



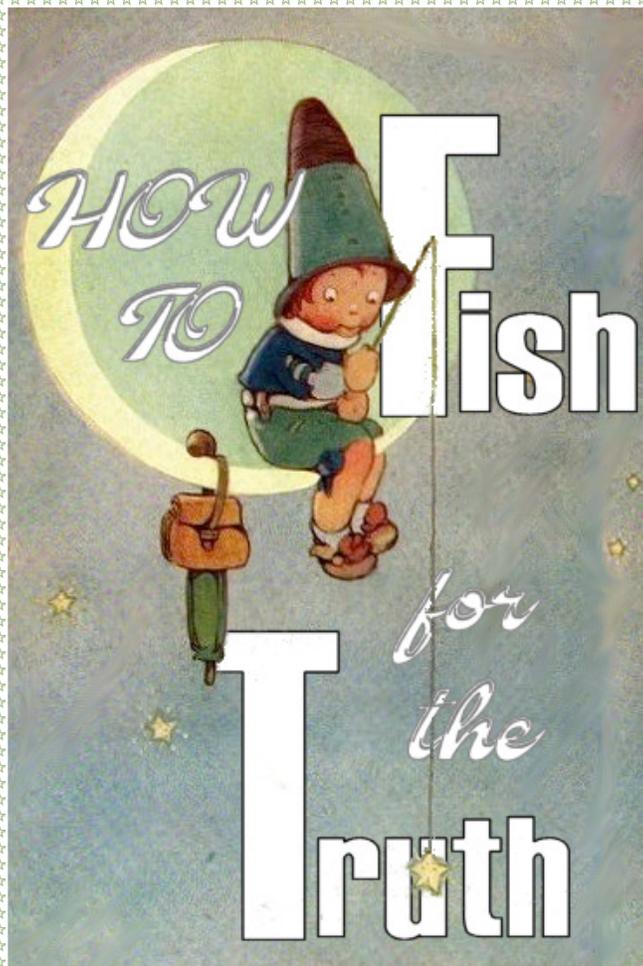
# Liberty Tree

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In last month's Liberty Tree, I laid out a general framework to help you determine whether or not the information you pass along is accurate. Meanwhile, over the past several years, I've written about various popular positions within the Patriot movement that turned out to be untrue, and I'll continue to do so in the future. Because of the dynamics I discussed last month, some of those refutations still haven't taken hold, and I continue to hear Patriots parrot the discredited positions yet today.<sup>1</sup>

It's virtually impossible to calculate the damage that this persistence of delusion causes. First, it creates well-deserved doubts as to the credibility of the Patriot in all future exchanges, likely causing a reluctance in others to believe even true information they try to provide. In this way, the progress of educating the public is hampered. Second, and even more detrimental in the long run, is the damage inflicted on those who rely on incorrect information. In some cases, they may well be subjected to civil and criminal penalties, and possibly even jail time. This in turn reduces the amount of resources such person is able to — and ultimately willing to — channel into furthering the Patriot cause. On top of that, a person who has been on the receiving end of this kind of attention might convert from being a supporter of the movement into an opponent, actively working against it (perhaps even as an informant for the shadow government), and trying to convince others to steer clear of it as well.

The bottom line is that by putting some effort into verifying the information you intend to pass along or use yourself, you will reduce the possibility that you will be responsible for causing all that damage on the one hand, and being subjected to it on the other. So, you have a lot



by Dick Greb

to gain and nothing to lose, except perhaps your delusions.

**Learning to fish**

As I said above, I've written ten articles in the past disputing various positions that have been floating around the freedom movement. Normally, I simply lay out my argument to rebut the false position and in support of my own, but I don't usually break down the process of actually getting to it. But it has been well said: "If you give a man a fish, he will eat for a day. If you teach him to fish, he will eat for a lifetime." In light of this advice, this month I will take a closer look at an example of something you may *know*, that *just ain't so*, and go through the steps I used to determine whether it was true. Hopefully, having the process laid out step by step will better able you to apply it to your own quests for the truth.

