

First Amendment

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

MR. HANSEN: I would like to remind the panel that you continue to remain under oath.

The next subject of inquiry is the First Amendment. And with this line of inquiry we intend to show that personal income taxes polarize and divide an otherwise united nation and promote class warfare and mistrust of our government because of the way it administers the income tax system.

We'll start with question 458.

MR. SCHULZ: Number 458, MR. Bodine.

MR. BECRAFT: It does not appear to be an exhibit.(Discussion off the record.)

MR. HANSEN: Is it true that the second plank in the Communist Manifesto calls for a heavy, progressive -- that is graduated -- income tax not unlike what we now have with the IRS Form 1040, which punishes the rich so that wealth may be redistributed to the poor?

MR. BECRAFT: What the second plank reads is a heavy, progressive or graduated income tax period. It does not say need we say anything or it doesn't say whatever else you said.

MR. HANSEN: Thank you, MR. Becraft. Question 459. Is it true that the U.S. Constitution requires that all income taxes must be uniform as follows, from Article 1, Section 8, Clause 1 of the U.S. Constitution -- this is question 459 -- and I quote, "The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excises shall be uniform throughout the United States; but --" and this is a but that doesn't appear in the IRS handout. They don't like this but. "But all duties, imposts and excises shall be uniform throughout the United States."

MS. JACKSON: Yes, that's true.

MR. SCHULZ: Were there two questions there?

1 **MR. BECRAFT:** Yes, I thought that there were.

2 **MR. HANSEN:** Okay. Sorry.

3 **MR. SCHULZ:** The first question you answered, Ms. Jackson. You had a second question.

4 **MR. HANSEN:** Does the Internal Revenue Service handout entitled "Why Do We Pay Our
5 Taxes," does that handout state -- include the last phrase of that section of the Constitution about
6 uniformity requirements? Are you familiar with that?

7 **MR. BECRAFT:** You kind of catch me by surprise. I haven't seen the document recently I
8 guess.

9 **MR. HANSEN:** We'll move on then.

10 **MR. SCHULZ:** Do you have the exhibit?

11 **MR. BECRAFT:** I wish I did.

12 **MR. HANSEN:** Question 460. Is it true that to be uniform a tax must apply equally to all
13 persons similarly situated and all property of the same type or class being taxed must be taxed at
14 the same percentage rate no matter where people live, where the property is or how much taxable
15 income the person makes. Otherwise, the tax discriminates against the rich"?

16 **MR. BECRAFT:** Well, that's true. And it also varies from jurisdiction to jurisdiction
17 because there are some courts that address this question of whether or not a progressive rate lacks
18 uniformity. And there are some cases on that.

19 **MR. HANSEN:** Question 461. Is it true that the Supreme Court stated in a landmark case
20 of "Pollock v. Farmer's Loan and Trust Company" in 1895 -- which by the way declared the first
21 income tax in our country unconstitutional -- is it true that they stated, quote, "Congress has the
22 exclusive power of selecting the class, it has regulated that particular branch of Congress which
23 concerns the bringing of alien passengers and that taxes shall be levied upon such property as shall

1 be prescribed by law. The object of this provision was to prevent unjust discriminations. It prevents
2 property from being classified, and taxed as class, by different rules. All kinds of property must be
3 taxed uniformly or be entirely exempt. The uniformity must be coextensive with the territory to
4 which the tax applies." MR. Justice Miller, in his lectures on the Constitution in 1889-1890, pages
5 240 and 241, said of taxes levied by Congress: 'The tax must be uniform on the particular article;
6 and it is uniform, within the meaning of the constitutional requirement, if it is made to bear the
7 same percentage over all of the United States. That is manifestly the meaning of this word, as used
8 in this clause. The framers of the Constitution could not have meant to say that the government, in
9 raising its revenues, should not be allowed to discriminate between the articles which it should tax.'

10 In discussing generally the requirement of Uniformity found in state Constitutions he said, quote,
11 'The difficulties in the way of this construction have, however, been very largely obviated by the
12 meaning of the word uniform, which has been adopted, holding that the uniformity must refer to
13 articles of the same class; that is, different articles may be taxed at different amounts, provided the
14 rate is uniform on the same class everywhere, with all people, and at all times. "One of the learned
15 counsel puts it very clearly when he says that the correct meaning of the provisions requiring
16 duties, imposts and excises to be uniform throughout the United States is that the law imposing
17 them should have an equal and uniform application in every part of the Union. If there were any
18 doubt as to the intention of the states to make the grant of the right to impose indirect taxes subject
19 to the condition that such taxes shall be in all respects uniform and impartial, that doubt, as said by
20 counsel, should be resolved in the interest of justice and in favor of the taxpayer." Did the Supreme
21 Court say that?

22 **MR. BECRAFT:** I believe that's an accurate reading of a provision or portion of the
23 Pollock case.

1 **MR. SCHULZ:** Let me ask MR. Hansen, three portions of that quote are emphasized. Is
2 that your emphasis or was that the court's emphasis?

