



Reasonable Action



Liberty



Justice



Volume V, Number 3

The Membership Newsletter of the Save-A-Patriot Fellowship

November 1, 1989

Extra Edition! Extra Edition!

Mr. President, Governors, Legislators, Jurists: ARE LIARS FIT TO SIT AS JUDGES?

Gentlemen, in a recent ruling by the U.S. Court of Appeals for the Ninth Circuit (Nevada), it appears that Judges Warren J. Ferguson, William A. Norris and Charles Wiggins, exceeded their lawful authority and took it upon themselves to rewrite the U.S. Constitution and lie about U.S.

Supreme Court decisions. (Filed Sept. 6, 1989)

No U.S. Court of Appeals has the constitutional authority to overturn or reinterpret a U.S. Supreme Court decision. Similarly, no U.S. court is empowered with the authority to change even a word of the United

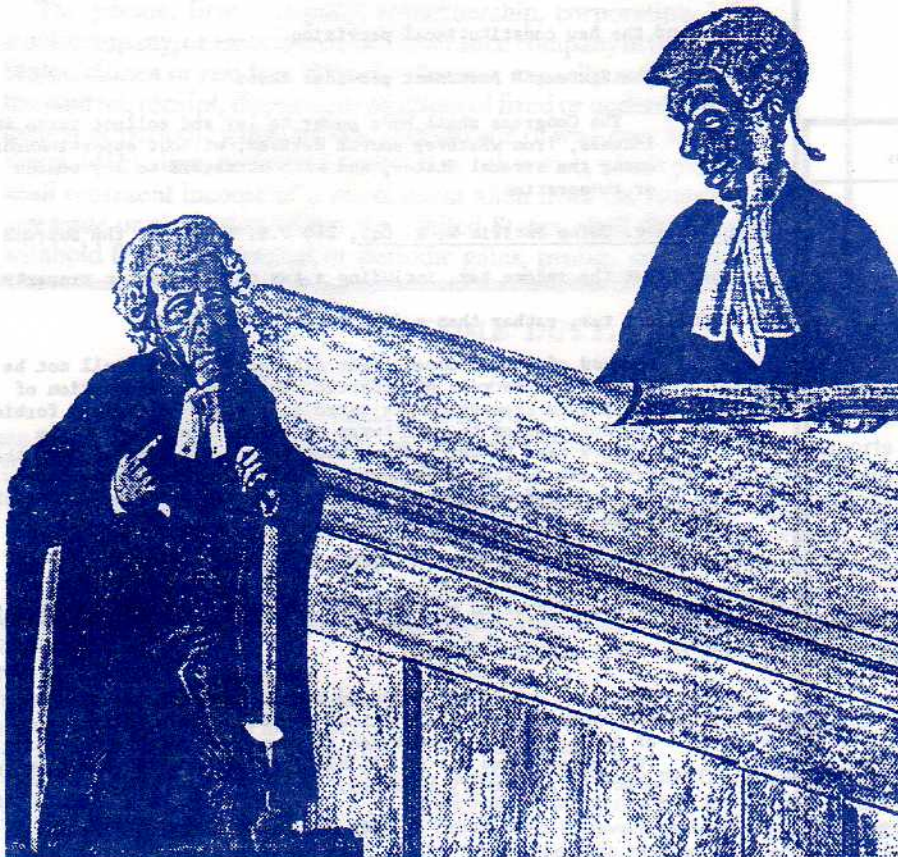
States Constitution. By issuing this FALSE RULING, these three judges have exposed themselves as LIARS!

The judges, in denying an appeal on the conviction of one Kenneth Nelson, sanctioned his attorney, Lowell H. Becraft, Jr., in the amount of \$2500 for a "frivolous appeal."

Defendant Nelson was convicted in February 1988 (D.C. No. Cr-87-3-ECR Division of Nevada) on three counts of "failure to file income tax returns", allegedly in violation of 26 U.S.C. Section 7203. The appeal, by lawyer Becraft, contended that the court erred in refusing to give instruction to the jury that a United States citizen residing in the United States is not subject to the federal income tax laws because the 16th Amendment to the United States Constitution did not authorize a direct tax on individual U.S. citizens.

In denying Nelson's appeal, the court stated:

"For over 75 years, the Supreme Court and the lower federal courts have both implicitly and explicitly recognized the Sixteenth Amendment's authorization of a non-apportioned direct income tax on United States citizens residing in the United States and thus the validity of the federal income tax laws as applied to such citizens. See e.g. *Brushaber v. Union Pacific Railroad Co.*, 240 U.S. 1, 12-19 (1916)..." [Underline added.]



