

LIBERTY TREE

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Inside the Strawman

By Dick Greb

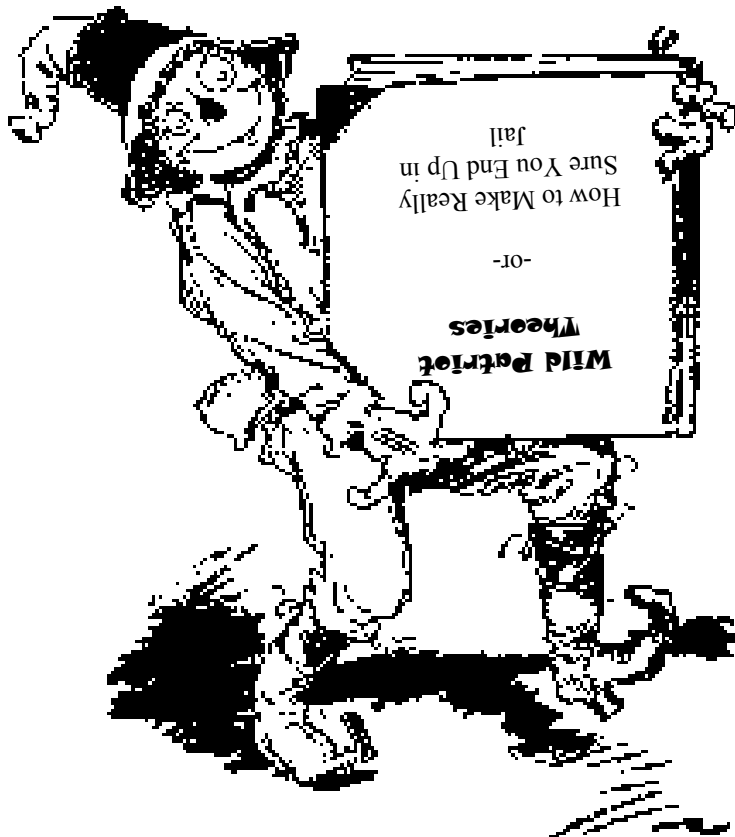
“If I only had a brain!” sings the scarecrow in *The Wizard of Oz*, imagining what he could do if only his head weren’t filled with straw. The wizard couldn’t give that strawman a brain, so he gave him a diploma and told him that was all he *really* needed. And surprise, surprise, the scarecrow immediately began spouting intelligent-sounding sentences.

Unfortunately, in real life, a diploma can’t make up for a critical thinking deficiency, and only someone with a head full of straw would rely on information that merely *sounds* intelligent.

There is no substitute for researching information upon which you intend to rely, especially when your life and liberty depend on it. It is a sad commentary of the Patriot movement that many merely repeat others’ ideas without giving them a second thought, let alone critical analysis. The Internet has allowed much nonsense (even if well-meaning) to reach multitudes who, by all appearances, either can’t or won’t be bothered to verify even the simplest “facts.”

I can’t tell you how many times I’ve called the bluff of some tax guru wannabe who rattles off non-existent quotes from court cases or government documents. One person, rather than acknowledging his mistakes, accused me of being a government agent because I had bothered to read the cases he misquoted. But those cases weren’t obscure; many were even on the Internet.

Patriots need to be careful, even when dealing with other self-described Patriots. This is especially true when there are severe consequences to acting on mistaken beliefs, such as is the case with a Patriot myth now re-making the rounds: the issuance of Bills of Exchange (BoE). This myth is another incarnation of the strawman (*if I only had a brain*) theory. Constitutional attorney Larry Becraft posts the indictments of some of those who have swallowed this poison;¹ criminal charges are often filed *years* after BoE’s are used, while the promoters of this dangerous non-



sense want you to believe that a lack of response is **proof** that the government accepts them as valid. This is definitely NOT the case.² Despite these warnings, and more importantly, the lack of legal or logical support for the position, many Patriots seem to be getting caught up in it, and so I will point out a few of its glaring errors. The memorandum in support of International Bills of Exchange (IBoE) that I used for my analysis was originally at www.paralegalresearchadvocates.com, but as of the time this is written, that link eventually resolves to www.hjrbonds.com/free.php.