3 **MR. HANSEN:** That was my emphasis. Question 462. Is it true that the article being taxed
4 in the case of Subtitle A personal income taxes is dollar bills or in this case income as
5 constitutionally defined?

6 **MR. BECRAFT:** Income.

7 **MR. HANSEN:** Question 463. Is it true that in order to meet the uniformity requirement
8 every dollar bill, which is the article being taxed, must be taxed at the same rate and not in a way
9 that is based on the income of the person receiving it, because this would amount to discrimination
10 according to the Supreme Court?

11 **MS. JACKSON:** Yes, that's true.

12 **MR. HANSEN:** Question 464. Is it true that because graduated income taxes violate the
13 uniformity requirement of the Constitution they must be voluntary because the government cannot
14 by legislation compel its citizens to violate the Constitution?

15 **MR. BECRAFT:** I have some difficulty with that question, MR. Hansen.

16 **MR. SCHULZ:** Would you elaborate?

17 **MR. BECRAFT:** I believe it's been previously decided by the Supreme Court that a
18 progressive -- in the federal system progressive does -- progressive rates of taxation does not
19 violate uniformity. There are some state cases that would disagree with that proposition.

20 **MR. HANSEN:** Question 465. Is it true that the Supreme Court stated the following about
21 the nature of income taxes in general and that neither of these two cases has ever been overruled: In
22 the case of "Loan Association v. Topeka" in 1874, quote, "To lay with one hand the power of
23 government of the citizen, and with the other to bestow it on favored individuals is nonetheless

1 robbery because it is called taxation," end quote?

2 **MR. BECRAFT:** That is correct, and that's one of my favorite quotes from that particular
3 case.

4 **MR. HANSEN:** And did the Supreme Court say in 1936 in the case of "U.S. v. Butler,"
5 quote, "A tax, in the general understanding of the term and as used in the Constitution, signifies an
6 exaction for the support of the government. The word has never thought to connote the
7 expropriation of money from one group for the benefit of another," closed quote?

8 **MR. BECRAFT:** That's a quote from Butler.

9 **MR. HANSEN:** Thank you. Question 466. Is it true that all entitlement programs,
10 including Welfare, Social Security, FICA, et cetera, fall into the class of taxes identified in "U.S. v.
11 Butler that are, quote, "expropriations of money from one group for the benefit of another," end
12 quote?

13 **MR. BECRAFT:** Well, I don't want to leave an erroneous impression here but there are
14 other cases that directly relate to Social Security which are not being covered. One of which is
15 Cincinnati Soap.

16 **MR. SCHULZ:** But, MR. Becraft, that is a different issue. The question here relates to
17 whether or not Welfare, Social Security, FICA, et cetera, fall into the class of taxes identified in
18 Butler. In other words, are you taxing one class of people and giving what they take from one and
19 are they not then giving it to another class of people?

20 **MR. BECRAFT:** Yes. And here in America we tax one generation to give to another
21 generation.

22 **MR. SCHULZ:** I understand.

23 **MR. HANSEN:** And it's not being used for the support of the government primarily, it's

1 being used for the support of the citizen. One citizen by another citizen.

2 **MR. BECRAFT:** It also supports the bureaucracy.

3 **MR. SCHULZ:** Move on.

4 **MR. HANSEN:** Question 467. Is it true that using income taxes to redistribute income or
5 property between social classes or persons within society makes the U.S. into a socialist country."
6 And I quote the definition here from "Webster's Ninth New Collegiate Dictionary," 1983 of
7 socialism. Number one, "Any of various economic political theories advocating collective or
8 governmental ownership and administration of the means of production and distribution of goods."
9 Or two, "A system of society or group living in which there is no private property. A system or
10 condition of society in which the means of production are owned and controlled, partially or
11 wholly, by the state." Or three, a stage of society in Marxist theory transitional between capitalism
12 and communism and distinguished by unequal distribution of goods and pay according to work
13 done."

14 **MS. JACKSON:** Yes, this is true.

15 **MR. HANSEN:** Question 468. Is it true that the Supreme Court in the case of "Pollock v.
16 Farmers Loan and Trust" in 1895, stated about the very first income tax instituted by Congress that,
17 quote, "The present assault upon capital is but the beginning. It will be but the stepping stone to
18 others larger and more sweeping, until our political contest will become a war of the poor against
19 the rich; a war of growing intensity and bitterness. "The legislation, in the discrimination it makes,
20 is class legislation. Whenever a distinction is made in the burdens a law imposes or in the benefits
21 it confers on any citizens by reason of their birth or wealth -- or income maybe -- or religion, it is
22 class legislation and leads inevitably to oppression and abuses and to general unrest and
23 disturbance in society"?

1 **MR. BECRAFT:** That's a quote a lot of people like to use, including you.

2 **MR. HANSEN:** Question number -- but did the Supreme Court say that?

3 **MR. BECRAFT:** Yes, the Supreme Court said that. A lot of people like that quote.

4 **MR. HANSEN:** Question 469. Is it true that the payment of social benefits to persons not
5 associated with the government under entitlement programs such as Social Security and Welfare
6 invites and encourages the kind of class warfare described above in the Pollock case?

