the tide is starting to turn back toward [liberty and limited government under the law](#). Many Americans have learned the truth about the tax and have re-claimed their power, keeping it from the sociopaths and protecting all of us from harm. Meet some of these truly heroic American men and women [here](#).

If you're not already [CtC](#)-educated about the tax and the

Constitutional structure designed by the Founders, start learning the truth [here](#), and share it with everyone you know.

Being safe from the war-mongering, injustice-committing, liberty-crushing, self-enriching sociopaths is really as simple as this single question:



What's your answer?

### **Some Important Questions And Answers**

*...for those of us in the fact-based, law-abiding, liberty-and-rule-of-law-preserving community...*

WHEN MAKING ITS RULING ON THE MEANING of the Constitutional term "[capitation](#)" (in *Pollock v. Farmer's Loan & Trust*, 157 U.S. 429 (1895)), the Supreme Court drew upon the analysis of American statesman Albert Gallatin. Gallatin was variously a state and federal congressman and senator, U.S. Minister to England and France, and the longest-serving Secretary of the Treasury in U.S. history.

While Secretary of the Treasury, Gallatin produced a detailed report of matters relevant to that office, titled, 'A Sketch of the Finances of the United States'. Within this report Gallatin discusses the various Constitutional tax options available to the Congress for dealing with future federal revenue requirements.

Some of Gallatin's material, particular what is explicitly cited by the Supreme Court, is well known. It's been presented to every serious student of the tax for many years in [CtC](#):

"..Albert Gallatin, in his Sketch of the Finances of the United States, published in November, 1796, said: 'The most generally received opinion, however, is that, by direct taxes in the constitution, those are meant which are raised on the capital or revenue of the people;...' ... He then quotes from Smith's Wealth of Nations, and continues: 'The remarkable coincidence of the clause of the constitution with this passage in using the word 'capitation' as a generic expression, including the different species of direct taxes-- an acceptance of the word peculiar, it is believed, to Dr. Smith-- leaves little doubt that the framers of the one had the other in view at the time, and that they, as well as he, by direct taxes, meant those paid directly from, and falling immediately on, the revenue;...'"

*Pollock v. Farmer's Loan & Trust*, 157 U.S. 429 (1895)

So, here we have what the "income tax" is not and cannot be-- a tax raised on the capital or revenue of the people. Remember, "capitations and other direct taxes" still must be apportioned, and the "income tax" is neither apportioned nor a "capitation or other direct tax":

**If [a] tax is a direct one, it shall be apportioned according to the census or enumeration.** If it is a duty, impost, or excise, it shall be uniform throughout the United States. Together, these classes include every form of tax appropriate to sovereignty. Whether the [income] tax is to be classified as an "excise" is in truth not of critical importance [for this analysis]. If not that, it is an "impost", or a "duty". **A capitation or other "direct" tax it certainly is not.**

*Steward Machine Co. v. Collector of Internal Revenue*, 301 U.S. 548 (1937) (Emphasis added; citations omitted.)

Okay, then. No matter what it may look like as currently administered, the "income tax" is not Constitutionally-authorized to be a "capitation"-- that is, a tax on the capital or revenue of the people.

Nor is the tax on the activity that produces the capital or revenue of the people (or the event of receiving it, or anything

else of that kind). The unanimous Supreme Court in *Brushaber v. Union Pacific R. Co.*, 240 U.S. 1 (1916) tells us that this is also not authorized, just as common-sense would indicate. The court declares that if any scheme were devised by which a tax is nominally imposed only on the revenue-producing activity of the people-- or on the event of receiving the revenue, or on spending it, or whatever-- as a "workaround" for reaching the revenue without apportionment:

"...the duty would arise to disregard form and consider substance alone, and hence subject the tax to the regulation as to apportionment which otherwise as an excise would not apply to it."

SO. IF THE INCOME TAX IS NOT SIMPLY ON REVENUE (or the revenue-producing activity, or the receipt of the revenue, etc.), and yet is measured by the receipt of revenue nonetheless, as the income tax is, then the tax must be falling on some characteristic extraneous to any of those other characteristics.

Such a taxed extraneous characteristic has to be peculiar to only *some* revenue (or activity or receipt or whatever). If it was universal to ALL revenue or the manner or means by which revenue is produced or received, a tax on it would again be simply a tax on revenue generally, and thus a capitation with the apportionment requirement. So the thing actually taxed under the income tax has to be a special feature of only *some* revenue, which is subject to the tax only because of that feature, with all revenue *not* so distinguished being *not* subject to the tax (which we might also put as not being "income" in the context of the income tax).

What could such an extraneous, non-universal characteristic be? Well, the answer is given to us by the *Pollock* court, which declares the income tax to be an excise, and the *Brushaber* court, which declares the income tax to be an excise, and even by the US Treasury Dept., which both [on its income tax forms](#) and [through its spokespeople](#) declares the income tax to be an

excise.

Why do those declarations answer the question? Because "excise taxes" are taxes not on common revenue, but only on revenue that proceeds from the exercise of government-granted privileges.

NOW, HERE'S THE NEXT QUESTION: *Is* your exchange of labor for value in the marketplace a privilege bestowed upon you (and withholdable from you) by the state?

That would seem to be a very important question, wouldn't it? If your exchange of labor for value in the marketplace *is* a privileged activity bestowed upon you (and withholdable from you) by the state, then I guess you owe a tax, and should be grateful to the state for whatever part of your earnings is left to you.

But how about if your exchange of labor for value in the marketplace *isn't* a privileged activity bestowed upon you (and withholdable from you) by the state? Do you still owe that tax? Is it wise and prudent to let your activities be treated as though your work *is* a privilege?

How is complacency or timidity on that question going to play out into the future? And into the future of your children?

Think about it.

*"I believe that it is better to tell the truth than a lie. I believe it is better to be free than to be a slave. And I believe it is better to know than to be ignorant."*

-H. L. Mencken

It will surprise none but the most naive that the tax-collecting state really wants everyone to imagine that all their economic activities are exercises of privilege, and that the state has a claim on everyone's productivity. Such lusts are natural to the fascist impulse to which all states are prone.

Thank goodness our Founders anticipated that depraved

impulse, and hard-wired the "capitations" restrictions into the Constitution. All we have to do is educate each other about those restrictions and insist that they be upheld.



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### **The Deferential Disease**

*"A free people claim their rights as derived from the laws of nature, and not as the gift of their chief magistrate"*

-Thomas Jefferson

IN HIS SERIES OF WRITINGS on what he aptly names the Sacred Non-Aggression Principle, libertarian philosopher and activist Brian R. Wright coined a compelling and important term: The Power Sickness.

Wright uses the term in reference to violators of the non-aggression principle-- people who act to satisfy their own interests by the forced subordination of others, particularly under the guise of necessities of "state", as well as those whose ambitions are more basic and without the elaborate intellectual apologists deployed in defense of political crimes, such as rapists, murderers and purely private protection-racketeers.



Such men and women are infected with the Power Sickness, by which they are made depraved and unfit for any position of trust or honor while simultaneously being drawn to positions of authority.

TODAY I WANT TO ADD a related term to the lexicon: The Deferential Disease. This is the ailment under the influence of which some people resort-- like little children-- to the authority of others in matters of conscience and law, knowledge and belief.



Sufferers of the Deferential Disease are those to whom a declaration by an "authority figure" trumps, and, in fact, renders mute and invisible, any evidence to the contrary. Deferential Disease victims thus are the natural prey of people of the Power Sickness. The latter need simply declare what they wish believed by those they would rule and exploit, and the former will defer with a minimal amount of fuss.

THERE IS NO BETTER EXAMPLE of the Deferential Disease at work than the modern "income tax" scam. Reliant entirely on false mythology, the scam persists today solely by virtue of the Deferential Disease.

For more than a decade the entire unambiguous, easily-presented and easily-accessible body of historical and legal evidence which exposes the scam and reveals the true nature of the tax has been available for study, in a simple ten-age primer [here](#), and more comprehensively [here](#) and [here](#). Every person with an interest-- and *everyone* has an interest in any proposition by which up to half their productive output is said to be claimable by someone else-- has been able to look for themselves at what the law says.

For more than a decade anyone who cared to try has had ample opportunity to challenge or dispute any of that truth-revealing, lie-exposing evidence. Every person with an interest in the tax has been able to look for, and weigh the implications of, [any such challenge](#), or [lack thereof](#).

But those with the Deferential Disease *simply don't look*. Instead, they inexplicably assume goodness and integrity in people in authority (who, more often than not, are people of the Power Sickness) and ask *them* what they should believe is true.

Conditioned into the grip of their illness by [a lifetime of manipulation](#), those suffering from the Deferential Disease don't even entertain the thought that those to whose words they defer have interests of their own. What they are told is then just accepted without a thought and with the complete

subordination of their own intellectual liberty and integrity to whatever they are told.

Liberating truths about the law, and damning exposures of corruption and exploitation, go entirely unremarked in a complete surrender of sovereignty by citizen to the state. What is the meaning of "self-government" or "government by the People" in the case of a person who defers to declarations regarding the limits and meaning of the law by those the Constitution is designed to subordinate?

In short, and more bluntly, anyone who fails to read the law and related material for him- or herself and instead relies on any expression or behavior of state actors *or anyone else* as the source of his or her own opinions or conclusions is raging with the fevered dementia of Deferential Disease. These sufferers should be pitied, and they should be cured, through vigorous insistence by their wiser friends and correspondents to READ THE LAW THEMSELVES!

*"It is not the function of our Government to keep the citizen from falling into error; it is the function of the citizen to keep the Government from falling into error."*

-U.S. Supreme Court Justice Robert H. Jackson

THERE'S ANOTHER ASPECT of the Deferential Disease which I will call the "Scarecrow Strawman". This is the expression of the disease by which state assaults on those urging the people to view evidence for themselves are taken as indicators of the veracity of the evidence in question.

In such cases the diseased defer to the state's disapproval as the metric by which the evidence in question can be judged, again without that evidence ever being personally examined. Those of the Power Sickness have long understood that beating on whoever reveals disfavored information will cause those of the Deferential Disease to assume the beating is a soundly-based punishment for an actual wrongness in the revelations.

Thus, back in the day, Galileo was convicted of a crime and imprisoned for the last eight years of his life for publicizing and providing support for the Copernican understanding of the cosmos. Galileo was right, of course, but courts are often tools of the state, and merely being right is not an impenetrable shield against corruption.

Thus, too, William Tyndale, was strangled and burned at the stake for translating the Bible from generally-incomprehensible Latin into English. Thus, Edward Snowden was forced to flee the country lest he be thrown in prison á la Chelsea Manning and others who similarly exposed massive crimes by the military, the NSA and other state agencies. Thus, I have been smeared and assaulted relentlessly for twelve years, and lately my wife as well.

All of these assaults by the state are conducted for the same purpose-- to entice those who defer to authority in lieu of their own study of the evidence to assume the rightness of the assault and the wrongness of what is assaulted. They are the setting up of a strawman-- the whistleblower personally-- as a target, in the knowledge that his arrow-pierced body will serve as a scarecrow chasing off the eyes of those afflicted by the Deferential Disease from the real issue: what the whistleblower has revealed.

You can imagine how disturbing it is whenever I hear from someone asking why the evidence I point to should be examined, in light of the state's attacks on me (and how especially galling that is considering how the fraudulent character of those attacks is so easily and thoroughly demonstrated to any eyes that actually look)...

*The plane that gets the most flak is the one that's right above the target.*

ALTHOUGH MUCH MORE COULD BE SAID about the Deferential Disease, I will close this commentary with only one further observation: Silence in the face of the state's false

myths and its promotion of fears and misunderstandings is also an expression of the disease.

Indeed, such silence is the worst and most harmful deferral of authority to the state. It is a deferral of control over the public perception of reality to those of the Power Sickness, and in an age of state power such as we live with today, control over public perception is control over you and I.

Those who know the truth must take a stool at the lunch-counter, sitting straight and proud. They must sit down in the front of the bus. They must nail their 95 challenges to the cathedral door.

Those who know the truth must become an academic force, injecting medicine into the public forum by sharing and teaching what is found [here](#) and [here](#) and [here](#) and [here](#), and other informational resources assembled [here](#). If those who know the truth don't stand and speak and denounce and defy, the lies win, the truth fades and liberty dies.

Be the cure, not the disease.

