A LOAN is Actually A Deposit of Money By A Customer With Banker

A LOAN is: Deposit Of Money By A Customer With Banker; Gimbel Bros. v. White, 10 N.Y.S.2d 666, 667, 256 App.Div. 439 Black's Law Dictionary Fourth Edition (page 1085)

Did You Really get A Loan?

Did you really get a loan when you contracted to borrow money from the bank to pay for your home? Or was it just an exchange (your note for cash), but the bank called it a loan? Or did two loans occur?

The banker says, repay the loan because the bank lent you money. We simply ask one question: Should the one who funded the loan be repaid the money? Whether they answer YES or NO, the bank must forgive the loan and zero out the debt. That is the one question that they do not want to answer because the borrower funded the loan as proven by the bank's own bookkeeping entries.

Before an attorney can sue for foreclosure, he must show that the defending party (you) breached the agreement. The attorney needs a witness to give testimony that there is an agreement and that the agreement has been breached.

If Rich (as an example) testifies in court that there was a loan when he knew that there was only an exchange of equal value, Rich would be giving false testimony and would be called a false witness.

In a normal court foreclosure, the lender does not come to court to give testimony. The bank attorney uses the alleged promissory note with the alleged borrower's signature as the witness in court to claim that there is an agreement, that there was a loan, that the lender fulfilled his agreement, and that the alleged borrower did not fulfill the agreement to repay the money. Instead of the attorney using Rich to give oral testimony, the attorney used the promissory note as the witness as the evidence to sue the alleged borrower.

There is a legal concept of form vs. substance. The form is the promissory note, which says that the lender lent money to the alleged borrower. The substance is the money trail - the bookkeeping entries. The substance shows that there were two loans exchanged - equal value for equal value. The borrower was required to repay his loan to the bank plus interest, but the bank never repaid the debt it owes to you. IOU was exchanged for IOU. The two newly created IOUs cancel each other.

Acts in reference to the issue of whether "greenbacks" could be used to pay state taxes. In Perry v. Washburn, 20 Cal.318 (1862), the California Supreme Court ruled that United States notes could not be used to pay state taxes, especially where a California statute required taxes to be paid in coin. In State Treasurer v. Collector Sangamon County, 28 Ill. 509, 512 (1862)

The Colorado Constitution Page 12 states only coin can be used to pay debts. §10. Powers denied individual states. (1) No state shall enter into any treaty, alliance or confederation; grant letters of marque or reprisal; coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts; pass any bill of attainder,

ex post facto law, or law impairing the obligation of contracts, or grant any title of nobility.

In reference to the lawfulness of the "greenback" currency of the Union, this issue involved not one single case but a multiple of cases spanning some 15 years. Before delivering any opinion wherein a challenge to the constitutionality of the Legal Tender Acts was concerned, the U.S. Supreme Court rendered certain opinions in cases related to this issue. In Bronson v. Rodes, 74 U.S. (7 Wall.) 229 (1869), the Court held that a bond requiring payment in specie coin could not be discharged by paying "greenbacks":

In the case immediately following Bronson, supra, the Court, in Butler v. Horowitz, 74 U.S. (7 Wall.) 258 (1869), held the same way in reference to a contract requiring payment in specie. In New York v. Supervisors, County of New York, 74 U.S. (7 Wall.) 26 (1869), the Court held that legal tender Treasury notes were exempt from state taxation. By 1870, some 8 years after the adoption of the first Legal Tender Act in 1862, the Court was finally required to pass upon the constitutionality of those acts. As noted above, the Kentucky Supreme Court had held these acts to be unconstitutional in Griswold v. Hepburn, supra, and it was to this case that the Supreme Court granted certiorari. The chief architect of the Legal Tender Acts had been Treasury Secretary Chase, who by now was sitting on the Court as its Chief Justice, and it was Chase who wrote the majority opinion in Hepburn v. Griswold, 75 U.S. 603, 625 (1870). The issue in this case involved whether legal tender notes could be used to discharge a debt contracted before the passage of the first legal tender act, and this determination necessarily involved the constitutionality of those Congressional acts. Chase noted in the opinion that the legislation adopted by Congress making Treasury notes a legal tender occurred at the height of troubling times and that the motive for the acts was patriotic in nature; this was obviously stated because of his own personal involvement in obtaining passage of the acts. Nonetheless, and notwithstanding personal motives and convictions which certainly played a part in passage of this legislation, it was time to test the conformity of the acts with the U.S. Constitution. Chase analyzed the specific provisions of the Constitution, which granted Congress various powers, and determined there was no express grant to declare Treasury notes a legal tender. There being no such express grant, he then examined specific Congressional powers to determine if any implied power would sustain the acts. He examined the power to coin money, to borrow, to regulate commerce and to declare war, but there he found no method for developing an implied power, which would uphold the acts. He examined the spirit of the Constitution as well as certain prohibitions contained therein, none of which could be useful in supporting an implied power. Finding no support for the constitutionality of the challenged acts, he found them unconstitutional:

Quote
"We are obliged to conclude that an Act making mere promises to pay dollars a legal tender in payment of debts previously contracted, is not a means appropriate, plainly adapted, really calculated to carry into effect any express power vested in Congress; that such an Act is inconsistent with the spirit of the Constitution; and that it is prohibited by the Constitution."

The above quote would also apply to the use on paper money being in direct opposition to the Constitutions of the States and the United States to pay a debt in anything other than coin.
Hagar v. Reclamation District No. 108, 111 U.S. 701, 706 (1884), decided only 2 months after Juilliard. In Hagar, one issue involved the type of currency to be used to discharge a liability for state taxes. In holding that such taxes had to be paid in specie coin pursuant to state law, Justice Field relied upon Lane County and stated:

"The extent to which the power of taxation of the state should be exercised, the subjects upon which it should be exercised, and the mode in which it should be exercised, were all equally within the discretion of its legislature, except as restrained by its own constitution and that of the United States."

At present, there are no federal taxes that are apportioned among the states, as is required of direct taxes.