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¹ You can read a list of indictments at <http://home.hiwaay.net/%7Ebecraft/BoEIndictments.html>. You can read Becraft’s rebuttals to various Patriot myths at <http://home.hiwaay.net/%7Ebecraft/deadissues.htm>.

² See http://www.treasurydirect.gov/instit/statreg/fraud/fraud_bogussightdraft.htm for the government’s opinion.

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A Banker in Every Home?

The memorandum begins with a quote that basically summarizes the position, citing "(Page 8)" as reference.³ The idea in a nutshell⁴ is that any group of Americans can constitute a national banking association and issue notes which "are required by law to be accepted as 'legal tender.'" The memorandum presents the justification for IBoE's :

The instrument [IBoE] tendered to the bank and negotiated to the United States Treasury for settlement is an "Obligation of THE UNITED STATES," under Title 18USC Sect.8, representing as the definition provides a "certificate of indebtednessdrawn upon an authorized officer of the United States," (in this case the Secretary of the Treasury)"issued under an Act of Congress" (in this case public law 73-10, HJR-192 of 1933 and Title 31 USC 3123, and 31 USC 5103) and by treaty (in this case the UNITED NATIONS CONVENTION ON INTERNATIONAL BILLS OF EXCHANGE AND INTERNATIONAL PROMISSORY NOTES (UNCITRAL) and the Universal Postal Union headquartered in Bern, Switzerland). [all emphases in original]

Since the memorandum never again mentions the Universal Postal Union in Switzerland, it is safe to assume that it may be discarded from consideration of the legal validity of IBoEs.

A quick look at the UN Convention cited shows that it too can be disregarded. According to Article 1 of the treaty, it applies only to Bills of Exchange with the heading "International Bill of Exchange (UNCITRAL Convention)." But the document associated with this memorandum (according to a Fellowship member who purchased one), has the heading "Private Offset Discharging and Indemnity Bond" (PODIB) and so *isn't covered* by the treaty.

Of course, it doesn't really matter because the reference to acts of Congress doesn't apply to certificates of indebtedness anyway, only to "stamps and other representatives of value, of whatever denomination, issued under any Act of Congress." (18 USC §8.) What's interesting is that this definition is not for determining whether or not something constitutes *legal tender* (although the memorandum implies it does), but

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³ The quote comes from page 9 of the 15-page memorandum, thereby giving the appearance of a reference to some authority, while in reality, merely quoting itself.

⁴ Pun intended.

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BE PREPARED

The price of gasoline and diesel fuel are going through the roof. The same goes for the family grocery bills. And for everything else.

The government's attempts to hide the true rate of inflation (probably greater than 10 percent a year) are nothing but vain posturing and outright lies, and the decline in the purchasing power of the federal reserve note will ultimately become obvious to everyone.

What might not be so obvious yet is the pressure on farmers, who must deal with increases not only in fuel prices, which affect nearly all aspects of production, but also seed, feed, and fertilizer prices. Adding to this mix are the harmful government policies that depress the prices farmers can get for their produce and livestock, the continuing wave of farm foreclosures (and the subsequent



A WWI era poster.

acquisition of them by huge agri-business corporations), and genetically modified crops, a real recipe for disaster.

Food rationing has already begun in America,¹ and food riots have broken out in other countries.² If you haven't started preparing for food shortages, there's no time to lose. Remember Victory gardens? These were promoted, primarily as morale boosters, during WWI and WWII, and it was claimed that produce from individuals' gardens would help to lower the price of vegetables needed by the War Department to feed troops(!).³

But with today's uncertainty and looming inflation, a Victory Garden, and both short- and long-term food and water storage, should become part of your mindset. The lives of you and your family may well depend on it.