*"Our lives begin to end the day we become silent about things that matter."*

- Martin Luther King Jr.



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### **Taxation Without Representation**

*How many realize that this is the consequence of misunderstanding the income tax?*

IN 1776, "TAXATION WITHOUT REPRESENTATION" was a chief complaint of the American colonists and a core motivation behind the Revolution. The colonists recognized the inherent dangers (and philosophical illegitimacy) of control and consumption of anyone's wealth being determined by anyone

other than its owners, either directly or through their representatives in a properly-constituted congress.

Eventually, the colonists killed or fought into submission all those in America who didn't get, or dared to resist, the principle of "if taxation, then only as specified by our representative legislature." The power to authorize or control the government's access to resources was stripped away from all executive and judicial officials and, with the adoption of the current Constitution and its imposition of certain strict and specific rules concerning this power, was placed exclusively in the hands of the legislature.

OVER THE YEARS Congress has designed a number of taxes. Among these is the income tax, which was put into place in 1862 and was administered as Congressionally-specified over the next 80 years.

But do you think the income tax as administered today is still the one designed by Congress? Not for most people...

Congress designed a perfectly benign, very popular tax on gains from the exercise of federal privilege, which are known as "income" in the context of the tax. This tax as actually written is so popular that when a Supreme Court ruling on behalf of a railroad investor thwarted its application in the 1890s, the American people adopted a Constitutional amendment to preserve it, despite the concerted opposition of the thoroughly-connected crony capitalists in whose favor the Supreme Court had ruled.\*

However, that all changed in the early 1940s. At that time America faced a queer combination of circumstances that included the effects of the bizarre four-term reign of FDR, the social pathologies of war and the Great Depression, and a 30-year-old concerted effort by those with an interest to confuse as many Americans as possible about the meaning and effect of the by-then-a generation-in-the-past-passage of the 16th Amendment.

Seeing an opportunity, executive branch agencies (the DOJ and IRS) implemented a dramatic change in the way the income tax was applied, described to the public, and represented in legal proceedings. Although the legal reality of the tax as written didn't change, for most people the income tax as practically-experienced became the broadly-loathed effectively-unlimited abomination that is now an American synonym for ugly, scary and tyrannical.

In short, beginning in the early 1940s, most Americans began to be subject to taxation without representation, in practical effect. These Americans have no longer been living with the income tax as designed by their congress but instead have been assaulted by a misapplication of the actual income tax under a scheme concocted by executive-branch agencies and executive-branch appointees in federal courtrooms. This distortion of the actual income tax tries to reach ALL gains, in outright defiance of Congressional specification, while still clothing itself (read: concealing itself) in the form of the actual income tax.

It's easy to see why the colonists were so adamantly opposed to taxation without representation, isn't it?

Happily, now that [the actual Congressional design of the income tax](#) has been re-discovered, restoring America to the benefits of "if taxation, then only as specified by our representative legislature" is simply a matter of spreading the word and invoking the law. Happily, no revolution is needed; all that is needed is resolution.

\*A number of folks who are doubtless well-meaning but who understand neither the income tax nor the 16th Amendment have made mistaken arguments for many years about the adoption of the amendment. Click [here](#) for more on this.



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## **My Birthday Rant**

SO, I DON'T KNOW HOW I'VE MADE IT THIS FAR, but Sunday I hit the big Six-O. TJ has made plans for me which fill up the whole weekend, and as a consequence, this single, early-posted article will be in lieu of a regular mid-edition update this week.

In a way, this works out well, though, because the main thing I want to say this week is a supplement of [the article above](#) (and [the previous article](#) to which it relates).

In those earlier articles, I focus on the actual facts about the income tax and the hugely harmful tendency of some to confuse, obscure and evade those facts. Today I want to say a few words about why this is done, and here they are: Moral cowardice.

We'll look at some facts, their implications, and the shameful and harmful way in which moral cowards try to evade them.

### **The Facts**

Here is one of those indisputable facts: The income tax IS an EXCISE:

"[T]axation on income [is] in its nature an excise..."

A unanimous United States Supreme Court in *Brushaber v. Union Pacific R. Co.*, 240 U.S. 1 (1916)

It's not just CALLED an excise, and "excise" is not some kind of "label of convenience" or meaningless bit of esoterica. An excise is a particular kind of tax, which is inherently and inescapably limited to certain kinds of objects by its nature.

An excise CANNOT apply to unprivileged activities or the gains from unprivileged activities. This is not because Congress hasn't chosen to so apply it, or for any other reason of option or election. Again, the limitation is inherent.

An excise cannot lawfully apply to unprivileged activities for the same reason a woman can't be a little bit pregnant. If you're pregnant, you're all the way pregnant, by the nature of the thing; and if it's an excise, it can only apply to privileged activity, by the nature of the thing.

"Case law recognizes no distinction between a privilege tax and an excise tax. See *Bank of Commerce & Trust Co. v. Senter*, 260 S.W. 144, 148 (Tenn. 1924) ("Whether the tax be characterized in the statute as a privilege tax or an excise tax is but a choice of synonymous words, for an excise tax is an indirect or privilege tax."); *American Airways, Inc. v. Wallace*, 57 F.2d 877, 880 (M.D. Tenn. 1937) ("The terms 'excise' tax and 'privilege' tax are synonymous and the two are often used interchangeably."); see also 71 AM JUR. 2d State and Local Taxation §24, ("The term 'excise tax' is synonymous with 'privilege tax,' and the two have been used interchangeably. Whether a tax is characterized in the statute imposing it as a privilege tax or an excise tax is merely a choice of synonymous words, for an excise tax is a privilege tax.") Thus, the excise tax now before us is, by more complete description, purportedly an excise upon a particular privilege, assessed according to the quantity of substance possessed in enjoyment of such privilege."

*Waters, et al. v. Chumley* No. E2006-02225-COA-RV-CV,  
Court of Appeals of Tennessee

We know the limited nature of the income tax (in particular, as distinct from other excises) by another fact, as well-- any tax on UN-privileged gains or the activities that produce them is what is known as a "capitation". Capitations are required to be apportioned by unchanged, still-the-supreme-law Constitutional provisions (two of them). Therefore any tax on gains from activities which is not apportioned cannot be on non-privileged activities, and must be confined to privileged ones.

There isn't even a pretense of an effort to dispute any of this at any level of government:

"If [a] tax is a direct one, it shall be apportioned according to the census or enumeration. If it is a duty,



impost, or excise, it shall be uniform throughout the United States. Together, these classes include every form of tax appropriate to sovereignty. Whether the [income] tax is to be classified as an "excise" is in truth not of critical importance [for this analysis]. If not that, it is an "impost", or a "duty". A capitation or other "direct" tax it certainly is not."

U.S. Supreme Court, *Steward Machine Co. v. Collector of Internal Revenue*, 301 U.S. 548 (1937) (citations omitted.) (The bracketed material is mine, of course-- the court here was discussing one of the FICA income taxes, and rebutting the plaintiff's argument that the tax was an impermissible non-apportioned direct tax.)

"[The Sixteenth] amendment made it possible to bring investment income within the scope of the general income-tax law, but did not change the character of the tax. It is still fundamentally an excise or duty with respect to the privilege of carrying on any activity or owning any property which produces income."

Former Treasury Department legislative draftsman F. Morse Hubbard in testimony before Congress in 1943 (Think clearly here: Hubbard is not saying that carrying on any activity or owning any property which produces money is now suddenly a "privilege"-- he is speaking in the context of the income tax, in which "income" refers only to the gains from privileged activity, and observing that this fundamental characteristic of the tax was not changed by the 16th Amendment.)

"The Supreme Court, in a decision written by Chief Justice White [*Brushaber v. Union Pacific R. Co.*] , first noted that the Sixteenth Amendment did not authorize any new type of tax, nor did it repeal or revoke the tax clauses of Article I of the Constitution, quoted above. Direct taxes were, notwithstanding the advent of the Sixteenth Amendment, still subject to the rule of apportionment..."

Legislative Attorney of the American Law Division of the Library of Congress Howard M. Zaritsky in his 1979 Report No. 80-19A, entitled 'Some Constitutional Questions Regarding the Federal Income Tax Laws'

## **The Implications**

NOW I HOPE EVERYBODY MADE IT through that short collection of citations\* with eyes unglazed, because we want to keep the point center-screen: The tax is an excise, and an excise is only on specialized stuff, which BY THE FACT THAT IT IS SPECIALIZED STUFF means that it is NOT on ALL stuff. This is clear and unambiguous even without knowing what qualifies as "specialized" and what does not.

Again, we KNOW this; it is a FACT: *only some kinds of gains from economic activities are subject to the tax-- others are not.* Let that sink in and take root. Now...

The gains that ARE subject to the tax are only those that some folks get from the exercise of privilege. This is a FACT.

Gains from the exercise of anyone-and-everyone's right to produce wealth and engage in trade (the normal kind of economic activity engaged in by most folks) are NOT subject to the tax. This is a FACT (and that's why those who know the difference, and know how to say so, don't pay the tax).

Now here's where we get to the point about moral cowardice:

Because the tax falls only on some kinds of gains and not others, every person who fills out a tax form must decide whether or not (or which, if any, of) his gains are of the "privileged" variety subject to the tax, and therefore to be listed on one or another of the "income" lines on the form. If gains are listed, and exceed the exemptions available, that person must apply the tax to his listed "income" and agree that the amount calculated is lawfully and properly owed by him to the government.

Every person is likewise entitled to express a conclusion that he received \$0 "income" (gains of the privileged variety) if that is what he determines to be true (and to assess \$0 tax accordingly, and reclaim any and all amounts withheld from what he has determined to be non-"income" relevant to the excise tax).

Thus, every person filling out a tax return and listing his earnings as "income" and putting down a "tax owed" figure is declaring himself to have gainfully exercised a federal privilege and to be liable for the tax. (For those who can't get that the "privilege" involved has to be one extended by the taxing authority, 'cause that where its claim to a piece of the action arises, let it be enough to say that they are declaring their gains to be from privileged activities of some kind, as distinct from those conducted by right-- that's good enough for purposes of this commentary.)

### **The Shameful, Harmful Efforts To Evade**

KNOWING THAT THE JUNK-YARD DOG that is the state really WANTS everyone to pay the tax on ALL their gains, whether those gains are actually taxable or not, some folks just can't muster the stones to fill out tax forms honestly and accurately. They prefer, in abject cowardice and immorality, to LIE ON THEM and falsely declare-- over their own signatures-- that they believe that all their gains of a given year are from the exercise of a privilege by virtue of which the state gets to take part of the proceeds, simply to please the dog.

However, being moral cowards as well as the more general kind, these folks can't admit their shame. Therefore, they do all they can to confuse and obscure the truth about the tax.

They moan that the tax is theft, and forced upon them. They claim that the tax is some kind of unapportioned direct tax inexplicably agreed-to by Americans of 1913, or that whether this is true is frustratingly unclear. They say whatever-- anything to keep everyone else from realizing they're just shit-in-their-pants appeasers and enablers of the rogue state's ambitions to be freed of all restraints.

It's been twelve years since [CtC](#) appeared and laid the truth about the tax bare. It's been twelve years since braver men and women began demonstrating that the junk-yard dog is, after all, just a dog, and that [the law rules as it should](#) when invoked by

grown-ups who take it seriously. These shameful dissemblers have no excuse of ignorance to rely on.

And frankly, even if they've never heard a thing about the truth about the tax, these dissemblers would still be covered in shame. They claim to believe the tax is theft and illegitimate and wrong. Leaving aside the error of these characterizations of an actually legitimate and highly-desirable tax on private profits from the voluntary exploitation of public resources, which is what the income tax actually is, if these folks believe it to be what they say it is, why are they signing those 1040s declaring, under oath, that they believe its application to their earnings to be "true, complete and correct"?

Every time these folks sign a 1040 with their earnings listed as "income", they are saying, regardless of whether they know what "income" really is, "Yes, it's true and correct that I received \$XXX of what is relevant to list on an income tax calculation and self-assessment form"; and then later, "Yes, it is true and correct that the tax I owe this year is \$XXX." Can there be any greater hypocrisy than these folks calling the tax theft and illegitimate and wrong, while still making those declarations?

And so, these frightened dissemblers sow confusion about the tax, try to scare others away from knowledge and upright behavior, and attack people like me with name-calling and smears. But they never tackle the facts. To do that would lead right to the logic laid-out above, and that just wouldn't do for these folks. Instead, they do all they can to distract everyone else away from those facts, to the great harm of us all.