Remember, your mantra needs to be "Verify, verify, verify." That is one of the cornerstones of the whole process. You would be much better off if your default position was that all unverified information is false, then if it was the reverse. However, it's just the beginning. Another cornerstone of the process is your attitude. If you are not honestly seeking after the truth — whatever it ends up being — then it's unlikely that you'll ever find it. But, even if you do chance to encounter it anyway, without the proper attitude, you might still come away with error. As Winston Churchill said: "Most people, sometime in their lives, stumble across truth. Most jump up, brush themselves off, and hurry on about their business as if nothing had happened." That being said, let's look at an example.

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1. See, for example, "Apportionment" in the August 2011 Liberty Tree: [http://libertyworksradionetwork.com/jml/images/pdfs/libtree\\_aug\\_2011.pdf](http://libertyworksradionetwork.com/jml/images/pdfs/libtree_aug_2011.pdf)

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## Federal Reserve Act snuck through Congress?

According to a persistent myth, just before the Christmas break, and after many Senators had already left Washington, D.C., the Federal Reserve Act<sup>2</sup> was passed by the Senate illegally, without a quorum present. I couldn't find any source for this myth anywhere on the internet, just various sites where it was repeated without any attribution. The question of course is what, if anything, about this myth is true.

The first step in verifying the assertions made is to look up the Federal Reserve Act in the Statutes at Large. It can be found beginning on page 251 of volume 38.<sup>3</sup> That reference shows the Act was indeed enacted just before the Christmas break, on December 23, 1913, and that it was designated as H.R. 7837 as it made its way through Congress. A simple internet search of "Federal Reserve Act" will give you the same information. It will be used a little later in the process.

Next, before we can verify whether or not a quorum was present at the time of passage, we must determine the number of Senators needed in 1913 to make up a quorum. Looking at the dates for the states being admitted into the union, we find that in the previous year, New Mexico and Arizona were admitted as the 47<sup>th</sup> and 48<sup>th</sup> states, respectively. With two Senators apiece, that means the Senate should have had a total of 96 members in 1913, but the death of Alabama Senator Joseph Johnston on August 8, 1913 left one seat vacant.<sup>4</sup> According to Article 1, § 5 of the Constitution, "[A] Majority of each [House] shall constitute a Quorum to do Business." Therefore, with 95 seated members, 48 Senators would have had to be present to constitute a quorum.

## Tyranny of the minority

Before moving on, it's worth reflecting on the implications of this numbers game. Now, with 100 Senators, the number needed for a quorum is 51, and the number of votes needed to pass a bill with that minimum of members present is only 26! The minimum number for a quorum in the House is 218, and to pass a bill 110 votes would be necessary. So, the bare minimum to enact a bill is only 137 people (including the President).<sup>5</sup> And the actions of those 137 people can affect the lives (most often adversely) of around 350 million souls. Many Patriots

2. 38 Stat. 251, Ch. 6 (December 23, 1913).

3. For links to all the volumes of the U.S. Statutes at Large and other useful reference materials, visit <http://home.hiwaay.net/~becraft/PrimarySources.html>.

4. Johnston was replaced by Francis S. White, who took office on May 11, 1914.

5. Granted, it's unlikely that this would happen, but the point is that it's possible.

6. [http://libertyworksradionetwork.com/jml/images/pdfs/libtree\\_nov\\_2010.pdf](http://libertyworksradionetwork.com/jml/images/pdfs/libtree_nov_2010.pdf)

7. This journal was originally called the "Annals of Congress."

8. The Library of Congress' website has on-line copies of these journals up to the 43<sup>rd</sup> Congress (1875).

talk about how a republic is superior to a democracy because it prevents a majority from oppressing the minority. But our republic accommodates a tiny minority lord-ing it over the majority. It's hard to see the protection in that. You can read more about this issue in my article "And to the republic ..." in the November 2010 *Liberty Tree*.<sup>6</sup>

Getting back to the issue at hand, the bottom line here is that the Federal Reserve Act could have been legally passed by the Senate with only 25 votes, a number so small that it hardly seems necessary to try to game the system. The system is already gamed enough that such cheating is almost redundant.

## Home for the holidays?

The next step in our investigation is to go to the Congressional Record,<sup>7</sup> the journal kept by both houses of Congress, as required by the same § 5 of Article 1 of the Constitution. The Congressional Record is basically a transcript of the debates in Congress, and is an excellent resource when you want to know more about the laws they enact. The complete set of these reference books take up many hundreds of linear feet of shelf space, so you'll probably have to go to college libraries to find them.<sup>8</sup> Many college libraries are federal depositories, which makes them recipients of government reference material. There are varying levels of participation in this scheme, which affects the amount of such material any particular library will receive. Fortunately for me, the college right up the street gets a high level of material, and as a result, they have a complete set of the Congressional Record. The books are arranged in sections pertaining to each House for each day they're in session.