**"Don't tell me about justice denied counsellor!
I've been denying justice for years!"**

This is a LIE!

Continued on Page 2

The 16th Amendment says:

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

If this amendment actually changed the U.S. Constitution and authorized a direct tax, then the word "direct" would be in there. It cannot be found!

In 1979 the Congressional Research Service of the Library of Congress issued Report No. 79-131 A, titled "Some Constitutional Questions Regarding the Federal Income Tax Laws." (This is a service for Congressmen and Senators, that upon request researches and reports on virtually any subject.) It was authored by Howard Zaritsky, Legislative Attorney, American Law Division. Reproduced here is what was said in the report about the Brushaber decision (the decision that originally decided the 16th Amendment)

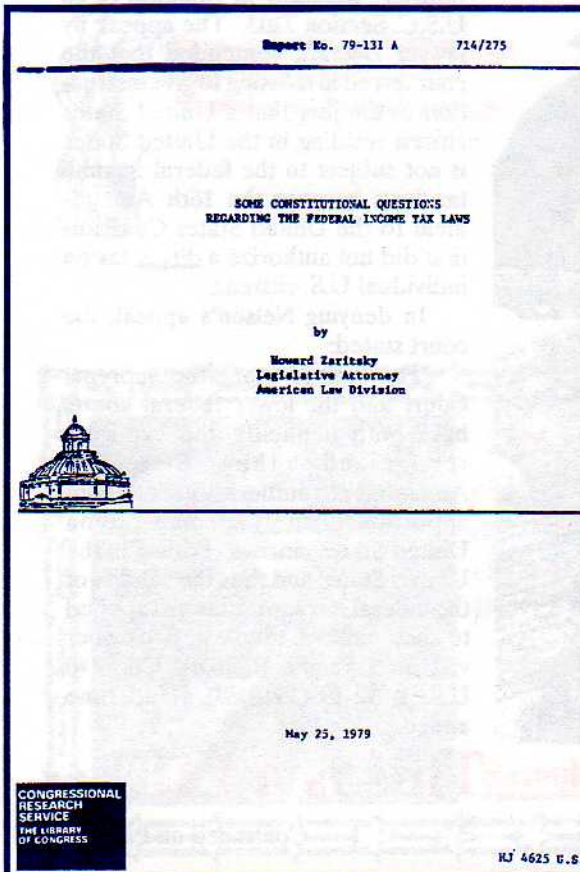
referred to by Judges Ferguson, Norris and Wiggins. Read it carefully and also examine the related case of *Stanton v. Baltic Mining Co.*

Judges Ferguson, Norris and Wiggins cannot change history, the U.S. Constitution, nor previous Supreme Court decisions regarding the taxation of "income," and if they did not understand the Supreme Court's ruling in the *Brushaber* case excepted U.S. citizens and resident aliens living and working within the States of the Union, the Office of Commissioner of Internal Revenue did. Reproduced on Page 3 is T.D. (Treasury Decision) 2313, notice that Frank Brushaber was neither a U.S. citizen or resident alien, but rather a nonresident alien.

Notice in the *Stanton* case the Supreme Court stated, "...no new power...but simply prohibited the...power of income taxation possessed by Congress from the begin-

ning from being taken out of the category of indirect taxation to which it inherently belonged." The income tax did not just appear in 1913 because of the 16th Amendment as most everyone has been led to believe. The first income tax was laid by Congress to help support the United States's cause in the war between the States. It was signed into law by President Lincoln on August 5, 1861. On Page 3 is reproduced a copy of this statute to give evidence that the income tax was never to be laid on the property of U.S. citizens or resident aliens living and working within the States of the Union, but rather on profit or gain (income) from business that involve foreign transactions.

The Internal Revenue Service has full knowledge of this, and admits so in the Internal Revenue Manual, Chapter 1100. See parts of sections 1111.2 and 1111.31 reproduced on page 3.



CRS-3

decision and the new constitutional provision.

The Sixteenth Amendment provides that:

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

In *Brushaber v. Union Pacific R. R. Co.*, 240 U.S. 1 (1916), the Supreme Court held that the income tax, including a tax on dealings in property, was an indirect tax, rather than a direct tax, and that the

command of the amendment that all income taxes shall not be subject to the rule of apportionment by a consideration of the source from which the taxed income may be derived forbids the application to such taxes of the rule applied in the *Pollock* case by which alone such taxes were removed from the great class of excises, duties, and imposts subject to the rule of uniformity and were placed under the other or direct class.