SO, THAT'S MY BIRTHDAY RANT-- and my birthday wish is that I won't need to do another one next year. That wish will come true if you you all will give me the gift of spreading this email around to everyone you can, and do all you can to encourage the moral cowards sharing space here in America with the rest of us to, "Buck up, Sissy-pants!" and start telling the truth.

*"The day we see truth and do not speak is the day we begin to die."*

-Martin Luther King, Jr.

*"It is impossible to calculate the moral mischief, if I may so express it, that mental lying has produced in society. When a man has so far corrupted and prostituted the chastity of his mind as to subscribe his professional belief to things he does not believe he has prepared himself for the commission of every other crime."*

-Thomas Paine

\*Those who need MORE citations and authorities to really take in the true nature of the income tax and the meaning of excise, and of capitation, and so on, can find it all at [losthorizons.com/The16th.htm](http://losthorizons.com/The16th.htm).



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## **The Elephant In The Room**

TWO WEEKS AGO I POSTED '[Declaration Day](#)'. This is a somewhat sharply-worded little commentary about comforting but harmful delusions, and the moral and civic responsibility of every American to decline their embrace.

To be more specific, 'Declaration Day' concerns the deeply-rooted and well-watered delusion that operators of the state have service and subordination to you as their personal career goals, and the rather-darker reality that operators of the state are your economic and political competitors, to whom your rights are an impediment. D-Day is also about how difficult it can be recognize or admit that disturbing reality.

The sad fact is, the more power a state's operatives get their hands on, the more corrupt is their agenda and their behavior. (The corruption is always there, in big states and small-- but the operative of weak states can't get away with much bad behavior, or cause great harm in pursuing their personal

agendas.)

The REALLY sad fact is, the operatives of the United States in the year 2015 have been foolishly allowed to get their hands on a lot of power. They are now very corrupt in both agenda and behavior, and that's the "elephant in the room" that some folks just don't want to notice.

TO SOME DEGREE, that disregard of state corruption is understandable. People can be easily distracted from what is actually right before their own noses, and gotten to overlook what should be obvious to anyone truly paying attention. See for yourself. Watch this short video and try to count all the passes:

selective attention test



How did you do? Based on the research done with this film, you had a statistical 50% shot at seeing everything you should have-- that is, half of the test subjects in the clinical tests with this film failed to see what they should have.

So, the success in keeping you blind to the sordid reality of state corruption and quietly hooked-up as a fuel-supply for your exploiters is partly just a weakness of human nature. It can, to some degree, be forgiven-- we have access as a culture to a huge amount of information, and a huge number of interests strive to capture our attention at all times.

BUT THERE'S SOMETHING ELSE, TOO. There is a less forgivable human foible than distractibility, and that is a preference for not seeing what disturbs us. This is what the "elephant in the room" metaphor is really all about-- a tendency of timid people to deliberately avoid taking serious heed of big, challenging problems, and to instead buy into comforting fictions designed to foster a delusional belief that the big problem isn't really a problem at all.

In this "denial" mode, timid people maneuver around the "elephant" until so practiced at doing so that they no longer even realize it's there. They only have 15% of their living room left to them, and it stinks, and there's elephant-poo everywhere, and the elephant keeps eating more and more of the food in the house.

But timid people in denial have made themselves become used to the diminishments they suffer and blank them out. Even the certain knowledge that at some point the ignored, ever-growing elephant is going to crush them into paste against a wall vanishes beneath a mental fog of denial.

THE KEY TO THE "ELEPHANT'S" SUCCESS in being left alone until it's so big as to be a real problem-- and even more intimidating than ever-- is its appearance of intractability. Once the "elephant" reaches a certain size, the idea of evicting it-- or even just taking charge of it-- becomes difficult to imagine. And when it is an active beast, it becomes difficult to even fully assess its dimensions in order to simply begin to imagine how to take control of the situation.

The default response of child-like minds to this sort of problem

is to resist thinking of it as a problem

Adolescent minds recognize the problem, but can't get past the paralysis of its daunting dimensions. That is, adolescent minds get locked in a cognitive loop in which they demand one big solution to the big problem they perceive. Any possible solution that isn't complete and comprehensive in one fell swoop is rejected as too dangerous ("It'll just make the elephant mad and I might get trampled...").

Being unable to imagine that one big solution (or able to only imagine a big solution that is itself as frightening as the problem against which it would be directed), the adolescent mind cycles without forward motion through, "Big problem... can't see a viable solution... big problem..."

Adolescent minds also fantasize a lot about spontaneous changes in defiance of the black-letter historical record, such as imagining that suddenly the elephant is going to let itself be voted into a diminished stature by the other inhabitants of the house, or that one part of the elephant is going to decide the other parts are too big, and command them to shrink. This is a psychological mechanism for coping with what is seen in the hind-brain as a dire but irreconcilable dilemma (and these fantasies are the inspiration for the snarky question, "How's that been working for you?").

Adolescent minds talk about the elephant a lot. They complain and grumble and try to exhort others to take notice. They just don't actually do anything. Like the childish-minded, the adolescent-minded abide in a state of accommodation of the elephant-- letting it do what it will, always stepping out of its way and maneuvering around it. The only difference between the two is that the adolescent-minded know what's going on and are anxious about the future.

GROWN-UP MINDS, ON THE OTHER HAND, recognize reality and understand that if a problem is "too big to be solved" the solution is to make it a smaller problem. And when the problem



is an elephant in the room of the kind of which we speak, that means *stop feeding the beast*. Nothing else will do; nothing else is needed.

Here's the thing about our American "elephant": When ours was introduced into our house (being created by our forebears in recognition of the fact that houses DO get some benefit from having a little elephant), it was done with an unprecedented understanding of how elephants can grow and become dangerous. Our forefathers took precautions, and laid in place an "elephant-control" mechanism, in the form of specific and carefully-designed rules about how the elephant can get his food.

Those rules are still in place today-- they were hard-wired into the elephant at its creation-- and the elephant has no way to change them. All the elephant has been able to do is trumpet some noise over the Founders' signal, so that many modern Americans don't realize the resources available to them, and some glaring and stamping about, in hope of keeping Americans who are awakening to its threat in the "adolescent-minded" state.

BE A GROWN-UP (meet a few here).

Study this;

and this;

and this.

Start shrinking the elephant.



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### **The Crime Of The Century**

*When they're trying so hard to pull the wool over your eyes,  
maybe it's to hide something you should be trying extra hard to*

*see...*

NOTE: With only a couple of obvious exceptions, links in the following article are to documentation proving the assertion being made. It is recommended that you click on all of them. And don't miss the end-notes.

IN 2006, CORRUPT ELEMENTS in the United States Department of Justice, Internal Revenue Service and federal judiciary began the commission of a grave crime directly affecting a few folks in Michigan, but aimed at all of America. Here's the story.

Three years earlier, in 2003, a book called '[Cracking the Code-The Fascinating Truth About taxation In America](#)' (CtC) had been published. The book reveals facts about the income tax long-buried in obscurity, but still fully relevant to the application of the tax.

By 2006, tens of thousands of American men and women had learned things from [CtC](#) that enabled them to lawfully stop paying the tax, and to recover everything withheld or paid-in in connection with the tax-- Social security and Medicare contributions included. [Refund checks of every penny](#), with interest where appropriate, were arriving daily in American mailboxes across the country from federal and state treasuries alike.

The balance of power between the state and those who learned and acted on this information began to creakily shift back toward [its traditional and Constitutionally-intended relationship](#)-- the People large and in charge, with government as their servant.

Faced with a widening and otherwise unstoppable hemorrhage in government revenue and power resulting from the spread of this previously buried information about the income tax (which they saw as a problem), the corrupt conspirators in the executive and judiciary decided to abuse the powers of their offices in an effort to suppress the inconvenient information.

INITIALLY, THESE CORRUPT ACTORS had attempted to solve their problem by pretending the inconvenient information in [CtC](#) was wrong, fit the statutory standards for "promotion of an abusive tax shelter", and could be enjoined on that basis. During the first two years the book was in print these folks brought actions toward that end in several different courts, including those of Nancy Edmunds and Victoria Roberts in the Federal District Court for the Eastern District of Michigan.

However, these contrived assaults failed. Each ended with a government motion for the dismissal of its own bogus suit. See documentation of these assaults and their collapses [here](#).

During the course of these initial attacks on [CtC](#), more and more Americans were receiving [acknowledgements by the federal and state tax agencies of the accuracy of the book in the form of those complete refunds](#) and in other ways, as well, such as [agency surrenders on 'Notices of Deficiency'](#), lien and levy releases, transcript entries, and so on.

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NOW FOR MOST FOLKS, being repeatedly defeated in their initial series of bogus attacks on the accurate content of a book, however inconvenient that content might be to their ambitions, would be the end of the story. But some State operatives just can't abide not having their own way.

And after all, what is at stake here is trillions of dollars of wealth, and all the power that goes with it. Operatives in the State apparatus have gotten very accustomed to luxuriating in all that wealth and exercising all that power by exploiting the widespread ignorance of income tax law which the "inconvenient" revelations in [CtC](#) were curing in most everyone who read the book.

These corrupt government officials couldn't abide the thought of losing all that wealth and power and resuming the pre-1943 status of mere public servants in a governing apparatus that is

a small fraction of its current bloated, arrogant, pampered and despotic size and significance. So, they stepped out into crime.

THE PERPS BEGAN THE NEW ASSAULT with a series of fraudulent claims in an unprecedented lawsuit complaint, served on the author of [CtC](#) and his wife four days before "tax day" in 2006. As its basis for being brought in the first place (something closely circumscribed under the law) the complaint asserted that the couple secured complete refunds of amounts withheld in 2002 and 2003 by catching the government napping.

The DOJ operatives responsible claimed that the government didn't know the couple had had earnings those years. They said the government wasn't really paying attention to those unique tax forms showing \$0 in "wages" and thousands of dollars of withholdings, and just issued the refunds without thinking twice.

They said no official interest was piqued by the fact that the claims for refunds included Social Security and Medicare withholdings--something never before claimed or refunded in history. And they said this all happened by unconscious mistake despite the fact that these claims and refunds were made by, and to, the guy their agency had been simultaneously attempting to shut down with the bogus "abuse tax shelter promotion" assault.

Needless to say, these "validating" assertions in the government's lawsuit complaint were flat-out lies. Evidence is hardly needed to substantiate this in light of the foregoing, but see the contradicting trial testimony eight years later by the DOJ hack whose signature appeared beneath these lies, and the voluminous government notices issued during the many months in which each of the purportedly "slipped-through-the-cracks" refund claims were examined and addressed, [here](#).

Plainly, the returns in question were pored-over intensely, and ultimately were acknowledged as being perfectly valid and

correct.

LYING ABOUT HOW THE REFUNDS WERE MADE wasn't enough, of course. There had to be an allegation of taxes owed. So, another big lie was called for.

For the fraudulent allegation that the couple had earned tax-related "income" and owed taxes, the DOJ conspirators produced what was purported to be an IRS "Examination Report" saying this, and entered it into the record of the case. But anyone who actually read the accompanying "declaration" of the anonymous "preparer" (who admitted to be using a fake name for some unexplained reason) would discover that in fact, no actual examination had been made.

So, both the assertion that the refunds were made in error and that the couple actually owed tax were fraudulent. Instead, the evidence shows that the educated filings reclaiming everything withheld and determining that no tax-relevant "income" had been received (other than the interest and dividend gains shown on the returns) were correct in every respect and actually undisputed as such.

BUT THE LIES ABOUT ERROR AND TAX LIABILITY were just the window-dressing part of the show. All the foregoing was heinous, to be sure, but the real purpose of the whole affair was in no way the mere illegal imposition of the income tax against this one couple, and the recapture of their measly \$20,000.

**The real purpose of the schemer's "lawsuit" was the delivery of a giant lie to the American public in order to prevent more people from reading CtC and learning the individual-empowering, state-restraining truth about the real nature and application of the income tax.**

So, in addition to the fraudulent assertion that the couple's returns and claims were "false", there was another assault on the truth in the contrived "complaint". This other assault involved two components.