7 **MS. JACKSON:** Yes, it's true.

8 **MR. HANSEN:** Question 470. Is it true that compelled charity is not charity at all but
9 slavery disguised as charity?

10 **MS. JACKSON:** Very true.

11 **MR. HANSEN:** Question 471. Is it true that Social Security is not insurance, it is not a
12 contract as ruled by the Supreme Court in "Helvering v. Davis" in 1937 and "Flemming v. Nestor"
13 in 1960?

14 **MR. BECRAFT:** The courts have held that Social Security is not a contract, you're
15 absolutely correct.

16 **MR. HANSEN:** Is it true that Social Security is socialism, and that socialism must be
17 voluntary at all times in a free country if liberty is to be preserved?

18 **MR. BECRAFT:** I agree with the statement.

19 **MR. SCHULZ:** Ms. Jackson?

20 **MS. JACKSON:** Yes, I agree.

21 **MR. HANSEN:** Question 473. Is it true that for the Social Security program to be called
22 voluntary a participant should be able to or at least know how to quit a program at all times and that
23 the agency should not constrain or restrict those that quit or refuse to provide information about

1 how to quit?

2 **MS. JACKSON:** Yes, this is true.

3 **MR. HANSEN:** Question 474. Is it true that the Social Security Administration has no
4 documented means to quit the Social Security program on their website or in any of their
5 publications, and that they will not tell you how to do so if you call their 800 number?

6 **MS. JACKSON:** Yes, it is true, I have not found that information.

7 **MR. HANSEN:** Question 475. Is it true that absent an ability to leave the Social Security
8 program at any time, the program constructively becomes a compulsory or involuntary program for
9 those joined because they are not allowed to quit?

10 **MS. JACKSON:** Yes.

11 **MR. HANSEN:** Question 476. Is it true that the application for joining Social Security does
12 not indicate that the choice to join is irrevocable?

13 **MS. JACKSON:** Yes.

14 **MR. HANSEN:** Question 477. Is it true that most persons who allegedly joined the Social
15 Security program did so when they were not competent adults, and joining was done by the parents
16 and without the consent or assent of the child joining?

17 **MS. JACKSON:** Yes. Unfortunately, I did that for my children.

18 **MR. HANSEN:** Question 478. Is it true that persons whose parents applied for Social
19 Security on their behalf are not offered a choice, upon reaching adulthood, to rescind the
20 application so that their participation continues to be entirely voluntary?

21 **MS. JACKSON:** Yes.

22 **MR. HANSEN:** Question 479. Is it true that the Enumeration at Birth Program of the
23 Social Security Administration creates the impression at hospitals where babies are born that the

1 obtaining of Social Security numbers for their children is mandatory, and that they make it
2 inconvenient and awkward to refuse receiving a number for their child?

3 **MR. BECRAFT:** I've heard a lot of stories that prove that point.

4 **MR. SCHULZ:** Are you a mother, Ms. Jackson?

5 **MS. JACKSON:** I am a mother. And at birth they slapped that paper in my face and had
6 me fill it out. They didn't tell me voluntary, involuntary or anything. And it's just what people do
7 and I filled it out.

8 **MR. SCHULZ:** Were your children born at home or in a hospital?

9 **MS. JACKSON:** They were born in a hospital.

10 **MR. HANSEN:** So before your children ever put their feet on the ground they had the
11 government's 666 on their forehead?

12 **MS. JACKSON:** Before they got out of the hospital, that's right.

13 **MR. SCHULZ:** The mark of the beast.

14 **MS. JACKSON:** Before we left the hospital they had a Social Security number.

15 **MR. HANSEN:** Question 480. Is it true that even though income tax returns require listing
16 Social Security numbers for children who are dependents in order to claim them as deductions,
17 parents may provide other proof such as a birth certificate in lieu of a Social(ist) Security number
18 to claim the deduction?

19 **MS. JACKSON:** That is true, but they don't tell you that.

20 **MR. HANSEN:** Yes. Question 481. Is it true that the majority of employers will insist that
21 their employees obtain a Social Security number as a precondition of employment, and that this
22 makes joining the program compulsory and not mandatory for all practical purposes?

23 **MS. JACKSON:** Yes.

1 **MR. HANSEN:** And question 482. Is it true that using the government to plunder the assets
2 of the rich to support the poor using the force of law is no less extortion or theft because it is called
3 taxation?

4 **MS. JACKSON:** I agree.

5 **MR. HANSEN:** That concludes our line of inquiry on the First Amendment.

6 **MR. SCHULZ:** Thank you, Panel. What time is it?

7 **MR. HANSEN:** Ten to four.

8 **MR. SCHULZ:** What we would like to do is take a ten-minute break. If we could be back
9 and ready to go again in ten minutes. We will begin a line of inquiry on the constitutional taxing
10 power under Article 1, Section 89 and attempts by the government to end run the federal taxing
11 power in Article 1, Section 89 by amending the Constitution and what happened during that
12 amendment process. We'll begin that -- we'll get into that subject this afternoon. We're certainly not
13 going to finish it until tomorrow morning. Thank you.(A recess was taken.)

14

15