¹ <http://www.nysun.com/national/food-rationing-confronts-breadbasket-of-the-world/74994/>

² http://www.cbsnews.com/stories/2008/04/12/world/main4011253_page3.shtml

³ http://en.wikipedia.org/wiki/Victory_garden

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whether or not it falls within the crime of counterfeiting obligations or other securities of the United States. (18 USC § 471.) So if the PODIB was an actual “certificate of indebtedness ... drawn upon [an] authorized officer of the United States” as its promoters claim, then anyone who makes one is counterfeiting an obligation of the United States unless they have *legal authority* to issue it.

To support the proposition that those who buy and use these PODIB do indeed have authority to issue them, the memorandum spends many pages discussing the background of the claimed “bankruptcy” of the United States in 1933, and how the government allegedly pledged all the property and labor of the citizens of the country as collateral to the creditors, thereby making the citizens sureties to the national debt. The memorandum then misquotes the definition of “banking” from Black’s Law Dictionary in an attempt to make it seem that merely issuing notes intended to circulate as money makes one a banker. The actual definition from Black’s begins: “The business of banking, as defined by law and custom, consists in the issue of notes *payable on demand* intended to circulate as money *when the banks are banks of issue.*” The memorandum excludes these two crucial aspects of the definition: bank notes must be payable on demand, and they can only be issued by a bank of issue, defined by Black’s as a “[b]ank with authority to issue notes intended to circulate as currency.”

A Bank of Issue

How does a bank get the authority to issue notes intended to circulate as currency—that is, engage in banking? According to 12 USC §§ 26 and 27, the Comptroller of the Currency “shall examine ... whether such [national banking] association has complied with all the provisions of Title 62 of the Revised Statutes required to entitle it to engage in the business of banking,” and “shall give to such association a certificate, under his hand and official seal ... that such association is authorized to commence such business.”

Therefore, in order to issue circulating notes, being the only kind defined at 31 USC § 5103 as legal tender, a national bank or national banking association must have a certificate signed and sealed by the Comptroller of the Currency. Without such a certificate, any notes or other obligations issued are not legal tender, and can’t be an obligation of the United States. And of course, that only makes sense. As bad as the national debt is with only 535 Congressional spendthrifts, imagine what would happen if 300 million people were allowed to create obligations of the United States!

Finally, according to the memorandum, because the “real property, wealth, assets and productivity that be-

longs to [the American citizenry] was, in effect, ‘pledged’ by the government and placed at risk as the collateral for US debt, credit and currency,” it tries to establish the right of every citizen “to recover what is due them [from the government] on their risk” as involuntary sureties for that debt. To prove this can be done, the memorandum misstates and selectively quotes *Pearlman v. Reliance Ins. Co.*, 371 U.S. 132 (1962).

A surety is a third party to a loan, similar to a co-signer, who pledges to pay the debt of a borrower to a lender if the borrower defaults. If the surety pays off the loan, he is entitled to the full rights of the original lender to get his money back from the original borrower. This is the principle that *Pearlman* reaffirms by stating that “a surety who pays the debt of another is entitled to all the rights of the person he paid to enforce his right to be reimbursed.” (*Pearlman*. p. 137.)

What is your “risk”?

Even if it were true, as strawman proponents would have you believe, that all of your property has been illegally pledged by the government as collateral on their loans, then while it would be at “risk,” it hasn’t yet been taken to pay those loans. And there is no expectation of recovery from something not yet lost. Certainly the *Pearlman* case doesn’t support that position, since the word “risk” never appears there. There can be no reimbursement for risk; risk is only the possibility of loss. In other words, the supposed surety (you) has the right to recover only amounts you *actually paid*, not additional or made-up amounts for what you could or might pay in the future, i.e., your “risk.” Thus the theory — that debts you owe TO the government can be offset by recovery of a make-believe “risk” you are supposedly owed BY the government — cannot be valid.

In the end, once you see through all the false claims, these Private Offset Discharging and Indemnity Bonds are good for only one thing: an 18 USC § 514 conviction (passing fictitious financial instruments). So use the brain that the good Lord put in your head, and stay away from the wizards who try to foist these treacherous pieces of paper on you.



“... some people without brains do an awful lot of talking ... don’t they?” Ray Bolger as the Scarecrow.