One of these real-purpose-of-the-lawsuit components was a [mendacious assertion](#) that [CtC](#) makes the absurd claim that "only federal, state and local government workers are subject to the income tax". See that lie (and another that the book argues that "wages are not income") acknowledged, and repeated, [here](#). (And if you haven't read [CtC](#) for yourself yet, see some rebuttals of those lies by folks who have [here](#), and see well over a thousand examples of the hundreds of thousands of occasions in which the federal and state governments have acknowledged that what the book DOES say is perfectly correct, [here](#).)

These lies about what appears in [CtC](#) are then used as grounds for a "finding" that the book is "false and frivolous" ([by a judge who never actually read it](#)). This "finding" is then used both for direct efforts to smear the book in a general propaganda campaign among tax professionals, and so that the returns which produced the refunds that are the purported focus of the lawsuit, and which are declaredly in keeping with what is found in [CtC](#), can, in turn, be "found" by the judge, and trumpeted to the world by the DOJ, as "false". Truly an Orwellian kind of corruption and deceit.

THE OTHER "KEEP AMERICANS IN THE DARK AND IN THE YOKE" component of the conspirators' "lawsuit" ploy was a request for two unprecedented, grossly speech- conscience- and due-process-rights-violating injunctions from the court.

By one of these requested injunctions the author of [CtC](#) and his wife would be ordered to repudiate their freely-made declarations of belief concerning the taxable character of their earnings and made to instead declare-- over their own signatures-- that they believed that all their earnings are taxable. By the other, the couple would be threatened with a 'contempt-of-court' charge if they ever testified in a fashion the conspirators didn't like in a future tax-related matter (by virtue of the pretense that any disfavored testimony on a tax form would be based on the notions they had falsely ascribed to [CtC](#)).

**Never before in American history have the contents of a book been the subject of a deliberate misrepresentation in a formal legal filing by government officials.\* Never before in American history have government officials asked a court to dictate the content of anyone's testimony, or hang a threat over anyone should they testify in ways the officials don't like in the future.**

Of course, you would think that the judge presiding over this "lawsuit" with its bogus documents and assertions, and plainly lawless and unconstitutional requests would throw it out while holding her nose, and sanction, if not propose criminal charges against those responsible... Unfortunately, you'd be wrong.

Instead, Judge Nancy Edmunds joins the assault on the law and the truth, and becomes party to this monstrous crime against the American public. Without so much as a single hearing, and without ever reading CtC, she ignores the couple's demand for a jury trial and simply signs a "judgment" written entirely by the DOJ operatives.

Unsurprisingly (it having been written by the plaintiff), Edmunds' "judgment" makes "judicial findings" of every single assertion in the complaint. It also includes the rights-gutting, law-defying injunctions, as well. See them here.

NOW THE CONSPIRATORS are off to the races. National press releases are issued trumpeting CtC's "defeat in court". Government trolls begin creating websites touting the "judicial findings" and doing everything possible to spread the lies. The "tax honesty" communities on the net are infected with the lies, which therefore take hold in the alt-media community. The "tax-trouble remediation" industry is especially well-dosed with this Kool-Aid.

In every way they can think of, those behind this conspiracy have been working feverishly for years now to prevent the American public from realizing the liberating truth about the broadly-loathed but equally-broadly misunderstood income tax.

They have been working equally hard to intimidate those who know the truth into relinquishing their rights to speak freely and to assert and defend their interests in legal contests over whether or not they are liable for any tax.

And yet, all the while, *Americans across the country who aren't so stupid as to take on faith anything chucked-up by government officials, especially anything which, if other than how the officials portrayed it, would threaten the power and perks of those same officials, and have actually read [CtC](#) and know what it REALLY says, continue to demand and receive all their improperly-collected money back and to shut down efforts [to misapply the tax to their non-federal-privilege-connected earnings](#).*

Every single one of those [now hundreds of thousands](#) of refunds and other effective implementations of what [CtC](#) REALLY says happen only after [thorough vetting by the government](#). Occasional resistance by the government to claims made by [CtC](#)-educated American men and women [end in government surrender to the truth](#).

SO, THERE YOU HAVE THE CRIME of the century-- which is not what's been done to Pete Hendrickson, the author of [CtC](#), or his wife, Doreen. Those two have certainly been the victims of crimes (see [here](#) and [here](#)), and these vicious crimes continue to this day ([and deeply threaten the rights of every single American](#)). But the crime of the century is not against them.

The crime of the century-- the really BIG crime-- is against YOU, and your children. It is YOU who are being deliberately and systematically lied to, for the specific purpose of keeping you in ignorant subjugation to an exploitative scheme by which corrupt elements of the political class, their cronies and their clients have been fleecing you for vast amounts of wealth throughout your entire life.

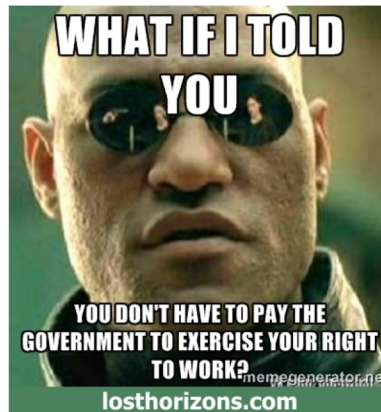
Pretty heinous, isn't it? Are you going to stand for it?



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NOTE: The US Department of Treasury has never treated Judge Nancy Edmunds' judgment in the fraudulent lawsuit discussed here as valid, [and quietly continues to recognize](#) the accuracy of the Hendricksons' original 2002 and 2003 returns. Nonetheless, that "judgment" was presented as witnessless evidence against Peter Hendrickson in [his 2009 trial on charges that he doesn't really believe what he has written in CtC](#), and was used as a pretext for [charges against Doreen Hendrickson for allegedly-criminal resistance to the orders it included](#).

NOTE II: It should be kept in mind going forward that every adverse, scary or scornful thing you've ever heard about [CtC](#) has come from the minds, mouths and hands of the same folks whose frauds are documented above, or is based on their efforts. Those folks have been struggling hard since 2003 to keep you from realizing that the actual legitimate institutional responses to [CtC](#) are what you see [here](#), and to keep you from thinking about what you will find [here](#).



### **Meet Edward Bernays- Master Programmer Of The American Matrix**

*...and then meet some good Americans who have taken the "red pill"...*

BY DESIGN, YOU DON'T KNOW how much you've been

manipulated by the masters of the matrix. The simple answer is, "a lot".

Since as far back as 1917, the United States has been applying the techniques of "consent engineering" to unknowing Americans. This is the process by which members of a society are conditioned to certain myths and misunderstandings for the benefit of the engineers. Edward Bernays is the father of the field.

The nephew of Sigmund Freud, Bernays was hired by the Wilson administration to overcome broad majority opposition to American involvement in World War I. Bernays worked in the propaganda mill known as 'The Committee on Public Information', applying notions of how to manipulate psychological vulnerabilities gleaned from his better-known uncle's research and theorizing in order to influence Americans perceptions, choices, beliefs, acceptance and behaviors.



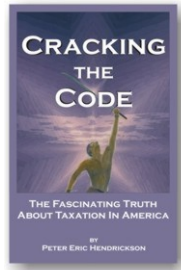
The success of Bernays' efforts astounded everyone. Public opinion was stood on its head, until the man who had achieved re-election to a second term in 1916 on the slogan, "He kept our boys out of war" could send 117,000 young Americans to their deaths in Europe, with another 204,000 wounded.

The masters of illusion, and their clients, never looked back.

SO, 1917 MARKED THE BEGINNING OF THE AMERICAN MATRIX, a now 98-year-old web of delusions about the meaning of the law, the nature of lawful government under America's unique Constitutional structure, and a variety of historical facts very relevant to those issues. That's where you've been living your entire life.

It is because of the power of the matrix that today's state has successfully gotten away with misapplying the income tax on an enormously broad scale for over 75 years, despite the tax laws

never having been changed and the fact that the tax remains a benign, limited application excise just as it has been since 1862. Under the power of the matrix, the beliefs most Americans have about the tax have been molded to suit the state's ambitions, and that's all that is needed.



OF COURSE, BECAUSE THE MIS-APPLICATION OF THE TAX is entirely accomplished by virtue of the delusion rather than any actual legal underpinning for treating non-privileged economic activity as taxable, the key to liberty from that mis-application is nothing more than knowing the truth. This is why the tens of thousands of students of the liberating, matrix-dispelling truth exclusively revealed in 'Cracking the Code- The Fascinating Truth About Taxation In America' (CtC) routinely recover everything taken from them under the mantle of the tax when they simply invoke the law as actually written, and why a DOJ tax attorney recently acknowledged in court that CtC-educated Americans have recovered or retained billions of dollars over the years and that the IRS is "vulnerable" to CtC.\*

CtC is the "red pill". I suggest you take one and wake up, copper-top.

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\*It goes without saying that the only things to which a tax agency is "vulnerable" are actual, legitimate provisions of the law, accurately invoked. This is why the state struggles so hard to promote myths about the tax and to suppress the truth.

The power of the illusion rests entirely on there being enough people in its grip. Once enough break free and start speaking the truth, the whole evil delusion-exploiting scheme collapses, resulting in a restoration of restraints on the state and the liberation of the American people.

For more on the American matrix and the responsibility of

grown-up men and women to shake off the delusions and act to uphold the law, see [this](#) and [this](#) and [this](#).



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### **An Honest But Mistaken Man, Upon Learning Of His Error...**

WHEN THE OBSERVABLE FACTS don't fit one's belief, one's belief is wrong-- however difficult it might be to accept the fact-fitting alternative. In the face of contradicting facts, an honest observer must abandon his false belief and embrace the truth.

In light of that simple moral and rational calculus (and my belief that most people are basically honest) it is a constant amazement to me that so many Americans cling to mythology and nonsense about the income tax, despite that mythology and nonsense being definitively and 100% consistently debunked by the observable facts.

Astonishingly, the only thing standing between the observable and concrete facts about the tax and forthright acknowledgment by any given observer is a tissue of conditioning to which the observers have been subjected. And yet, even folks who have demonstrated intellectual integrity and competence in many other areas just can't bring themselves to overcome the myth-conditioning about the income tax.

One would think that tissue-- a construct comparable to a child's belief in Santa Claus, or a naïf's belief in the inherent benevolence of the State-- would be incapable of surviving a single minute against plain evidence to the contrary. Consider, for instance, the following hard facts:

"[The] tax upon gains, profits, and income [is] an excise

or duty, and not a direct tax, within the meaning of the constitution, and [] its imposition [is] not, therefore, unconstitutional." United States Supreme Court, *Springer v. U. S.*, 102 U.S. 586 (1880) (as summarized in [\*Pollock v. Farmer's Loan & Trust\*](#), 158 U.S. 601, (1895))

"[T]axation on income [is] in its nature an excise..." A unanimous United States Supreme Court in [\*Brushaber v. Union Pacific R. Co.\*](#), 240 U.S. 1 (1916)

"The whole body of internal revenue law in effect on January 2, 1939... ...has its ultimate origin in 164 separate enactments of Congress. The earliest of these was approved July 1, 1862; the latest, June 16, 1938." [\*Preamble to the 1939 Internal Revenue Code\*](#)

"I hereby certify that the following is a true and faithful statement of the gains, profits, or income of \_\_\_\_\_, of the \_\_\_\_\_ of \_\_\_\_\_, in the county of \_\_\_\_\_, and State of \_\_\_\_\_, whether derived from any kind of property, rents, interest, dividends, salary, or from any profession, trade, employment, or vocation, or from any other source whatever, from the 1st day of January to the 31st day of December, 1862, both days inclusive, and subject to an income tax under the excise laws of the United States." The "affirmation" on [the first income tax return form](#).