An additional point of consideration arises from the fact that neither Knox nor Juilliard sanctioned an irredeemable currency. The court in Knox expressly held that representatives of federal liability, Treasury notes, were to be taken as the equal of coin, with the understanding that these notes would eventually be paid. Redemption began in 1879, and at the time of the Juilliard decision, such notes were convertible into specie coin. The Court has never sanctioned the complete suspension of specie payment, as was plainly demonstrated in Ward v. Smith, 74 U.S. 447 (1869):

"Notes not thus current at their par value, nor redeemable on presentation, are not a good tender to principal or agent, whether they are objected to at the time or not," 74 U.S., at 451-52.

Therefore, a federal currency, which is not redeemable in specie coin, is repugnant to the Constitution.

To thoroughly get the term 'excise' straight, let's let some lower federal courts clarify the term excise for us also:

American Airways v. Wallace 57 F.2d 877, 880 "The terms "excise tax" and "privilege tax" are synonymous. The two are often used interchangeably."

Manufacturers' Trust Co. v. U.S. 32 F. Supp 289 "A tax levied upon property, because of its ownership, is a direct tax, whereas one levied upon property because of its use is an excise, duty or impost."
From the legal encyclopedia American Jurisprudence Chapter 71 State and Local Taxation, Section 28, we read: "The obligation to pay an excise is based upon the voluntary action of the person taxed in performing the act, enjoying the privilege, or engaging in the occupation which is the subject of the excise, and the element of absolute and unavoidable demand is lacking."

You can avoid an excise tax by avoiding or not participating in the activity or privilege that is the subject of the tax. Since the income tax has been ruled to be an excise tax, then the same principle would apply. If you do not engage in the privileged (licensed) taxable activity or occupation, then you will not be subject to the tax. It is

voluntary! Voluntary!
Again, from American Jurisprudence (Am. Jur.) Chapter 71 Section 94, we read: "The (inalienable) right to acquire, possess, or own property cannot, according to one doctrine, be made the subject of an excise tax. The theory appears to be that a tax upon the right to acquire, possess, hold or own property is tantamount to a tax upon the property itself, and hence, must be regarded as a property tax and not an excise tax."

71 Am. Jur. 194 says: "A tax on an essential attribute of a thing is a tax on the thing itself, and no tax can be imposed on the right of ownership, which is not also a tax on property. An individual, unlike a corporation, cannot be taxed for the mere privilege of existing, nor for the enjoyment of the right to own property."

By June 1, 1933, a Congressional Joint Resolution, number 192, was proposed to make it against public policy to pay any obligation in gold. It was during the debate on this resolution that the fact was made known that the Federal Reserve Banks possessed virtually all the federal gold clause bonds to mature within the next 6 months.[12] This resolution was enacted on June 5, 1933, and notwithstanding the fact that it was only a joint resolution, it was accorded the force of law. Now it is illegal to pay for anything in gold, so where does that leave us when it comes to paying for something like taxes that are only payable in gold coins as declared in the state and federal Constitution's, if one wishes to pay a voluntary property tax on ones private property?

"The Legal Tender Acts do not attempt to make paper a standard of value. We do not rest their validity upon the assertion that their omission is coinage, or any regulation of the value of money; nor do we assert that Congress may make anything, which has no value money. What we do assert is that Congress has power to enact that the government's promises to pay money shall be for the time being equivalent in value to the representative of value determined by the coinage acts or to multiplies thereof. It is hardly correct to speak of a standard of value ... It is, then, a mistake to regard the Legal Tender Acts as either fixing a standard of value or regulating money values, or making that money which has no intrinsic value," 79 U.S., at 553.
Dissenting from the decision in Knox were Chief Justice Chase, and Justices Clifford and Field, who rose to the occasion and set forth innumerable law, facts and arguments against the acts.
The decision in Knox resolved the issue of the constitutionality of federal "bills of credit" during war, but it was still an open question as to their use in times of peace. In 1875, Congress enacted the Specie Resumption Act, which became effective in 1879. In 1878, Congress passed additional legislation permitting the reissuance of Treasury notes after redemption. By 1884, the Supreme Court was confronted with the issue of whether legal tender Treasury notes could be reissued in peacetime. In Juilliard v. Greenman, 110 U.S. 421, 448 (1884), the Supreme Court expanded the Knox doctrine to allow peacetime issuance of legal tender Treasury notes:

"Congress is authorized to establish a national currency, either in coin or in paper, and to make that currency lawful money for all purposes, as regards the national government or private individuals."
In writing this opinion, Justice Gray successfully located the origin

of this power in the express grant to Congress to "borrow money;" this was apparent notwithstanding the fact that the microscopic examination of the Constitution by Justice Strong in Knox failed to reveal the source of this hidden power. As justification for this holding, Justice Gray relied upon the sovereign powers of European governments, something which was totally new to construction of the American Constitution.
The dissents in both Knox and Juilliard were exceptionally well written and documented rebuttals of the erroneous findings of historical fact relied upon by the majority in both cases. Justice Field aptly stated the case of the dissenters by noting that no jurist or statesman in our country, prior to the Civil War, ever mentioned or alluded to the power so readily found by the majority in both Knox and Juilliard; "All conceded, as an axiom of constitutional law, that the power did not exist," 110 U.S., at 454. The defects in findings of historical fact, argument and reasoning in both cases were ably pointed out by George Bancroft in his work, A Plea for the Constitution, written in direct response to the Juilliard decision. If Bancroft did not fully destroy the fallacies of Juilliard, Dr. Edwin Vieira in his book, Pieces of Eight, has conclusively done so.

It is not the capable works as above described which have limited the scope of the Legal Tender Cases; instead, it is the decisions of the same Court which rendered both Knox and Juilliard that define the limits of the legal tender powers of Congress. A full two years before the Supreme Court decided Hepburn and three years before Knox, the Supreme Court determined a limitation on federal "bills of credit" in the case of Lane County v. Oregon, 74 U.S. (7 Wall.) 71, 77 (1868). The rationale found in both Perry v. Washburn, supra, and in State Treasurer v. Collector, supra, was followed in Lane County, and the Court there held that a state law requiring taxes to be paid in specie coin could not be circumvented by payment in "greenbacks," reasoning: "There is nothing in the Constitution which contemplates or authorizes any direct abridgement of this power by national legislation."
Lane County was rendered by the same Court, which rendered Hepburn and the majority of which decided Knox. And a similar case was rendered after Juilliard, that case being Hagar v. Reclamation District No. 108, 111 U.S. 701, 706 (1884), decided only 2 months after Juilliard. In Hagar, one issue involved the type of currency to be used to discharge a liability for state taxes. In holding that such taxes had to be paid in specie coin pursuant to state law, Justice Field relied upon Lane County and stated:

"The extent to which the power of taxation of the state should be exercised, the subjects upon which it should be exercised, and the mode in which it should be exercised, were all equally within the discretion of its legislature, except as restrained by its own constitution and that of the United States."