240 U.S. at 18-19 (1916).

This same view was reiterated by the Court in *Stanton v. Baltic Mining Co.*, in which the Court stated that the:

Sixteenth Amendment conferred no new power of taxation but simply prohibited the previous complete and plenary power of income taxation possessed by Congress from the beginning from being taken out of the category of indirect taxation to which it inherently belonged.

240 U.S. at 112 (1916).

Therefore, it is clear that the income tax is an "indirect" tax of the broad category of "Taxes, Duties, Imposts and Excises," subject to the rule of uniformity, rather than the rule of apportionment.

(T.D. 2313)**Income tax**

Taxability of interest from bonds and dividends on stock of domestic corporations owned by nonresident aliens, and the liabilities of nonresident aliens under section 2 of the act of October 3, 1913.

Treasury Department,
Office of Commissioner of Internal Revenue,
Washington, D.C., March 21, 1916.

To collectors of internal revenue:

Under the decision of the Supreme Court of the United States in the case of *Brushaber v. Union Pacific Railway Co.*, decided January 21, 1916, it is hereby held that income accruing to nonresident aliens in the form of interest from the bonds and dividends on the stock of domestic corporations is subject to the income tax imposed by the act of October 3, 1913.

Nonresident aliens are not entitled to the specific exemption designated in paragraph C of the income-tax law, but are liable for the normal and additional tax upon the entire net income "from all property owned, and of every business, trade, or profession carried on in the United States," computed upon the basis prescribed in the law.

The responsible heads, agents, or representatives of nonresident aliens, who are in charge of the *property owned or business* carried on within the United States, shall make a full and complete return of the income therefrom on Form 1040, revised, and shall pay any and all tax, normal and additional, assessed upon the income received by them in behalf of their nonresident alien principals.

The person, firm, company, copartnership, corporation, joint-stock company, or association, and insurance company in the United States, citizen or resident alien, in whatever capacity acting, having the control, receipt, disposal, or payment of fixed or undeterminable annual or periodic gains, profits, and income of whatever kind, to a nonresident alien, under any contract or otherwise, which payment shall represent income of a nonresident alien from the exercise of any *trade or profession* within the United States, shall deduct and withhold from such annual or periodic gains, profits, and income,

Notice the deceptive phrase, "for some time." Do you think that there were any of the "framers" alive in 1862?

For over 75 years the Congress, the Internal Revenue Service and the Courts have **DECEPTIVELY MISLED** the American people about **WHAT** the term "income" means and exactly **WHO** is being taxed! But Judges Ferguson, Norris and Wiggins have taken this deception one step further -- **THEY LIED** and are trying to **REWRITE** history! They are **LIARS!**

All judges and elected public officials take a solemn oath to **OBEY, APPLY, ENFORCE**, the U.S. Constitution. The U.S. Constitution is the **LAW**. When anyone wrongly applies or enforces law, they are **CRIMINALS** themselves. When judges' **UNLAWFUL** rulings cause innocent Americans to forfeit their **LIBERTY, PROPERTY** or **MONEY**, then **WHO IS THE REAL CRIMINAL?**

This exact situation, the twisting of the law by judges, was foreseen by our Founding Fathers over 200 years ago. The term is "sophistry." Noah Webster's original 1828 dictionary of the English language defines "sophistry" as: "*Fallacious reasoning; reasoning sound in appearance only.*" This is what Massachusetts Delegate Elbridge Gerry said, on June 6, 1787, at the Constitutional Convention in Philadelphia, according to James Madison's notes:

"Mr. Gerry thought the Executive, whilst standing alone would be more impartial than when he could be covered by the sanction and seduced by the sophistry of the Judges."

The decision by Judges Ferguson, Norris and Wiggins is **SOPHISTRY** at its worst. The **false reasoning** used in their decision is meant to perpetuate a **LIE** and this makes them **LIARS!**

We realize that calling these supposed "pillars of the community" the **LIARS** that they are could result in a lawsuit for alleged "defamation." We do not fear this! The **TRUTH** is **OUR** defense! Let them sue. We also realize that these men, and possibly other men of power whose hands this paper will fall into, have the ability and power to cause us other problems probably even more

INCOME DUTY.