"The income tax... ...is an excise tax with respect to certain activities and privileges which is measured by reference to the income which they produce. The income is not the subject of the tax; it is the basis for determining the amount of tax." Former Treasury Department legislative draftsman F. Morse Hubbard in [testimony before Congress in 1943](#)

"...the requirement to pay [excise] taxes involves the exercise of privilege..." United States Supreme Court, [\*Flint v. Stone Tracy Co.\*](#), 220 U.S. 107 (1911)

"The terms 'excise' tax and 'privilege' tax are synonymous and the two are often used interchangeably." [\*American Airways, Inc. v. Wallace\*](#), 57 F.2d 877, 880 (M.D. Tenn. 1937)

"PRIVILEGE: A particular benefit or advantage enjoyed by a person, company, or class beyond the common advantages of other citizens. An exceptional or

extraordinary power of exemption. A particular right, advantage, exemption, power, franchise, or immunity held by a person or class, not generally possessed by others." [Black's Law Dictionary, 6th Edition](#)

"[The Sixteenth] amendment made it possible to bring investment income within the scope of the general income-tax law, but did not change the character of the tax. It is still fundamentally an excise or duty with respect to the privilege of carrying on any activity or owning any property which produces income." Former Treasury Department legislative draftsman F. Morse Hubbard in [testimony before Congress in 1943](#)

"The Amendment, the [Supreme] court said, judged by the purpose for which it was passed, does not treat income taxes as direct taxes but simply removed the ground which led to their being considered as such in the *Pollock* case, namely, the source of the income. Therefore, they are again to be classified in the class of indirect taxes to which they by nature belong." [Cornell Law Quarterly, 1 Cornell L. Q. 298 \(1915-16\)](#)

"In *Brushaber v. Union Pacific Railroad Co.*, Mr. C. J. White, upholding the income tax imposed by the Tariff Act of 1913, construed the Amendment as a declaration that an income tax is "indirect," rather than as making an exception to the rule that direct taxes must be apportioned." [Harvard Law Review, 29 Harv. L. Rev. 536 \(1915-16\)](#)

"The Supreme Court, in a decision written by Chief Justice White, first noted that the Sixteenth Amendment did not authorize any new type of tax, nor did it repeal or revoke the tax clauses of Article I of the Constitution, quoted above. Direct taxes were, notwithstanding the advent of the Sixteenth Amendment, still subject to the rule of apportionment..." Legislative Attorney of the American Law Division of the Library of Congress Howard M. Zaritsky in his 1979 Report No. 80-19A, entitled '[Some Constitutional Questions Regarding the Federal Income Tax Laws](#)'

"The Sixteenth Amendment, although referred to in argument, has no real bearing and may be put out of view. As pointed out in recent decisions, it does not extend the taxing power to new or excepted subjects..."

U.S. Supreme Court, [\*Peck v. Lowe\*](#), 247 U.S. 165 (1918)

"[T]he settled doctrine is that the Sixteenth Amendment confers no power upon Congress to define and tax as income without apportionment something which theretofore could not have been properly regarded as [unapportioned-excise taxable] income." U.S. Supreme Court, [\*Taft v. Bowers\*](#), 278 US 470, 481 (1929)

"[T]he sole purpose of the Sixteenth Amendment was to remove the apportionment requirement for whichever incomes were otherwise taxable. 45 Cong. Rec. 2245-2246 (1910); id. at 2539; see also *Brushaber v. Union Pacific R. Co.*, 240 U. S. 1240 U. S. 17-18 (1916)" U.S. Supreme Court, [\*So. Carolina v. Baker\*](#), , 485 U.S. 505 (1988)

[Tens of thousands of your neighbors](#) have been acting in accordance with the truth about the tax that is exclusively in harmony with the above-listed facts, and contradictory to the mythology about the tax being on "all that comes in" and being some kind of hybrid "apportionment-not-required-direct-tax" and have been [getting all their money back](#) for many years now. This only occurs after [heavy vetting](#) by the federal and state tax agencies responsible for these refunds; and sometimes only after [heavy resistance](#) from those agencies.

FURTHER, EVEN WHEN STRUGGLING to shore up the state-serving mythology about the tax and scare the conditioned away from questioning that mythology and paying due deference to observed facts and their own intellectual integrity, the state is able to muster nothing but heavily-gimmicked evasions.

For instance, in the civil lawsuit against my wife and me referred-to by the myth-mongers in the "Tax Division" of the DOJ and various troll-sites on the internet as evidence that "the courts have ruled against [the truth about the tax revealed in my writings, and consistent with all the foregoing facts and contradictory of the myths]", the government had to rely entirely on evasions and procedural violations. It resorted to [lies about its knowledge of payments made to us and the](#)

proposition that the refunds it had made to us were just a "slip through the cracks"; a fake IRS "examination report" as the basis for suggesting that even the tax agency itself disagreed with the educated filings made by my wife and me; and to a "proceeding" in which not a single hearing ever took place.

The government even undertook the unprecedented fraud of falsely ascribing content to a book-- false content actually explicitly debunked in the book-- in order to furnish it with a pretext for describing the book as making "false and frivolous" claims when it could not dispute what the book actually says. It had its cooperative judge actually make a "finding" to that effect, despite never having read the book.

The "relief" sought in its fraudulent "lawsuit" was a request for utterly unprecedented, never since repeated, wildly-Constitution-violating orders imposing government control over the content of our speech. The ruling in the case was, in turn, upheld by an appellate panel based on a pretense of misunderstanding the orders to be mere "discovery" orders, and a completely irrelevant citation to a case solely concerned with that subject (United States v. Conces-- discussed here) as its pretext for denying our appeal.

Is it not obvious to every observer that these things can only have happened because the government cannot dispute the myth-contrary truth about the tax on its own merits? These are the observable facts: even the government cannot and will not defend the positions it wishes everyone to simply imagine to be true when squarely challenged (and even some federal judges are capable of being corruptly used as tools of the government's purposes).

LIKEWISE, WHEN CONCLUDING IT NECESSARY to go further in its effort to shore up its myths and bringing its criminal assault on me, the government had to resort-- among many other things-- to preventing the jury in my case from seeing the actual words of the statutes involved in the charges, and



requiring it to deliberate based on prosecution-written "substitutes" for actual statutory language the government knew did not support its show-trial accusations.

Is it not obvious to every observer that this fraud on the court would only be done to protect a lie, and that therefore the truth is other than what this lie is designed to support? These are the observed facts: even the government cannot and will not defend the positions it wishes everyone to simply imagine to be true when squarely challenged (and even some federal judges are capable of being corruptly used as tools of the government's purposes).

NOW WE SEE THE SAME OBSERVABLE FACTS in the effort to shore up the myth through the prosecution of my wife, Doreen, for the supposed "crime" of resisting the Constitution-violating orders issued in the first of these "legal" assaults. Here, the government is forced to resort to unprecedented jury instructions such as that it is not a defense to the crime of contempt of court that the orders resisted are unlawful or unconstitutional; or that unanimity of a finding that Doreen actually committed a charged act of contempt is not necessary to declare guilt.

Here, the prosecution resorts to a series of falsehoods and frauds during trial, the prevention of Doreen reading Supreme Court rulings on speech rights to her jury, and myriad other gimmicks to have its way.

Is it not obvious to every observer that these things can only have happened because the government cannot make its case on its own merits? These are the observable facts: even the government cannot and will not defend the positions it wishes everyone to simply imagine to be true when squarely challenged (and even some federal judges are capable of being corruptly used as tools of the government's purposes).

SO, AS I SAID AT THE BEGINNING, it is an amazement to me that so many Americans cling to mythology and nonsense about

the income tax, despite that mythology and nonsense being definitively and 100% consistently debunked by the observable facts.

I wish those of you that do this would stop. I call on you to invoke your intellectual integrity and admit that the truth about the tax is what harmonizes with all the observed facts, which is the truth exclusively revealed in '[Cracking the Code- The Fascinating Truth About Taxation In America](#)' (and more concisely [here](#), and throughout the all the tax-subject-specific material presented on [losthorizons.com](#)).

Rise to your moral obligations of embracing the truth.

Rise to this obligation as well: An honest man, once made aware of a truth significant to the lives and well-being of his neighbors, shares that truth.

You'll find it an amazement how quickly a lot of things presently wrong in America suddenly get right.

*"Be the change you want to see in the world."*  
-Mohandas Gandhi

P. S. If the list of observable facts in the article above is not enough for you ('cause you're a REALLY tough customer), you can find a good deal more [here](#), and the whole enchilada [here](#) and [here](#).



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### **America's Only Hope Lies In Spreading The Truth About The Tax**

*Reliance on the courts, the political process or the timely conversion of the masses to an ideology of freedom by punditry and educational programs are pipe-dreams.*

I was amused (in a grim sort of way) at the irony of a recent

column by a self-described libertarian pundit, titled, '[Conservative Blindness on Iran](#)'. The writer chastises the neo-con nut-case community for a mote in its eye while blithely putting the beam in his own on display.

The hypocritical column critiques neo-con pundits for their deliberate refusal to see deeper than the 1979 embassy hostage-taking when writing about the boogiemani-du-jour, Iran. But immediately after pouring a little well-deserved scorn on his targets for treating a willful blindness to any facts which put the national-security state in the wrong as a principle of "patriotism", the columnist declares (emphasis added):

"Of course, such principles don't apply to libertarians. Not only are we not reluctant to acknowledge that the national-security state has engaged in horrific wrongdoing since its inception, **we would dismantle this Cold War dinosaur and restore a constitutionally limited republic to our land.**"

Really? When are you planning to start, friend?

There being no advice to his readers to learn [CtC](#)'s revelations about the state's real taxing structure and authority, this writer's fine intentions are as bankable as those of any cheap political hack-- meaning not worth the paper on which they are printed. Like those political hacks, the writer hopes to be judged solely by those professed good intentions, with his ongoing financial support of the state he loves to denounce, and his failure to actually help restrain and dismantle it or introduce his readers to the means by which this can be done, both conveniently overlooked.

HERE'S THE THING, my fine-talking friend (and every other mere and motionless gripe-monger and critic of the empire): talk is cheap, and worse than pointless. Talking about how bad things are without acting to fix them does nothing but foster a delusional sense that the problem is being attended-to while in fact, all that is happening is that precious time and narrowing opportunities are passing away.

We've had this explained to us by better men than me. For example, last Monday was the 240th anniversary of Patrick Henry's rightly celebrated, "Give me liberty, or give me death!" speech. How glorious and inspiring are those seven ringing words!

But as inspiring of high feeling as those seven ringing words can be, today we would be better off paying attention to those which preceded them in Henry's famous oration. Let's remember that what prompted Henry's speech was the inclination of many in his native Virginia to just keep talking about the frightening darkness that was approaching, rather than doing what was really needed-- shutting-up and putting-up.

They tell us, sir, that we are weak; unable to cope with so formidable an adversary. But when shall we be stronger? Will it be the next week, or the next year? Will it be when we are totally disarmed, and when a British guard shall be stationed in every house? Shall we gather strength by irresolution and inaction? Shall we acquire the means of effectual resistance by lying supinely on our backs and hugging the delusive phantom of hope, until our enemies shall have bound us hand and foot? Sir, we are not weak if we make a proper use of those means which the God of nature hath placed in our power.

This fine-talking columnist and any other writer or commentator that criticizes the state or warns darkly of how bad things are getting, or declares his resolve in favor of restoring the limited government under the rule of law bequeathed to us by the Founders but does not end his or her comments with a direction to [losthorizons.com](http://losthorizons.com) or [Cracking the Code](#) *is a hypocrite*.

Such folks refuse to match their deeds to their words. They condemn the rogue state but don't accompany their implicit (or sometimes explicit) exhortations to action against the threat with information on the one and only way effective action can be taken short of taking up arms.

NOTHING BUT CtC AND THE TRUTH IT REVEALS WILL DO THE JOB.

Don't get me wrong. I take a backseat to no one in my admiration and appreciation for Edward Snowden, William Binney, Thomas Drake and the various other whistleblowers who have revealed to the world the systematic violation of the Fourth Amendment committed by the United States (by which I mean the government unit that goes by that name). I feel the same abiding affection for those who revealed and alerted us all to any and every other evil committed by the state.

Nor do I stint in my admiration and appreciation for the handful of actual journalists plying that noble profession in the USA and elsewhere, the members of which can be recognized by their uncompromising presentation and coverage of the revelations of Snowden and all the others. But all that admiration and appreciation notwithstanding, all those revelations and all that coverage are going to do no immediate good.

Revealing these violations empowers Americans and others to know what's being done to them, and to scream and sue and politic about them. But it has not and will not compel the violators (whose compatriots and enablers and co-conspirators run the courts in which the suits are brought and the political process in which the screaming and politicking is done) to do anything different.

The fact is, revelations of these violations are merely road-markers identifying yet more clearly the path down which we are going at an increasingly alarming pace.

BUT THERE IS A REVELATION which DOES promise to actually be a solution, not just a highlighting of the problem. This revelation empowers *individual Americans* to do all that needs to be done, with no reliance on a highly-unlikely sudden embrace of virtue by the very malefactors whose evil needs to be rectified.