It appears that the conveyance of Congressional Juilliard powers to these banks was an outright gift to a very powerful, self-interested financial group, subject to no control or restraint by Congress. The Federal Reserve System was given unbridled power to expand or contract the number and amount of outstanding federal "bills of credit." This legislation is unconstitutional for this reason.

On August 28, 1933, Roosevelt issued an Executive Order, which required

information returns for gold ownership and prohibited possession of gold except by license. Roosevelt in his war upon gold ownership by American citizens was the Gold Reserve Act of January 30, 1934, 48 Stat. 337. Failure to file the required returns and possession of gold without license were made criminal offenses.

This above quote means that the gold wedding bands worn on the right hand of most American people is illegal to own. What an interesting law that is.

We the people want to know why Congress has forced us to borrow our own money into circulation at interest with United States bonded indebtedness? We believe, as did President Lincoln, that if a nation can issue a $5 bond, it can issue a $5 bill.

We the people gave no authority to the Federal Reserve Bank to coin or create the nations money. We delegated that power to Congress.

Even if Congress should feel incompetent to manage the nation's money, it has no power to delegate nor to relinquish that authority.

Barter is the system of exchange whereby property is directly exchanged for other and different property. No one can be damaged by barter. Specie coin is an improvement of barter exchange; here exchange occurs via a common form of property, gold or silver, and property and wealth are exchanged for property and wealth. Trade and commerce achieved through the use of specie coin is similar to barter and nobody gets damaged thereby. However, to prostitute the specie coin exchange by replacing it with something of worthless value results in wealth and property being exchanged for nothing of value. This is nothing more nor less than theft. Our nation is nothing more than a society of thieves and we steal each other's wealth, property and labor with something that is inherently worthless.

However, while citizens of this nation unknowingly steal one from another, the creators of these monetary instruments are the greatest of thieves. The Federal Reserve Banks and all the private commercial banks of this nation are the creators of Federal Reserve Notes and bank demand deposits. These institutions obtain whatever real resources, wealth and labor they need or desire merely by printing on paper and issuing credit. These institutions truly acquire everything they need or desire, such as bank buildings, employee labor, farmlands or factories, for nothing but the cost of printing.

Another serious defect of our currency system consists of the fact that the supply of this purported currency can be manipulated at will by the Federal Reserve System. By purchasing government bonds, the Federal Open Market Committee can expand the credit supply; by selling bonds, it can contract that supply. By the Federal Reserve Board decreasing bank reserve requirements, private banks can increase deposits; the inverse works for an increase in the reserve requirement ratio. The American people have absolutely no control over the volume of currency and credit in circulation. When the currency supply is deliberately and intentionally decreased by this manipulation, innocent victims are created who cannot repay loans; this results in loss of property through foreclosure.

Banks simply extend credit when loans are made. The "currency" for which these and all others loans in America can be redeemed is known as the Federal Reserve Note ("FRN").

The reserves held by Federal Reserve Banks have been admitted by the government in its work titled A Primer on Money to be "backed" by nothing:
Banks are prohibited by law from loaning their credit; see Citizens' Nat. Bank of Cameron v. Good Roads Gravel Co., 236 S.W. 153, 161 (Texas App. 1922); National Bank of Commerce of Kansas City v. Atkinson, 55 F. 465, 471 (D.Kan. 1893); Bowen v. Needles Nat. Bank, 94 F. 925, 927 (9th Cir. 1899); Merchants' Bank of Valdosta v. Baird, 160 F. 642, 645 (8th Cir. 1908); First Nat. Bank of Tallapoosa v. Monroe, 69 S.E. 1123, 1124 (Ga. 1911); American Express Co. v. Citizens' State Bank, 194 N.W. 427, 429 (Wis. 1923); Howard & Foster Co. v. Citizens' Nat. Bank of Union, 130 S.E. 758, 759 (S.C. 1925); Farmers' & Miners' Bank v. Bluefield Nat. Bank, 11 F.2d 83, 85 (4th Cir. 1926); Best v. State Bank of Bruce, 221 N.W. 379, 380 (Wis. 1928); Norton Grocery Co. v. People's Nat. Bank of Abingdon, 144 S.E. 501, 503 (Va.App. 1928); Federal Intermediate Credit Bank v. L'Herisson, 33 F.2d 841 (8th Cir. 1929); First Nat. Bank of Amarillo v. Slaton Ind. School Dist., 58 S.W.2d 870, 875 (Texas App. 1933); and Ferguson v. Five Points National Bank of Miami, 187 So.2d 45, 47 (Fla. App. 1966).

Thomas Jefferson once said: "If the American people ever allow private banks to control the issue of their money, first by inflation and then by deflation, the banks and corporations that will grow up around them will deprive the people of their property until their children will wake up homeless on the continent their fathers conquered."

We the people want to know why Congress has forced us to borrow our own money into circulation at interest with United States bonded indebtedness? We believe as did President Lincoln, that if a nation can issue a $5 bond, it can issue a $5 bill.

We the people gave no authority to the Federal Reserve Bank to coin or create the nations money. We delegated that power to Congress.

Even if Congress should feel incompetent to manage the nation's money, it has no power to delegate nor to relinquish that authority.

The Supreme Court has held some of the powers of Congress to be delegatable, but no power strictly legislative in nature Panama Ref. Co. v. Ryan, 293 US 388, 79 L.Ed. 446. Even where the power was held to be delegatable, Congress was required to lay a policy and to set up a standard. Avent v. U.S., 266 US 127; Central Securities Corp. v. U.S., 287 US 12; U.S. v. Chemical Foundations Inc., 271 US 1.

In the statute creating the Federal Reserve System, and in its subsequent amendments, there appears no stated limitation on the powers and authority of this corporation.