In the volume covering the 63<sup>rd</sup> Congress, the Senate's journal for Tuesday, December 23, 1913 begins on page 1468, with the opening prayer at 10:00 am, and ends on page 1490, with the listing of the executive officers confirmed that day. The first action was the reading and approval of the prior day's journal, and immediately thereafter, Republican Senator Reed Smoot of Utah — an opponent of the bill — questioned whether a quorum was present. And so a roll call was performed and 44 Senators answered to their names, meaning they were four short of a quorum. Then the names of the absent Senators were read out again and four more Senators answered, bringing the total number present at the start of the session to 48, which constituted a quorum.

Thus, reading no more than a few paragraphs in this contemporaneous journal of the Senate, it can already be seen that one of the major components of the myth — that a quorum wasn't present — does not stand up to scrutiny. But I didn't want to leave it at that, so I continued to read the rest of the day's proceedings.

## Getting out the vote

Right at the beginning of the discussions, an interesting point was raised by Republican Senator Joseph

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Bristow of Kansas, who had been appointed to sit on the conference committee. The job of this committee is to reconcile the differences between the versions of the bill passed by the Senate and by the House. However, he revealed that he and the other Republican members of the committee were left out of the deliberations and only permitted to sign onto the committee report after it was finalized (which he declined to do).<sup>9</sup> So, it seems that there were indeed shenanigans involved in the passage of the act, just not of the type claimed in the myth.

As Bristow's revelation shows, this bill was definitely a partisan affair, and the support for it broke down almost exactly across party lines. Only three Republicans voted for the bill, and not one Democrat voted against it. I made a spreadsheet from the information in the Congressional Record (supplemented by a Wikipedia list of Senators in the 63<sup>rd</sup> Congress), and the ability to sort the data in different ways made it easier to see certain patterns. I kept track of which Senators made up the initial quorum, who straggled in during the debate, who was absent, who spoke, and most importantly, how each one voted.

As I mentioned above, it would take 25 votes to prevail

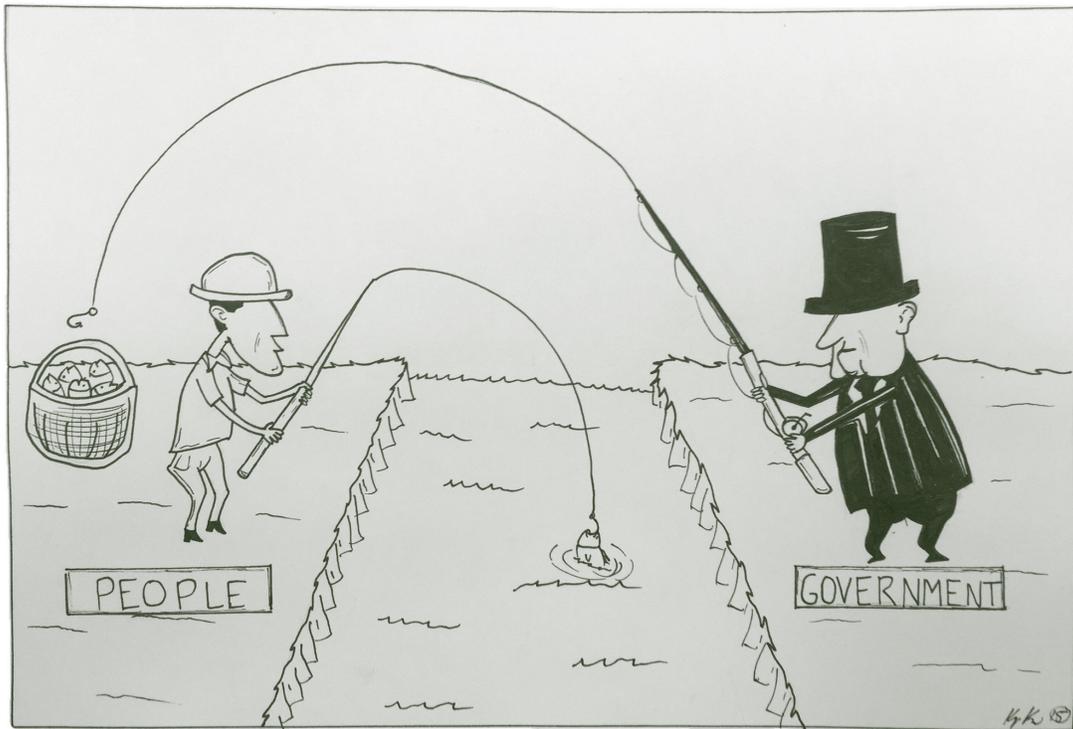
with the minimum quorum. And of the initial quorum, there were 25 Democrats and 23 Republicans, so on strict party lines, the bill would have passed if the vote had taken place immediately. However, that original group contained two of the three Republicans who sided with the Democrats, and one from each party didn't vote,<sup>10</sup> so the vote would actually have been 26-20. During the debates, another 30 Senators showed up – 17 Democrats, 12 Republicans, and one Progressive. Of this group, the lone Progressive voted with the Democrats as did one more of the Republicans. Plus, there were two more non-voting Dems and six non-voting Reprs. The rest voted down the party line. And so, the final vote was 43 yeas, 25 nays, and 27 not voting.