The revelation of which I speak is the simple, powerful, unambiguous truth about the income tax.

The truth about the tax is so plainly-evident and thoroughly-supported by every possible authority that anyone spending as little as two hours reading through [this paper](#) will irrevocably know it and understand it. That truth is so unmistakable once an accurate presentation has been taken in that it can never again be forgotten or misunderstood, and it inescapably compels right behavior from everyone who comes to know it (except those whose agenda is advanced by violation of the law).

One of the key aspects of the tax that comes to be understood by that reading is that its application under the law is entirely within the control of each individual, rather than being an externally-imposed extraction.

Those who learn the liberating truth about the tax discover that most of them have actually been simply hood-winked into agreeing to the otherwise improper application of the tax to their earnings and wealth. All their working lives they've been saying "Yes" to being taxed to feed Leviathan, when they could have been saying "No" and retaining control over the use and disposition of their hard-earned property.

In practical terms suited to the context of this observation, this means that while most anyone reading about Edward Snowden's revelations will get righteously pissed and paranoid but have no recourse for anything further, that same person, upon reading [CtC](#)'s revelations, will promptly cut the NSA's funding, and do so as part of a larger, comprehensive withdrawal of consent to Leviathan's illegal excesses in what is actually a meaningful manner.

In fact, that withdrawal of fuel and consent supporting Leviathan is the implementation of the Framers' Constitutional provision of a "Smithian" invisible hand by which each person's attention to his own self-interest automatically and organically

provides for the well-being of society overall. The Founding generation was far-sighted, and knew that it is the nature of states to metastasize into a grave threat like the one confronting us today if not checked by individual Americans acting from outside the errant institutional structure.

And if you give it a moment's thought, you'll understand how powerful a solution the Framers provided for us. Consider the effect of 10 million Americans saying "No" instead of "Yes" on their tax returns next month because they have learned they never should have been saying "Yes" in the first place. That WILL actually make a difference-- hugely, meaningfully, and right now!

No amount of journalism about this abuse or that usurpation will do the same, or will do anything at all except inflict upon the American people a will-sapping sense of despair.

I WANT TO REPEAT AND EMPHASIZE for those not yet knowing the truth about the tax: The individual control over the application of the tax to which I have referred *IS the law*. This is NOT a matter of how I think taxes ought to work in America, or the application of some "rights" doctrine by which I argue that the tax law should be read in some particular way contrary to how the government reads it.

*The law only reads one way*, and the government reads it exactly the same way I read it. The misapplication happens not by disagreement over what the law says, but by simple exploitation of the fact that YOU haven't ever read the law at all, and it has been constructed in a way to allow that ignorance to be used against you, with your unwitting cooperation.

As a consequence, revealing the truth about the tax simply enables American men and women to act knowledgeably in accordance with the law, and informs them of the fact that their prior ignorance has been ruthlessly exploited to their great harm for all their working lives. Serendipitously, coming to understand the tax also provides a deep and liberating

education in federal law and the real legal relationship of citizen and state generally.

The revelations of [CtC](#) don't call for a revolution. They simply call for a restoration of the law by knowledgeable action fully within and respectful of the existing legal structure, in which every American can enthusiastically participate with no qualms or trepidations.

It's really this simple: All that is necessary to restore limited government and the law in America is for enough Americans to learn the truth about the income tax. At the same time, nothing else will do.

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THE STATE WHOSE LAWLESS PRACTICES AND AMBITIONS *will* be reined-in once enough Americans come to know the truth about the tax is very conscious of this reality. This is why its efforts to suppress [CtC](#)-- the sole and exclusively-complete and accurate presentation of the truth about the tax-- have even gone so far as unprecedented [government-sought court orders](#) commanding that my wife and I pretend to repudiate our sworn tax-return testimony and replace it with government-dictated disavowals of what [CtC](#) reveals.

By itself this should answer any doubt anyone reading this might harbor about all that I have said here. This deep a step into the swamp would never be taken except in direst need.

To put it another way, you can tell when you're right over the target by the heaviness of the defensive flak. [CtC](#) is drawing a flak-attack such as nothing else ever has, because it IS the one and only stake poised right over the vampire's heart, needing only enough Americans to pile on and drive it home.

I know how surreal this is, and how difficult to credit. With all the *sturm und drang* on so many issues reverberating in the media and on everyone's radar-screens, the idea that there



should be a superbug able to take down the monster, and that this little chunk of information from this obscure source should be it, seems impossible.

But while it may seem impossible to you, every act by the state makes clear that IT doesn't think it impossible at all; quite the contrary.

After all, what else has prompted an explicit government campaign to misrepresent the content of a book (as shown [here](#) and [here](#))?

What else has prompted the state to seek [plainly unconstitutional court orders](#) such as those mentioned above, one deliberately adopting as a "judicial finding" the government's misrepresentation of that book (and purporting to take control, by prior restraint, of sworn declarations of belief on tax forms), and the other commanding the book's author to replace his research-based conclusions about the suitability of his earnings for reporting on a tax return with contrary declarations dictated by the government, to create the appearance that the author had repudiated his research?

What else has prompted [an outright hoax](#) on a government website?

What else has produced [hundreds of thousands of complete tax refunds](#), Social security and all, for twelve years and counting, from every tax agency in America even while [unstinting efforts are made to discourage and suppress](#) the spread of the information by which they are secured?

The ONLY thing that could prompt these extraordinary, completely unprecedented events is the correctness of all that [CtC](#) says, and the state's recognition of its superbug status.

After all, if [CtC](#) were wrong (and therefore not the threat to ongoing state lawlessness that it is), there wouldn't be a campaign to discourage and suppress the book. I simply

wouldn't have those refunds to post. Those refunds never would have happened, and certainly even if a few [inexplicably](#) "slipped through some crack" at first they would have ended many years ago, after the first few hundred at most.

There'd be no effort to make me appear to have repudiated [CtC](#)-- none would be needed. It would be more than enough that I would have nothing to show in its support, and that all the thousands of readers who have independently tested my research and analysis with their own would be reporting its errors.

There'd be no misrepresentation of [CtC](#) by government officials. Those officials would have no need to pretend that the book says what it does not, so as to create a false pretext for declaring it wrong.

There would be no carefully-nurtured [troll-campaign](#) planted on the internet and within the "tax honesty" movement steadily pumping out dis-information about [CtC](#). After all, why bother with such things if the book were wrong, or not the super-weapon for liberty and restraint of the state that I say it is?

And there would have been no stunning array of [unprecedented assaults on due process and the rule of law committed in the railroad trial of my wife, Doreen](#), who is being made the poster-child for the effort to frighten you away from the truth about the tax by a show of the depths of corruption to which the state is willing to sink for this purpose.

Face the facts, people. [CtC](#) is it.

And [right now](#) is the time to use it, because like Patrick Henry said, we only grow weaker and more in peril the longer we wait.

ACT ON BEHALF OF THE LAW, [NOW](#). If you haven't already put your education about the tax and the law to use, do it [now](#). If you haven't already gotten that education, [get it now](#).

If you haven't already shared [the introduction to the truth about the tax](#) with everyone you know, do it now. If you HAVE already shared it, do it again, now.

Burn into your brain now recognition that anyone who tells himself that it can't be as simple as [CtC](#) is in denial of the facts in front of his own nose.

Burn into your brain now that anyone who lies quietly in the weeds for fear of being noticed by enemies of the truth and the law is thereby conceding victory to those enemies.

Burn into your brain now that anyone who seeks to distract his fellows from [CtC](#) is a collaborator, wittingly or unwittingly, with the enemies of liberty and the Founders' republic.

Burn into your brain now that anyone who gripe-mongers without referring his audience to the solution of [CtC](#) is a hypocrite.

Burn into your brain now that anyone who calls himself or herself an advocate of "tax honesty" who doesn't direct his website visitors and everyone else with whom he has influence to [losthorizons.com](#) and [CtC](#)-- the exclusive sources of actual liberating truth about the tax, endlessly proven accurate in [even the most challenging circumstances](#) and on [tens of thousands of occasions](#) and by the equally-unprecedented judicial evasions and distortions mentioned above-- really isn't.

WHEN YOU LOOK AROUND at what's going on in America today, you should be scared. But what you should be scared of is that you have been letting precious time slip away without having exerted your utmost to strengthen and deploy the solution that lies right at hand, while you still are able to do so.

A few weeks ago I quoted William O. Douglas on this page, who said,

*"As nightfall does not come at once, neither does oppression. In both instances, there's a twilight where*

*everything remains seemingly unchanged, and it is in such twilight that we must be aware of change in the air, however slight, lest we become unwitting victims of the darkness."*

I was soft-pedaling with that quote. There is no "slight" change in the air for us to be aware of- the fact is, darkness is already well upon us. It only seems otherwise to those not looking closely because the land is filled with bonfires in which our rights, the Constitution and the rule of law generally are being burned away.

Wake to the peril; wake to the remedy.

Act.

NOW.



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## **An Open Letter To All Who Curse The Darkness**

*Regarding a massive government acknowledgement of the truth; a massive government effort to evade; and a massively corrupt judicial precedent about to take root.*

*This article is long, my friends, but it is important, and rich with links to previously unseen documentation. Please read it all, and share it around, too.*

I THINK WE CAN WE ALL AGREE that where the establishment of corrupt and evil state practices is concerned, an ounce of prevention is worth a pound of cure. It is a whole lot easier to stop a dangerous precedent from being created than to dislodge one once in place.

In light of that wisdom, it seems plain that when an evil precedent-creation-in-progress is exposed, it is the duty of every responsible American to raise the hue and cry until the threat to our liberties and the rule of law is abandoned. This is

especially true when the evil is being committed not just by a lone villain but by a team in both the executive and the judiciary, and is clearly meant to "normalize" the corruption being practiced.

Right now, just such an evil precedent-creation is in progress. And it's a doozy, spelling the death of due process in federal courts.

HERE'S THE BACKGROUND: Eight years ago, initial government efforts to suppress a book revealing long-obscured and institutionally-evaded facts about the income had collapsed. Faced with a steadily-increasing number of Americans demanding (and receiving) complete refunds of amounts taken from them as "income taxes" through exploitation of their prior ignorance, the tax division of the USDOJ and a panicky IRS tried again by way of a contrived "lawsuit" against the author of the revelatory book.

The suit (which ended up before one of the judges involved in the failed prior efforts) alleged that refunds made to the author and his wife of all that had been withheld from them in 2002 and 2003 were just big mistakes. The suit falsely claimed that the government had made the refunds because it was unaware that the couple had had earnings during those years, and now that it realized the truth, it wanted the money back.

In fact, the government had received both W-2 and 1099 forms from those who had paid the couple for their work and was well aware at the time the refunds were issued that considerable amounts had been paid to them. The attorney responsible for the "lawsuit" was forced to eventually admit this when questioned under oath years later (and, of course, the refunds themselves put the lie to this absurd pretense, consisting, as they did, of tens of thousands of dollars that had been withheld from the couple).

Further, prior to making these refunds the IRS had fussed with each of the couple's claims for months on end before finally

issuing them. And, of course, the claims involved were those of the author of that book which the IRS was vigorously trying to have enjoined during the very same period in which each of these refunds was eventually issued.

That initial and ultimately abandoned suppression effort-- which was predicated on characterizing what was revealed in the book as false-- began in August of 2003, and the couple's first refund wasn't issued until November of that year. Their second refund was issued in September of 2004, at the very time the initial bogus assaults on the book were well underway in courts in both Michigan and California.

Plainly, the claim by this tax division DOJ attorney that these long-fussed-over refunds of every penny withheld, including Social security and Medicare taxes, were just mistakes that "slipped through the cracks" was false. Add in the fact that they were made to the author of a book that explains how and why exactly such refunds are proper and compulsory whom the same DOJ tax division-- at the IRS's insistence-- was simultaneously suing in multiple courts in hope of having the book suppressed, and the "mistakes" assertion was ludicrously, almost comically mendacious.

HOWEVER, HONESTY had nothing to do with this unique "lawsuit". The object of this corrupt exercise was suppression of the revelatory book by other means, the initial injunctive efforts having failed.

The new game plan was to fabricate the appearance that a court had considered the arguments of the book and found them wanting, so that word could go out to that effect. While the book would still be available, Americans who might otherwise read it and learn the truth about the tax-- the very truth that had compelled the issuance of the refunds being lied about in the lawsuit-- wouldn't bother.