The "Federal Reserve Act" is without authority; Congress has made an unlawful delegation of power strictly legislative ...

"Delegation by Congress of its essential legislative functions is precluded by the provisions of the Federal Constitution. Article I,

Section 1, that all legislative powers granted to the Federal Government shall be vested in Congress and of Article I, Section 8, Clause 13, empowering Congress to make all laws which shall be necessary and proper for carrying into execution its general power."

Panama Ref. Co., supra. at 388;
Union Bridge Co. v. U.S., supra.;
Wayman v. Southland, 10 Wheat. (U.S.) 1, 6 L.Ed. 253;
Schechter Poultry Corp. v. U.S., 295 US 495, 79 L.Ed. 1570;
Knickerbocker Inc. Co. v. Stewart, 253 US 149, 64 L.Ed. 834

It must be understood that the "Federal Reserve Note" is not United States money, as defined by our Constitution, although it might be implied by the legal tender at 31 USC 392:

Could a piece of paper then represent a foot? This is a relatively simple question; of course a piece of paper could represent a foot by being 12 inches long. ... The same holds true with all units of measure; the pound is merely represented by 16 ounces, but 16 ounces merely represent that pound just as a piece of paper might represent a pound by weighing 16 ounces ...

What is a "Dollar?" A dollar, like the foot and pound, backs a "standard of value." Congress has said that the standard unit of value for the dollar is to be gold, 15 5/21 grains 9/10 fine by weight, and that this gold at this weight is to represent the dollar, and further that the dollar of gold, shall be the standard unit of value by which all coins and currencies are to be maintained (31 USC 314).

As early as the second Congress, it was established that the proportional value of silver to the gold dollar of 15 5/21 grains of gold 9/10 fine.

We know that the "Federal Reserve Note" does not represent either gold or silver. There were 67 billion of dollars in bills as of June 1973 circulating in the form of these "Notes" and at that time there was only 10 billion Dollars in gold within the continental United States. The "Federal Reserve Note" represents no standard of value and is incapable of representing the dollar. This lack of value is fatal to its character and the intention of Congress.

What then are "Federal Reserve Notes", if they are not "Dollars?"

Was the purpose and effect of the "Federal Reserve Act" to authorize a new kind of money?

Did the government and the Federal Reserve bank really and in fact contract by these "Notes" to pay the bearer on demand, or at any time?

Are these "Notes" really promises to make other promises?

"Federal Reserve Notes" are in many respects similar to the "United States Notes"; they are both paper; they are both "Notes", and they both circulate on the credit of the United States. ...

"United States notes are engagements to pay dollars and the dollars intended were the coined dollars of the United States."

Bank of New York v. N.Y. County, 7 Wall. (U.S.) 26

"Their name imports obligation, everyone of them expresses upon its face an engagement of the nation to pay to the bearer a certain sum, the dollar note is an engagement to pay a dollar, and the dollar intended is the coined dollar of the United States, a certain quantity in weight and fineness of gold or silver ... no other dollars had before been recognized by the legislature of the national government as lawful money. Bank of New York, supra., at 30

In "Knox v. Lee" the majority opinion was written by Justice Strong:
"We will notice briefly an argument presented in support of the position that the unit of money value must possess intrinsic value. The argument is derived from assimilating the Constitutional provision respecting a standard of weights and measures to conferring, the power to coin money and regulate its value, it is said there can be no uniform standard of weights without weight, or measure without length or space and we are asked how anything can be made a uniform standard of value which has itself no value? This is a question of value. We do not rest their validity upon the assertion of the value of money, nor do assert that Congress may make anything, which has no value, money. What we do assert is that Congress has power to enact that the governments promises to pay money shall be for the time being equivalent in value to the representative of value determined by the coinage acts." Knox v. Lee,12 Wall 552, 553

In March 1968, the government repudiated its promise to pay money and according to what Justice Strong implied if there were no promise there could be no value, the value was derived from the promise of the government and nothing else...

The only money that may lawfully circulate within the United States is gold and silver coin; this is the only money Congress may legally issue and it is the only money to be honored by the courts. The legal tender "Notes" have been the representative of the values and have circulated by general consent as the equivalent to money; but not as money by any legal standard.

Money, says Sir William Blackstone, is:
"A universal medium, or common standard, by comparison with which the value of all merchandise may be ascertained, or it is a sign, which represents the respective values of all commodities, metals are well calculated for this sign, because they are durable and are capable of many subdivisions; and a precious metal is still better calculated for this purpose, because it is the most portable. A metal is also the most proper for a common measure, because it can easily be reduced to the same standard in all nations; and every particular nation fixes on its own impression that the weight and standard (wherein exist the intrinsic value) may both be known by inspection only." Commentaries on the Laws of England, 1 Blackstone, Sec. 387

"The power to coin money is one of the ordinary prerogatives of sovereignty, and is almost universally exercised in order to preserve a proper circulation of good coin of a known value in the home markets, in order to secure it from debasements, it is necessary, that it should be exclusively under the control and regulation of the government." 3 Story 16

"Bank Notes" and all "Paper Notes" are treated as money only so long as they remain current at par and in lieu of coin; but no paper, in a strictly legal sense, could be money as money, strictly applied, is coined metal. There is a necessary distinction between paper being treated as money and paper actually being money. There is a possibility of the former but there is no possibility of the latter. "Bills of credit" and "negotiable tax receipts" were actually the forerunners of the legal tender "United States Notes," "Treasury Notes," and all other legal tender paper. The sole distinction is that "Bank Notes" are guaranteed by the bank of issue; whereas, the "Legal Tender Notes" are ultimately guaranteed by the government. The laws, necessarily relevant to "Bank Notes," must apply with like force to "Notes" guaranteed and ultimately pledged to be redeemed by the government.

"Even prior to 1844, it was held that an action of debt would not lie upon a note to pay a sum certain in current bank notes." Young v. Scott, 5 Ala. 475

"The reasoning which led to the conclusion attained in the above case, was, that bank notes were not money, although they might profess to be its representative." Carlisle v. Davis, 7 Ala. 42

"The term "Bank Notes" as employed here import in their ordinary acceptance such bank bills only as are redeemable in gold or silver, or such as are equivalent thereto." Flemming v. Nall, 1 Tex. 246 Pierson v. Wallace, 7 Ark. 282

There are numerous cases where a designation of the payment of such instruments in "Notes" of particular banks, associations or in paper not current as money; have been held to destroy their negotiability (Irvine v. Laury, 14 Pet. 295; Miller v. Austin, 13 How. 218, 228; Ontario Bank v. Lightbody, 3 Wend. 101).