SEC. 89. *And be it further enacted*, That for the purpose of modifying and reenacting, as hereinafter provided, so much of an act, entitled "An act to provide increased revenue from imports to pay interest on the public debt, and for other purposes," approved fifth of August, eighteen hundred and sixty-one, as relates to income tax; that is to say, sections forty-nine, fifty, (except so much thereof as relates to the selection and appointment of depositaries,) and fifty-one, be, and the same are hereby, repealed.

Act Aug. 5, 1861,
repealing sections
49, 50, 51.

**1111.2 (7-6-83)
Organic Act**

(1) The Office of the Commissioner of Internal Revenue was established by an act of Congress (12 Stat. 432) on July 1, 1862, and the first Commissioner of Internal Revenue took office on July 17, 1862.

(2) The act of July 1 provided:
"... That, for the purpose of superintending the collection of internal duties, stamp duties, licenses, or taxes imposed by this Act, or which may be hereafter imposed, and of assessing the same, an office is hereby created in the Treasury Department to be called the Office of

**1111.3 (7-6-83)
History****1111.31 (7-6-83)
Internal Taxation**

Madison's Notes on the Constitutional Convention reveal clearly that the framers of the Constitution believed for some time that the principal, if not sole, support of the new Federal Government would be derived from customs duties and taxes connected with shipping and importations. Internal taxation would not be resorted to except infrequently, and for special reasons. The first resort to internal taxation, the

serious, but that is the chance we MUST take. We have decided that it is impossible to sit as cowards and live in a chaotic society absent of law. Such society is but one step away from the MIDNIGHT KNOCK ON THE DOOR! That is, if it is not already here.

Mr. President, Governors and Legislators

We propose that the federal and state legislatures take immediate action to save our society by enacting a law that requires every judge's ruling in every case be public and briefed justifying it against the actual law (statute) and fact of the case; that if it is proven that the public record is correct in showing that a judge misapplied (knowingly or otherwise) any law or fact that judge would be guilty of a felony and subject to imprisonment of not less than 10 years and fined not less than fifty thousand dollars (\$50,000.00). We are having a draft of this proposed law prepared right now! Ask us to send you a copy.

Fellowship Members, Patriots, U.S. Citizens and Resident Aliens

We implore you to:

- purchase additional copies of this Extra Edition of *Reasonable Action* (200 copies postage paid 10 Federal Reserve Notes);
- distribute them door to door, on vehicles, everywhere and encourage others to do the same;
- obtain copies of the above proposed legislation (now being prepared by an attorney-at-law) and talk to your state and federal legislators urging them to introduce and promote it;
- when passed into law by the federal and/or state legislature, organize a campaign to urge the President or Governor, as the case maybe, to sign it into law.

Patriots, U.S. Citizens and Resident Aliens

If you are interested in more information about the Save-A-Patriot Fellowship and its activities, send one Federal Reserve Note for first class postage and we will send you our latest edition of our newsletter, *Reasonable Action*, with self-explanatory applications.



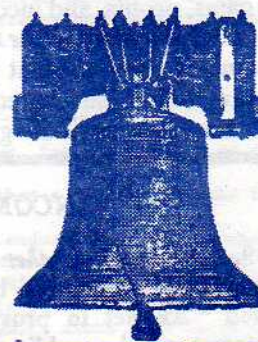
Resistance to tyranny is service to God!

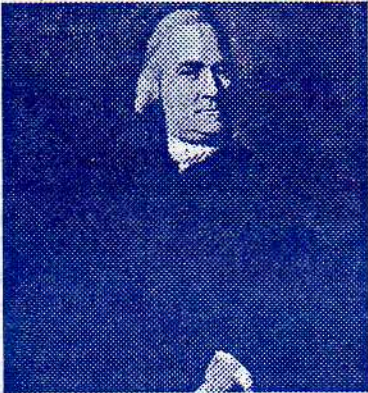
Th Jefferson



Save-A-Patriot Fellowship
Post Office Box 91
Westminster, Maryland 21158

TEL: (410) 857-4441
FAX: (410) 857-5249





"If men, through fear, fraud, or mistake, should in terms renounce or give up any natural right, the eternal law of reason and the grand end of society would absolutely vacate such renunciation. The right to freedom being the gift of God, it is not in the power of man to alienate this gift and voluntarily become a slave."

Sam Adams

Samuel Adams was the Father of the American Revolution