But there was a problem. The falsehood about the refunds being just "mistakes" served as a pretext for bringing a

complaint under the "erroneous refund" statute (however corruptly), but the government still had no grounds for alleging that the couple owed any taxes for the years involved.

Not to worry though. Where there are no scruples, there is always a way, so...

The government asked the court to order the couple to declare--under oath-- that they repudiated their previous freely-made testimony to the contrary and now believed themselves to have done taxable things and to be in debt to the government. If made, such declarations would establish the otherwise non-existent tax debts.

(Tellingly, government officials could also make these declarations over a sworn signature and establish, prima facie, the alleged tax debts on which this bogus suit was predicated, but none has ever been willing to do so. Equally telling, even now, more than ten years since each of these refunds were issued, and despite all the intense government attention discussed above and below, there has still never been a tax assessed on these folks for those years, as is shown in the Treasury Department Certificates of Assessment and IRS transcripts seen [here](#).)

Of course, even corrupt judges need pretexts for their actions, especially wildly improper actions like what was being asked for in this case. So the government and the court undertook a series of further falsehoods.

STEP ONE: The government alleged that the book this whole shabby corruption was trying to keep Americans from reading--[\*Cracking the Code- The Fascinating Truth About Taxation In America\*](#) (CtC)-- argues that only federal, state and local government workers are subject to the income tax. This is a patently frivolous notion which CtC very plainly not only [does not argue, but decisively debunks](#). (The government also alleged that CtC claims that "wages are not income" in its lawsuit complaint, and then [years later almost comically](#)

reversed itself.)

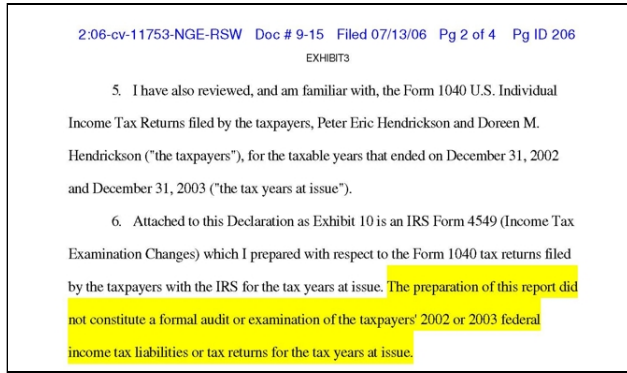
Indeed, though very few Americans filing in harmony with the revelations of the book are government workers of any description, many-- including the author-- have occasion to report the receipt of "income" of various kinds and in various amounts most or all years. Clearly, these private-sector CtC-educated Americans acknowledge themselves capable of being subject to the tax, and would-- and do-- find themselves liable should their "income" exceed the exemption amount.

Nonetheless, and despite being clearly put on notice to the contrary, the judge played her part. She "found" this false ascription of a nonsensical argument to CtC to be true as part of a formal judicial ruling, even though she never actually read the book.

Based on this "false and frivolous argument in CtC" fraud, the court "found" that the couple's original, freely-made testimony regarding the taxable character of their earnings for the years in question-- which was declaredly in harmony with the book-- was false. (This "finding" did not establish the government's claims as objectively correct; instead, it pretends-- without any test-- that the couple's dispute of those claims is invalid and therefore effectively unmade, and gives the government a "win" by default.)

STEP TWO: The government introduced as an exhibit a purported IRS "Examination Report" bearing numbers which would suggest, if taken at face value, a specialist's conclusion that the couple actually had earned "income" subject to tax and owed accordingly. In actuality, the report was bogus, as was admitted by the examiner herself in an associated--but separate-- declaration:





(Think about this for a moment. Despite all the pretenses of "error" and "false and frivolous arguments" and their intense interest in this case, the IRS and DOJ couldn't gin up a formal conclusion that this couple owed any tax on their earnings for these years, and instead were compelled to resort to this fraudulent pretense! It's hard to imagine a more definitive acknowledgement of the accuracy and unassailability of the book all this is meant to discourage Americans from reading.)

STEP THREE: The judge issues a ruling (actually written in its entirety by the DOJ attorney) but bearing the judge's signature. In this ruling the judge "finds" in the book she never read the absurd argument the government needs to be "found" there in order to make this all work, and "finds" that the couple had "income" and is liable for taxes which the IRS itself left-handedly admits they are not by failing to produce a real "examination report" saying otherwise and deploying a fake one instead, and which it will not assess even now, twelve and thirteen years after the periods in question and eight years since this "ruling".

More, this ruling adopts the government's requested "remedy" for its problems in this case, and orders the couple to declare they believe that they owe the government the taxes the IRS will not declare to be owed but which were "found" by the judge. This is the critical element of the whole scheme, because if done, such declarations give the whole corrupt project legitimacy, and take everyone who has participated off the hook for their crimes.

The judge also grants another request of the government. She issues an order prohibiting the couple from ever filing a return in the future "based on the false and frivolous claim in 'Cracking the Code' that only federal, state and local government workers are subject to the tax" which was "found" there by the judge who never read the book.

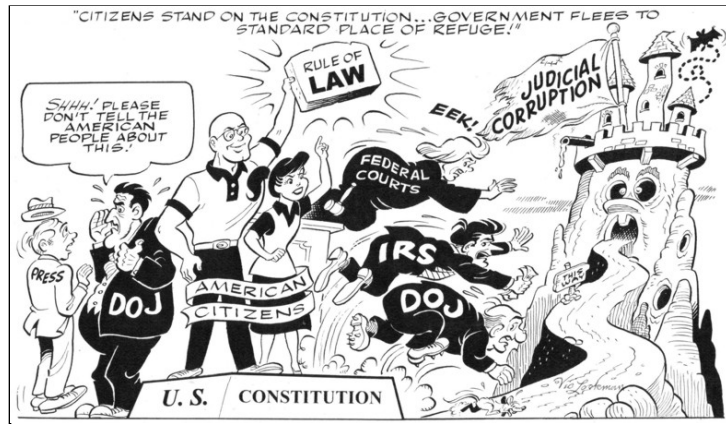
The purpose of this second order is a bit harder to fathom, but it is likely meant to equip the DOJ and IRS (and their cadre of supporters in the tax-preparation and litigation industries) with PR material for the discouragement of potential readers of CtC. In fact, in her DOJ-written "ruling" the judge actually refers to an alleged government interest in discouraging inconvenient testimony by other Americans as a rationalization for the order-- what legitimate court rulings describe as "chilling speech". (In a happy irony, this effort has back-fired as [tens of thousands of CtC readers file returns based on what really IS in the book and receive billions in complete refunds](#), dramatically emphasizing that these judicial "findings" that the book makes these or any other "false and frivolous" claims about the law are simply corrupt frauds meant to mislead the American public.)

In any event, what matters for purpose of this discussion is that, like the order commanding the couple to declare they believe their 2002 and 2003 earnings to be taxable and thereby enable the government to claim ownership of their property, this second order dictating what they are NOT to say also violates the First and Fifth Amendment in the same degree. It just does it in reverse.

By the way, all of this happened [without so much as a single hearing](#). At no point did the couple get a chance to actually confront anyone or challenge anything the judge was "finding" to be true. Their demand for a jury trial in the case was ignored (and never even acknowledged).

And all of these corruptions, frauds and illegitimizing improprieties notwithstanding, the "ruling" in this case has

been being touted by the government and its troll-associates as its evidence that "the courts have ruled against CtC". Properly understood, of course, this "ruling" is actually evidence that the government hasn't a shred of legitimate challenge to CtC, and has, in fact, entirely surrendered to its revelations. The only reason for all this lying is a lack of honest argument.



SO FAST-FORWARD TO 2013. All hope of discouraging the reading of CtC and its inconvenient, individual-liberating and state-restraining truth have been dashed. More and more Americans are reclaiming collected but never-actually-owed taxes, and are increasingly pissed at having to go through the hassles of doing so. Scholarship on the truth about the tax continues to advance.

Being the psychos that they are, the corrupt elements of the state responsible for all this fraud lash out. The wife of the couple at whom the bogus, rights-violating lawsuit was aimed is indicted on a charge of criminal contempt of court for resisting the orders made back in 2007 and exercising her rights of speech, conscience and due process.

The new case ends up in the courtroom of a colleague of the earlier judge, and another one of those who presided over the original efforts against CtC... Two trials ensue.

Desperately anxious to hedge the pretense of legitimacy of the lawsuit and its outcome with the pretense of a jury verdict on

its behalf, the government and judge put in the fix. A team of specialist gunslingers from the DOJ Tax division are flown in from Washington to do battle with this untrained, inexperienced and non-legally-oriented housewife and homeschooling mom, who defends herself.

By order of the judge, the validity of the lawsuit is not open for challenge. The jury is instructed that the unlawfulness or unconstitutionality of the orders involved is not a defense to the allegation that resisting them is a criminal offense.

The indictment and the instructions to the jury carefully misstate one of the orders from the lawsuit ruling. The actual order on this subject prohibits the filing of a return based on the alleged claim of CtC that only federal, state and local government workers are subject to the tax, but of course, the book doesn't say this.

Knowing that it would be pretty difficult to get anywhere with an accusation of having violated an order prohibiting a completely fictional transgression, the indictment and the instruction to the jury misstate this order as prohibiting the filing of a "false" return-- something believed easier to put into the minds of jurors who are all victims of lifelong disinformation about the nature of the income tax. Even with this false ploy in place no chances are taken. The jury is also instructed that it need not unanimously agree that the defendant actually did either of the two possible acts of offense alleged in the indictment.

But all of this failed. Even with the lawless "unanimity" relief and all the other cheats afforded to the prosecutors, the jury deadlocks.

Eight-and-a-half months later, the government tries again. All the previous cheats remained in place. This time the housewife was prevented from making her opening statement, was constantly hectorred and abused from the bench (a good example being this, in which the prosecutor and judge both

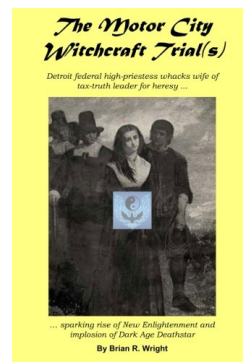
misrepresent to the jury the words of an important statute), and many of her exhibits were disallowed.

The reading to the jury of [court rulings on speech rights and void judgments](#) was thwarted, and in the end of trial, sensing another loss, the prosecutors engaged in a deliberate fraud, introducing previously unseen documents which were falsely declared to be proof that the initial failed efforts to suppress CtC way back in 2004 and 2005 discussed (and [thoroughly documented](#)) at the beginning of this commentary (and in which the trial judge was involved) were no such thing, but were instead really just a routine audit of the defendant's husband.

The falsely-represented documents, which themselves betrayed the falseness of what the prosecutors said about them but which the defendant was given no chance to examine at the time, were kept from the jury.

After trial, the fraud was proven, and then admitted by the prosecutors. Nonetheless, the judge has refused to overturn the falsely-secured guilty verdict returned by the jury this time. (A Motion to Vacate detailing the fraud can be seen [here](#), with relevant exhibits [here](#), [here](#), [here](#) and [here](#); and a Motion for Reconsideration detailing the misconstructions of the denial of that first motion-- with exhibits attached-- can be seen [here](#).)

Observer Brian Wright wrote a book about this show trial:



SO, HERE COMES THE DARKNESS. On the 9th of April this viciously assaulted housewife and mother was sentenced for

her "crime" of resisting orders issued in a completely fraudulent judicial proceeding of eight years ago after suffering through two completely fraudulent criminal trials. Here is our daughter, Katie, reading the allocution Doreen delivered at sentencing:

Doreen Hendrickson Michigan-A Patriot'...



By this completion of the assault on one righteous and upright American woman, the assault on all our Constitutionally-guaranteed rights of speech, conscience and due process is being completed. The evil precedent that a court can order someone to make dictated and false testimony favorable to a government case against her, and punish her for refusing, is being established.

## Free Speech on Trial: IRS v. Hendrickson



Just as pernicious as the violation of speech and due process rights involved here is the pretense argued by the government throughout these trials-- which is that the juries should assume that what this woman was told to declare herself to believe really IS her belief, despite her sworn protestations to the contrary, **because she had been told to say these things by government officials, and who could plausibly disbelieve what government officials said?**

If this precedent isn't stopped in its tracks, every American will have suffered a profound wound to what remains of the rule of law today. This one will be a bleeder, and impossible to undo without pounds of difficult cure.