"In the use of the term, currency, includes only such bank notes as are current, that is, bank notes which are issued for circulation by authority of law, and are in actual and general circulation at par with coin, as a substitute for coin, interchangeable with coin; bank notes which actually represent dollars and cents, and are paid and received for dollars and cents at their legal standard value, whatever is at a discount, that is whatever represents less than the standard value of coined dollars and cents, at par does not properly represent dollars and cents, and is not money." Leeger v. Goodrich, 5 Cw. 187; Pierson v. Wallace, 7 Ark. 293; Ontario Bank v. Lightbody, Supra.; Klauber v. Biggerstaff, 47 Wis. 561

"Federal Reserve Notes" are so hopelessly depreciated that Congress has given up any attempt at redemption. Twice in fourteen months they have depreciated some 18% in the foreign markets and Congress, here at home, has offered standard silver dollars for sale at a ratio of $30 dollars in "Federal Reserve Notes" for $1 in standard lawful money (See General Service Administration, Form T-588-R [12-72] - and like offers over the years).

Thus Congress has established that there is a ratio of value somewhere exceeding 30 to 1. That "Act" necessarily raises another question; namely. if all coins and currencies, regardless of when coined or

issued shall be a legal tender (31 USC 392); what is Congress doing when it sells one "legal tender" for thirty dollars ($30.00) in another "legal tender" ("Federal Reserve Notes")? Is it not depreciating the dollar "Federal Reserve Note" tender and declaring that there is a difference in the measure of value? Congress has declared that it cannot redeem its obligations, and yet they have offered to sell lawful legal tender silver dollars (at a premium) for its depreciated legal obligations called "Federal Reserve Notes." Does this "Act" make sense? "The term, current bank paper, has a definite and legal significance. It certainly does not mean notes at a 50% discount and such as are bought and sold as merchandise. Leiber v. Goodrich, Supra.; Pierson v. Wallace, Supra.

Congress was actually purchasing Federal Reserve paper for "Lawful Money" and doing so at a discount of 3000% by the San Francisco Mint sale of lawful silver dollars.

"The dollar is the money unit of the United States." 5 Am. & Eng. Enc. of Law, 854

"Money, in a strictly technical sense, is coined metal, usually gold or silver, upon which the government stamp has been impressed to indicate its value. In its more popular sense, any currency, token bank note, or other circulating medium in general use is the representative of value." Cook v. State, 130 Ark. 95; 15 Am. & Eng. Enc. of Law, 701

"The "Dollar" means lawful money of the United States." 103 US 792

The lawful money of the United States is gold and silver coin stamped by the sovereign power.

""Currency" means any form of paper money of the United States and implies genuineness and par value." 110 US 421; 25 Ark. 215; 83 Ala. 51; 23 Ind. 21; 35 Ill. 158; 8 Minn. 324; 27 Mich. 191

"Notes" in general; whether they are "United States Notes," "Federal Reserve Notes," or "Private Notes," imply an obligation.

"[Their] name imports obligation every one of them expresses upon its face in engagement of the nation to pay to the bearer a certain sum. The dollar note is an engagement to pay a dollar, and the dollar intended is the coined dollar of the United States..." Bank of New York Supra at 30

Now comes a new era. Congress has repudiated its pledge and the "Notes" circulate merely by a lack of understanding as to what is money and what may pass as money. The people are so bogged down with debt to the banks that they haven't the time to question that debt to see if, in fact, it is a lawful debt that they owe.

The opinion in "Knox v. Lee" was that "Legal Tender Acts" do not attempt to make paper a standard of value nor did the Court assert that Congress may make anything which has no value, money.

Where then does Congress have the authority to declare that these worthless "Notes" are to be equal to money?

The "Act" of Congress, in creating a worthless tender, does no less than take the property of the people and give it to the banks without giving any consideration in return.

The legal tender cases merely established precedent for the government to enact by legislation ("Legal Tender Acts") that its promises to pay money shall be, for the time being, equivalent in value to the representative of value determined by the "Coinage Acts."

There is no longer an attempt, pledge, or intention, by Congress, or any Federal Reserve Bank, to redeem these "Notes" and consequently; no authority precedent or ability of Congress exists to enact legislation that these "Notes" are to be a legal tender.

"It may well be doubted whether the nature of society and of governments does not prescribe some limits to the legislative power; and if any be prescribed, where are they to be found if the property of an individual fairly and honestly acquired may be seized without compensation?" Fletcher v. Peck, 6 Cranch 87, 3 L.Ed. 162

"It must be remembered that the Constitution is the fundamental law of the United States; by it, the people have created a government, defined its powers, prescribed their limits, distributed them [to] the different departments and directed in general the manner of their exercise. No department of the government has any other powers than those thus delegated to it by the people. All legislative power granted by the Constitution belongs to Congress; but it has no legislative powers which is not thus granted." Hepburn v. Griswald, Supra., 611

"Indeed, it may not improperly be said that the Federal Constitution is the government of the United States, though in common parlance we apply that term to administration. It was the Constitution that the convention formed and the people ordained for their government. The Constitution provided for installing temporary administrations to administer, to execute the provisions of the Constitution, but it constituted no body of men as the government, it provided for placing men temporarily in office to execute the powers specified in the Constitution, and nothing more. The very preamble to the Constitution declares this...

This Constitution, then, is in fact, the government created by our fathers, and when it dies, that government expires. And officers that carry on a government independent of a Constitution, constitute but a de facto government of assumed and unlimited powers." Thayer v. Hedges, 22 Ind. 296

The power to coin money is one power, and the power to declare any Thing a legal tender is another and different power both possessed by the states severally at the adoption of the Constitution; that by that adoption the power to coin money was delegated to the Federal government while the power to declare a legal tender was not, but was retained by the states with a limitation, thus: "Congress should have power to coin money," and "No state shall make anything but gold and silver coin a legal tender." States then though they could not coin money, could declare that gold or silver coin, or both whether coined by the Federal Government or the Spanish or Mexican Governments, could be a legal tender. And as Congress was authorized to make money only of

coin and the states were forbidden to make any Thing but coin a legal tender, a specie currency was secured in both Federal and State governments, there was then no need of delegating to Congress the power of declaring a legal tender in transactions within the domain of the Federal Legislation the money coined by it was the necessary medium. The words "to coin money" regulate the value thereof and "of foreign coin" do not include the right to make coined money out of paper, if they could be so interpreted then the states must have a right to make such paper a legal tender be incidental to any granted power, could it be a necessary and proper incident for carrying such power into effect. Not every act of Congress is to be regarded as the Supreme Law of the Land; not is it by every act of Congress that he Judges are bound." Hepburn v. Griswald, Supra., 611

We know that the paper itself has no value other than the value it achieves by the pledge of the United States to pay one dollar. Once that pledge is removed, the paper then no longer represents value; it is no longer representing the dollar. This "pledge" of redemption was officially removed on October 28, 1977 with Public Law 95-147 (91 Stat. 1229) at subsection (c):

"(c) The joint resolution entitled "Joint resolution to assure uniform value to the coins and currencies of the United States," approved June 5, 1933 (31 USC 463), shall not apply to obligations issued on or after the date of enactment of this section."

Congress may have declared that the payment in Currency, dollar for dollar in any Currency, is legal tender payment for debts; but Congress has not, and in fact Congress could not, declare that receiving of payment in any Currency constitutes a payment for debts in dollars. It can not be permitted that a government ordained to establish justice can continually repudiate its obligations.

When the government withdraws its pledge, it must necessarily exempt its obligations from all forms of taxation.

The "Federal Reserve Note," being at best the evidence of an imposed tax, is exempt from all further taxation.

That "Note" or "tax receipt" does not constitute "income" but actually constitutes the giving of goods and serves labor and commodities without compensation.

Dissenting opinion of Justice Field, Julliard v. Greenman, 110 US 421 The wise Justice foresaw what is happening today; let us expand upon his theory. If Congress, by the means of a printing press, can print all the money it needs for any imaginary scheme, and it has in fact evolved to a time in the history of the United States when it can make something of value out of nothing; then any political body, who uses this Colonial system of taxation, can no longer justify taxing its Citizens by means of the socialistic tax on bankers' paper. The mere printing of the paper with unlimited restraint would serve as a new form of tax. The continuation by Congress to tax its Citizens in any other manner, when it professes to have this ability, is nothing less than plunder in the form of unlawful confiscation of private property to unlawfully pay the unnecessary interest on an unnecessary government debt because of the purported delegation of creating demand deposit

"money" to bankers under the fractional-reserve "National Bank Act" and the "Federal Reserve Act."

See: http://www.scribd.com/doc/211218294/Common-Law-Trust-Declaration-Revocation-Rescission-Public-Notice-Public-Record

See: http://www.scribd.com/doc/211365357/A-LOAN-is-Actually-A-Deposit-of-Money-By-A-Customer-With-Banker

Banking in America

Banker Admits in Court that Banks Actually Loan Nothing

This is an actual court transcript – an interview with a banker, who is under oath, about a foreclosure. The banker was placed on the witness stand and sworn in. The plaintiff's (borrower's) attorney asked the banker the routine questions concerning the banker's education and background. Then this conversation followed:
The attorney asked the banker, "What is court exhibit A?"
The banker responded by saying, "This is a promissory note."
The attorney then asked, "Is there an agreement between Mr. Smith (borrower) and the defendant?"
The banker said, "Yes."
The attorney asked, "Do you believe the agreement includes a lender and a borrower?"
The banker responded by saying, "Yes, I am the lender and Mr. Smith is the borrower."
The attorney asked, "What do you believe the agreement is?"
The banker quickly responded, saying, " We have the borrower sign the note and we give the borrower a check."
The attorney asked, "Does this agreement show the words borrower, lender, loan, interest, credit, or money within the agreement?"
The banker responded by saying, "Sure it does."
The attorney asked, `"According to your knowledge, who was to loan what to whom according to the written agreement?"
The banker responded by saying, "The lender loaned the borrower a $50,000 check. The borrower got the money and the house and has not repaid the money."
The attorney noted that the banker never said that the bank received the promissory note as a loan from the borrower to the bank. He asked, "Do you believe an ordinary person can use ordinary terms and understand this written agreement?"
The banker said, "Yes."
The attorney asked, "Do you believe you or your company legally own the promissory note and have the right to enforce payment from the borrower?"
The banker said, "Absolutely we own it and legally have the right to collect the money."
The attorney asked, "Does the $50,000 note have actual cash value of $50,000? Actual cash value means the promissory note can be sold for $50,000 cash in the ordinary course of business."
The banker said, "Yes."
The attorney asked, "According to your understanding of the alleged agreement, how much actual cash value must the bank loan to the