Supreme Court Justice William O. Douglas famously said, "As nightfall does not come at once, neither does oppression. In both instances, there's a twilight where everything remains seemingly unchanged, and it is in such twilight that we must be aware of change in the air, however slight, lest we become unwitting victims of the darkness." Right now, in this case and the entire sequence of frauds that lie behind it, the chill and stink of corruption are in the air. We ignore them at our peril.

Raise a hue and cry.

Demand the honest attention of the media and everyone else. Blog and post and tweet to inform all you can of [the liberating, state-restraining truth about the tax](#) being revealingly evaded by the government and its courts.

Don't just curse the darkness that is falling, but fan your own flame and become a bright point of light against it.

**[Click here for the text of Doreen's allocution and some other related material](#)**

**[Click here to see what happened in the appeal](#)**



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### **Nine Out Of Ten Lawyers Agree...**

...THE SUPREME COURT IS EFFECTIVELY "INFALLIBLE" in its legal opinions. So, when that court says:

- *"[B]y [capitations and other] direct taxes in the constitution, those are meant which are raised on the capital or revenue of the people; ... paid directly from, and falling immediately on, the revenue;..." "[Capitations are taxes in which people are rated] according to what is supposed to be their fortune, by an assessment which varies from year to year;"*
- *"[T]he Sixteenth Amendment did not authorize any new type of tax, nor did it repeal or revoke the tax clauses of Article I of the Constitution, quoted above. [Capitations and other direct] taxes were, notwithstanding the advent of the Sixteenth Amendment, still subject to the rule of apportionment..."*
- *"If [a] tax is a direct one, it shall be apportioned according to the census or enumeration. If it is a duty, impost, or excise, it shall be uniform throughout the United States.*



*Together, these classes include every form of tax appropriate to sovereignty. Whether the [income] tax is to be classified as an "excise" is in truth not of critical importance [for this analysis]. If not that, it is an "impost", or a "duty". A capitation or other "direct" tax it certainly is not;"*

- *"...taxation on income [is] in its nature an excise...;"* and
- *"...the requirement to pay [excise] taxes involves the exercise of privilege,"*

...sensible, grown-up Americans turn their attention away from figuring out how to please the IRS and instead focus on learning how they have been so successfully misled about all this over the years (and how to recover their improperly collected money...).

How about you?

Are you a sensible, grown-up American; a fit inhabitant of the Land of the Free and Home of the Brave?

Or are you fit only for the New World Order, in which those who connive their way into positions of power in the State apparatus rule you, morning to night-- "authorized" by virtue of your ignorance of the law to take from you what they wish and give of your hard-earned to themselves and their cronies, clients and co-conspirators?

Seriously, do you respect the law or don't you?

If not-- if you've not stood up to recover your wealth, and if you aren't doing all that you can to shake your neighbors awake to the individual-liberating, State-restraining truth about the tax, why is that?

Is the mere sense that some officials are apparently willing to commit crimes all that it takes to resign you-- and your future and your children's future-- to the whims, caprice and

corruption of those who live handsomely off your sweat (and thus will *never* stop unless you make it happen)?

Isn't that rather like waking up to discover you're being drained of blood by a giant parasite and deciding not to move for fear you'll anger the beast...?

To put it another way, ISN'T THAT CRAZY??!!

Isn't it just as much crazy to convince yourself to lie quietly for your consumption by imaging that there *must* be something good for you in the situation, because...[enter your comforting delusion here]? Or because you hear the beast muttering into your ear over and over, "I have been authorized to take your blood... I have been authorized to take your blood... I have been..."?

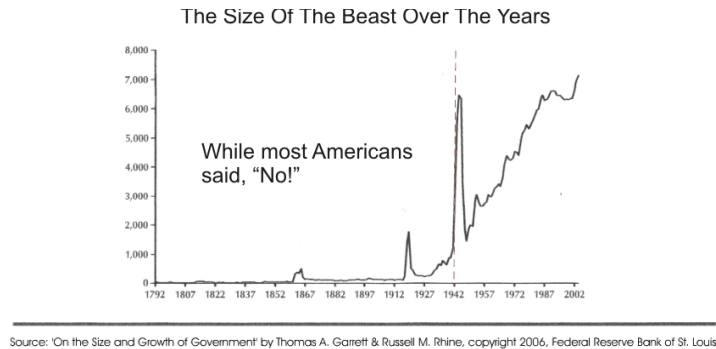
You've just seen (if you hadn't seen it before) that the highest court in the land says the beast has NOT "been authorized". And frankly, if you wake up enough to listen really closely, you'll hear that the beast is REALLY saying, "I have been authorized to take your blood... under certain circumstances which I presume apply here since you haven't said otherwise..."

I tell you, my friend, this is WAKE UP TIME!

We're already thirty-one days into the three-and-a-half month period during which the beast fills out its menu for the rest of the year. This is the time when you can sign up-- either by outright declaring your earnings to be what tax law calls "income", or by standing silent like a box-of-rocks as a "non-filer"-- for a long slow blood-letting during which you get weaker and the ever-hungry beast gets stronger.

But it is also the time when you can rebut the presumptions of the beast and sign *out* of the incremental abattoir. That is, it's also the time when you can choose to keep yourself whole and hale-- dignity, self-respect and blood-supply intact-- by just saying "No!"

And you know what happens when you do? The dynamic flips. You get stronger while the dangerous beast gets weaker.



Nine out of ten lawyers will tell you that when it comes to the law, the Supreme Court's words are the gospel. So, pay them heed. You'd be crazy not to...

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IN THE END, it is YOU who decides whether you're going to authorize the evil little totalitarian fiction that the state has an automatic claim to everyone's earnings, and gets to decide how much each person keeps for himself, for his family's needs, and for his own security.

It is YOU who empowers the state as the arbiter of how much of your wealth and hard work gets handed over to the politically-connected class on Wall Street, or to the armaments industry, or to the prison industry, or to the welfare industry-- and how much goes to pay for the hard work of handing out all that money to these cronies and clients.

As long as YOU play along, that's how it goes, and when it goes that way, you've no right to even complain.

AT THE SAME TIME, OF COURSE, it is also YOU who can decide to step back up into the sunshine of respect for the truth and the rule of law, including the Constitutional limits on federal taxing power and practices. That's what the CtC Community is all about-- courageous, committed individual Americans, actually taking meaningful steps to restore the

republic.

As I noted above, right now America is in another season of truth or lies. Right now, YOU have the chance to choose.

PLEASE. Use your power, make your choice, and honor the sacrifices made by your ancestors to give you the freedom to do so.

Or..., don't.

Keep hoping someone else is going to come along and fix everything, so that you don't have to pipe up or get up.

That's surely easier, and it seems safer, of course-- as appeasement and conflict avoidance always do.

BUT, HOW'S THAT BEEN WORKING FOR YOU?

*"Power concedes nothing without a demand. It never did and it never will. Find out just what any people will quietly submit to and you have the exact measure of the injustice and wrong which will be imposed on them, and these will continue till they have been resisted with either words or blows, or with both. The limits of tyrants are prescribed by the endurance of those whom they suppress."*

-Frederick Douglass

And is it going to be better or worse when you face this question again next year, if you do the wrong thing now? Are the bad guys going to be weaker, or stronger after you've given in to them for another year?

How about you? Stronger? Or weaker?

Give it some thought.

*"Be the change you want to see in the world."*

-Mohandas Gandhi



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## **Breaking Rad- Federalism For Real**

I WAS REFLECTING THE OTHER DAY on the underlying assumptions of principle involved in federal prosecutions of what are really non-federal offenses (however much the feds have invented a selection of "civil rights" violations in order to get in and make political points on stuff that is really purely local). You know the sort of thing I mean-- like the "civil rights" prosecutions of the California cops involved in the Rodney King beating (the virtues of which I am not challenging here-- though I was not present at any of the related trials, it seemed to me that crimes were indeed committed that evening).

I found my mind traveling around to the other side of that coin. Why, I wondered, do we seldom (if ever) hear of the states prosecuting the crimes committed by federales?

Think about nominal federal actors (by which is meant actors purporting to act in the capacity of federal agents exercising federal authority) who violate one or more laws of the state in which they act. At first blush it will be imagined that the "supremacy clause" of the US Constitution shields these actors from the state's laws, but I'm speaking of actors NOT acting pursuant to any legitimate federal statutory authorization.

For instance, in every state of the union there are criminals violating state eavesdropping laws day in and day out, and they are NOT doing so pursuant to any federal law by virtue of which the "supremacy clause" might be invoked in their defense. There IS no federal law which authorizes warrantless eavesdropping, searches or seizures. Shouldn't state or county governments be vigorously prosecuting these crimes?

Consider threats of harm for failing to testify in the government's interest, or for making claims on one's own behalf which the government doesn't like (such as by the assertion of a "frivolous tax return penalty" for declaring a belief that one's activities are not subject to the income tax, or failing to declare a belief that they are). This is plainly extortion, and a crime in

every state of the union-- as are the violations of speech and due process rights which are part and parcel of the offense. No federal law actually authorizes these acts (nor could any do so, since the Constitutional violations involved make it impossible for there to be any valid law to this effect).

Shouldn't those responsible be arrested and prosecuted by the state or county in which the crimes are perpetrated? The feds aren't going to do it, and these crimes are perfectly amenable to prosecution outside of the federal courts, notwithstanding the jurisdictional provisions of Article Three of the US Constitution. After all, the "United States" is not actually a party to the matter, since the crime doesn't involve any actual exercise of federal authority, but merely the pretense of such authority.

IN THE TITLE OF THIS ARTICLE I REFER TO "FEDERALISM" and here's why: Inherent in the nature of "federalism"-- a compact of sovereignties-- is the structural diffusion of power between competing interests. In our Constitutional design, federalism leaves separate spheres of authority to the United States and to the union states, in which each is the guardian of the citizenry against the other.

Our Constitutional federalism, properly understood and implemented, does not allow any action assertedly or nominally pursuant to authority delegated to the United States to simply go unquestioned. Nor are any actions assertedly or nominally pursuant to authority delegated to the United States meant to be only tested or challenged by axiomatically-biased United States judges (who are as likely as not to also be, or become, parties to the offenses).

Nor are offenses committed in nominal or asserted pursuit of United States authority solely subject to remedy by the inherently slow, cumbersome and unreliable political process. Indeed, the "political process remedy" has already been undertaken. It is the process by which we separated spheres of

authority, laid down prescriptions and proscriptions on the United States and the union states, and wrote it all down as the US Constitution, leaving to each distinct government the authority to define, determine and prosecute crimes committed within its territorial jurisdiction.

FOR A NUMBER OF YEARS NOW THERE HAS BEEN MUCH VIRTUOUS INTEREST in "nullification"-- the process by which states nullify federal enactments they deem unconstitutional. Generally this is thought of as the process of refusal to implement or enforce such unlawful enactments, such as in the refusal of 26 states to implement "Real ID" ten years ago.

Less popularly discussed is the obligation of "interpositioning", under which the states are duty-bound to step between the rogue United States and its victims, and defend the latter from the assaults of the former. "Interpositioning" is a scary prospect to state governments, but its mandate as a natural and necessary principle under our Constitutional structure is of the same order as that of nullification (both of which were articulated in the same [foundational documents by Jefferson and Madison](#) in response to the first major unconstitutional federal enactments-- the Alien and Sedition laws). We have seen a beginning of this virtuous process in a few states considering bills to criminalize efforts to enforce federal laws with regard to entirely intra-state objects.

What I am advocating here is related to nullification and interpositioning, and partakes of the same principles. But is also simpler than either, and less confrontational. After all, warrantless eavesdropping IS a crime under state laws. Extortion IS a crime under state laws. Neither are even nominally authorized under federal law, nor could be, considering the specific Constitutional prohibitions of such behavior.

Prosecuting crimes by those falsely purporting to act under the mantle of federal authority needs no action by a state's

legislature, and calls for no face-down between federal and state agencies. It's just basic law enforcement. If those accused are actually empowered to act as they have done, then they will be vindicated by their juries, as they should be. If not, then they will pay the price, as they should.



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*"Resistance to tyranny is obedience to God"*

-Thomas Jefferson

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