borrower in order for the bank to legally fulfill the agreement and legally own the promissory note?”
The banker said, “$50,000.”
The attorney asked, “According to your belief, if the borrower signs the promissory note and the bank refuses to loan the borrower $50,000 actual cash value, would the bank or borrower own the promissory note?”
The banker said, “The borrower would own it if the bank did not loan the money. The bank gave the borrower a check and that is how the borrower financed the purchase of the house.”
The attorney asked, “Do you believe that the borrower agreed to provide the bank with $50,000 of actual cash value which was used to fund the $50,000 bank loan check back to the same borrower, and then agreed to pay the bank back $50,000 plus interest?”
The banker said, “No. If the borrower provided the $50,000 to fund the check, there was no money loaned by the bank so the bank could not charge interest on money it never loaned.”
The attorney asked, “If this happened, in your opinion would the bank legally own the promissory note and be able to force Mr. Smith to pay the bank interest and principal payments?”
The banker said, “I am not a lawyer so I cannot answer legal questions.”
The attorney asked, “Is it bank policy that when a borrower receives a $50,000 bank loan, the bank receives $50,000 actual cash value from the borrower, that this gives value to a $50,000 bank loan check, and this check is returned to the borrower as a bank loan which the borrower must repay?”
The banker said, “I do not know the bookkeeping entries.”
The attorney said, “I am asking you if this is the policy.”
The banker responded, “I do not recall.”
The attorney again asked, “Do you believe the agreement between Mr. Smith and the bank is that Mr. Smith provides the bank with actual cash value of $50,000 which is used to fund a $50,000 bank loan check back to himself which he is then required to repay plus interest back to the same bank?”
The banker said, ” I am not a lawyer.”
The attorney said, “Did you not say earlier that an ordinary person can use ordinary terms and understand this written agreement?”
The banker said, “Yes.”
The attorney handed the bank loan agreement marked “Exhibit B” to the banker. He said, “Is there anything in this agreement showing the borrower had knowledge or showing where the borrower gave the bank authorization or permission for the bank to receive $50,000 actual cash value from him and to use this to fund the $50,000 bank loan check which obligates him to give the bank back $50,000 plus interest?”
The banker said, “No.”
The lawyer asked, “If the borrower provided the bank with actual cash value of $50,000 which the bank used to fund the $50,000 check and returned the check back to the alleged borrower as a bank loan check, in your opinion, did the bank loan $50,000 to the borrower?”
The banker said, “No.”
The attorney asked, “If a bank customer provides actual cash value of $50,000 to the bank and the bank returns $50,000 actual cash value back to the same customer, is this a swap or exchange of $50,000 for $50,000.”
The banker replied, “Yes.”
The attorney asked, “Did the agreement call for an exchange of $50,000 swapped for $50,000, or did it call for a $50,000 loan?”
The banker said, “A $50,000 loan.”

The attorney asked, “Is the bank to follow the Federal Reserve Bank policies and procedures when banks grant loans.”
The banker said, “Yes.”
The attorney asked, “What are the standard bank bookkeeping entries for granting loans according to the Federal Reserve Bank policies and procedures?” The attorney handed the banker FED publication Modern Money Mechanics, marked “Exhibit C”.
The banker said, “The promissory note is recorded as a bank asset and a new matching deposit (liability) is created. Then we issue a check from the new deposit back to the borrower.”
The attorney asked, “Is this not a swap or exchange of $50,000 for $50,000?”
The banker said, “This is the standard way to do it.”
The attorney said, “Answer the question. Is it a swap or exchange of $50,000 actual cash value for $50,000 actual cash value? If the note funded the check, must they not both have equal value?”
The banker then pleaded the Fifth Amendment.
The attorney asked, “If the bank’s deposits (liabilities) increase, do the bank’s assets increase by an asset that has actual cash value?”
The banker said, “Yes.”
The attorney asked, “Is there any exception?”
The banker said, “Not that I know of.”
The attorney asked, “If the bank records a new deposit and records an asset on the bank’s books having actual cash value, would the actual cash value always come from a customer of the bank or an investor or a lender to the bank?”
The banker thought for a moment and said, “Yes.”
The attorney asked, “Is it the bank policy to record the promissory note as a bank asset offset by a new liability?”
The banker said, “Yes.”
The attorney said, “Does the promissory note have actual cash value equal to the amount of the bank loan check?”
The banker said “Yes.”
The attorney asked, “Does this bookkeeping entry prove that the borrower provided actual cash value to fund the bank loan check?”
The banker said, “Yes, the bank president told us to do it this way.”
The attorney asked, “How much actual cash value did the bank loan to obtain the promissory note?”
The banker said, “Nothing.”
The attorney asked, “How much actual cash value did the bank receive from the borrower?”
The banker said, “$50,000.”
The attorney said, “Is it true you received $50,000 actual cash value from the borrower, plus monthly payments and then you foreclosed and never invested one cent of legal tender or other depositors’ money to obtain the promissory note in the first place? Is it true that the borrower financed the whole transaction?”
The banker said, “Yes.”
The attorney asked, “Are you telling me the borrower agreed to give the bank $50,000 actual cash value for free and that the banker returned the actual cash value back to the same person as a bank loan?”
The banker said, “I was not there when the borrower agreed to the loan.”
The attorney asked, “Do the standard FED publications show the bank receives actual cash value from the borrower for free and that the bank returns it back to the borrower as a bank loan?”
The banker said, “Yes.”
The attorney said, “Do you believe the bank does this without the

borrower’s knowledge or written permission or authorization?”
The banker said, “No.”
The attorney asked, “To the best of your knowledge, is there written permission or authorization for the bank to transfer $50,000 of actual cash value from the borrower to the bank and for the bank to keep it for free?
The banker said, “No.”
“Does the creation of the new note payable (now a bank asset) allow the bank to use this $50,000 actual cash value to fund the $50,000 bank loan check back to the same borrower, forcing the borrower to pay the bank $50,000 plus interest? ”
The banker said, “Yes.”
The attorney said, “If the bank transferred $50,000 actual cash value (i.e. Federal Reserve Notes Payable) from the borrower to the bank, in this part of the transaction, did the bank loan anything of value to the borrower?”
The banker said, “No.” He knew that one must first deposit something having actual cash value (cash, check, or promissory note) to fund a check.
The attorney asked, “Is it the bank policy to first transfer the actual cash value from the alleged borrower to the lender for the amount of the alleged loan?”
The banker said, “Yes.”
The attorney asked, “Does the bank pay IRS tax on the actual cash value transferred from the alleged borrower to the bank?”
The banker answered, “No, because the actual cash value transferred shows up like a loan from the borrower to the bank, or a deposit which is the same thing, so it is not taxable.”
The attorney asked, “If a loan is forgiven, is it taxable?”
The banker agreed by saying, “Yes.”
The attorney asked, “Is it the bank policy to not return the actual cash value that they received from the alleged borrower unless it is returned as a loan from the bank to the alleged borrower?”
“Yes”, the banker replied.
The attorney said, “You never pay taxes on the actual cash value you receive from the alleged borrower and keep as the bank’s property?”
“No. No tax is paid.” said the crying banker.
The attorney asked, “When the lender receives the actual cash value (the promissory note) from the alleged borrower, does the bank claim that it then owns it and that it is the property of the lender, without the bank loaning or risking one cent of legal tender or other depositors’ money?”
The banker said, “Yes.”
The attorney asked, “Are you telling me the bank policy is that the bank owns the promissory note (actual cash value) without loaning one cent of other depositors’ money or legal tender, that the alleged borrower is the one who provided the funds deposited to fund the bank loan check, and that the bank gets funds from the alleged borrower for free? Is the money then returned back to the same person as a loan, which the alleged borrower repays when the bank never gave up any money to obtain the promissory note? Am I hearing this right? I give you the equivalent of $50,000, you return the funds back to me, and I have to repay you $50,000 plus interest? Do you think I am stupid?”
In a shaking voice the banker cried, saying, “All the banks are doing this. Congress allows this.”
The attorney quickly responded, “Does Congress allow the banks to breach written agreements, use false and misleading advertising, act

without written permission, authorization, and without the alleged borrower's knowledge to transfer actual cash value from the alleged borrower to the bank and then return it back as a loan?"
The banker said, "But the borrower got a check and the house."
The attorney said, "Is it true or false that the actual cash value that was used to fund the bank loan check came directly from the borrower and that the bank received the funds from the alleged borrower for free?"
"It is true", said the banker.
The attorney asked, "Is it the bank's policy to transfer actual cash value from the alleged borrower to the bank and then to keep the funds as the bank's property, which they loan out as bank loans?"
The banker, showing tears of regret that he had been caught, confessed, "Yes."
The attorney asked, "Was it the bank's intent to receive actual cash value from the borrower and return the value of the funds back to the borrower as a loan?"
The banker said, "Yes." He knew he had to say yes because of the bank policy.
The attorney asked, "Do you believe that it was the borrower's intent to fund his own bank loan check?"
The banker answered, "I was not there at the time and I cannot know what went through the borrower's mind."
The attorney asked, "If a lender loaned a borrower $10,000 and the borrower refused to repay the money, do you believe the lender is damaged?"
The banker thought. If he said no, it would imply that the borrower does not have to repay. If he said yes, it would imply that the borrower is damaged for the loan to the bank of which the bank never repaid. The banker answered, "If a loan is not repaid, the lender is damaged."
The attorney asked, "Is it the bank policy to take actual cash value from the borrower, use it to fund the bank loan check, and never return the actual cash value to the borrower?"
The banker said, "The bank returns the funds."
The attorney asked, "Was the actual cash value the bank received from the alleged borrower returned as a return of the money the bank took or was it returned as a bank loan to the borrower?"
The banker said, "As a loan."
The attorney asked, "How did the bank get the borrower's money for free?"
The banker said, "That is how it works."

Law Maxims
The Foundations of Equity Two maxims form the primary foundations of equity: Equity will not suffer an injustice and equity acts in personam. The first of these explains the whole purpose of equity, and the second highlights the personal nature of equity. Equity looks at the circumstances of the individuals in each case and fashions a remedy that is directed at the person of the defendant who must act accordingly to provide the plaintiff with the specified relief. Unless a statute expands the powers of an equity court, it can make decrees that concern property only indirectly, phrasing them as decrees against persons. It is said that these are the oldest two maxims of equity. All others are consistent with them.

"He who seeks equity must do equity."
This maxim is not a moral persuasion but an enforceable Rule of Law. It does not require every plaintiff to have an unblemished background in order to prevail, but the court will refuse to assist anyone whose Cause of Action is founded on his or her own misconduct toward the other party. If, for example, a wealthy woman tricks her intended spouse into signing a prenuptial agreement giving him a token $500 should they Divorce and after marriage she engages in a consistent pattern of conduct leading to a divorce, a court could refuse to enforce the agreement. This maxim reflects one aspect of the principle known as the clean hands doctrine.

"He who comes into equity must come with clean hands."
This maxim bars relief for anyone guilty of improper conduct in the matter at hand. It operates to prevent any affirmative recovery for the person with "unclean hands," no matter how unfairly the person's adversary has treated him or her. The maxim is the basis of the clean hands doctrine. Its purpose is to protect the integrity of the court. It does not disapprove only of illegal acts but will deny relief for bad conduct that, as a matter of public policy, ought to be discouraged. A court will ask whether the bad conduct was intentional. This rule is not meant to punish carelessness or a mistake. It is possible that the wrongful conduct is not an act but a failure to act. For example, someone who hires an agent to represent him or her and then sits silently while the agent misleads another party in negotiations is as much responsible for the false statements as if he himself or she herself had made them.

The bad conduct that is condemned by the clean hands doctrine must be a part of the transaction that is the subject of the lawsuit. It is not necessary that it actually have hurt the other party. For example, equity will not relieve a plaintiff who was also trying to evade taxes or defraud creditors with a business deal, even if that person was cheated by the other party in the transaction.

Equity will always decline relief in cases in which both parties have schemed to circumvent the law. In one very old case, a robber filed a bill in equity to force his partner to account for a sum of money. When the real nature of the claim was discovered, the bill was dismissed with costs, and the lawyers were held in Contempt of court for bringing such an action. This famous case has come to be called The Highwayman (Everet v. Williams, Ex. 1725, 9 L.Q. Rev. 197), and judges have been saying ever since that they will not sit to take an account between two robbers.

"Equity aids the vigilant, not those who slumber on their rights." This principle recognizes that an adversary can lose evidence, witnesses, and a fair chance to defend himself or herself after the passage of time from the date that the wrong was committed. If the defendant can show disadvantages because for a long time he or she relied on the fact that no lawsuit would be started, then the case should be dismissed in the interests of justice. The law encourages a speedy resolution for every dispute. It does not favor the cause of someone who suddenly wakes up to enforce his or her rights long after discovering that they exist. A long unreasonable delay like this is called Laches, and it is a defense to various forms of equitable relief.

PROHIBIT defined: To forbid by law; to prevent; — not synonymous with "regulate." Simpkins v. State, 35 Okl.Cr. 143, 249 P. 168, 170; Arkansas Railroad Commission v. Independent Bus Lines, 172 Ark. 3, 285 S.W. 388, 390. Black’s Law Dictionary Revised Fourth Edition (page 1377)

PROBANDI NECESSITAS INCUMBIT ILLI QUI AGIT defined: The necessity of proving lies with him who sues. In other words, the burden of proof of a proposition is upon him who advances it affirmatively. Black’s Law Dictionary Sixth Edition (page 1202)