## No surprises here

Getting back to the myth, we've already seen that there not only *was* a quorum, but that 78 of the 95 Senators (82 percent) were present for the vote. Of the missing 17, four were specifically said to be ill, one was on "official business," two were "unavoidably absent," and one's absence was claimed to be "necessary." Of the other nine, no excuses were offered. But there is certainly no evidence

that the timing of the vote was arranged to take advantage of absent Senators. The fact is that 16 of the 17 absentees were paired, and so their votes would have canceled each other out. The only unpaired absentee – Sen. Albert Fall (R-NM) released Sen. Marcus Smith (D-AZ) from their pairing by telegram – would have voted *for* the bill too. So, presuming the rest would have voted along the party lines, the gap between the yeas and nays in the final vote tally would actually have increased by one vote if they had all been present. Since the Republicans had a maximum of 40 votes against the bill, they would be the only ones who could have had an interest in missing Senators, while the interests of the Democrats would not be furthered by fewer opponents.

The bottom line is that the



**Who's fishing for what?** The truth of all governments — and the fractional reserve banking systems they empower (such as the Federal Reserve System) — is well illustrated by this cartoon. If you want your friends and family to understand how such colossal theft works, and to prosper in the midst of official myths and lies (see p. 4 re Herbert Hoover), it does not help to perpetuate myths yourself.

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- Chairman Robert Owen confirmed Bristow's allegation: "After the first preliminary draft was printed for use, the Democratic members of the conference committee met, went over the bill, and reconciled their differences so far as they could. Then, as chairman, I summoned a meeting of the conferees at 4 o'clock, as the Senator from Kansas [Mr. Bristow] has stated, but the Republican members suggested that it was offensive to them for the Democrats to have previously met and done this work, and so they withdrew from the conference without being willing to remain, although we urged them to do so and to express their opinions about any changes they would like to have made."
- The majority of non-voters were the result of pairings with absent Senators, but a few seem to have simply abstained. Since all of these pairings were between Dems and Reprs, it looks like they were used to cancel out opposing votes to accommodate absent Senators, so as not to take advantage of their inability to cast a vote. Often, a Senator who was present, but paired to an absentee, transferred his pair to an absentee Senator of his own party, so that most of the pairs ended up being between two absentees.

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passage of the Federal Reserve Act was pretty much a foregone conclusion. The Senate was controlled by the Democrats, and they were in favor of the bill. Plus, they had several Republicans and the only Progressive siding with them as well. On top of all this, the vote on December 23, 1913 was to accept the committee report which merely ironed out the differences between versions already passed by each house. So, despite the unilateral

## The Federal Reserve ABOLISHES panics but the people CAUSE panics anyway by trusting in the Federal Reserve!

(Classic doublethink from the 1930s)

Now, it was indeed promised by Democratic leaders at the time the Federal Reserve System was created **that they had found the solution to prevent booms, slumps, and panics.** I could quote from a multitude of speeches of the day of the passage of the act, and further from the assurance given in political campaigns as to this enormous accomplishment ...

I find in the speeches of President Wilson, Secretary McAddo, Senator Carter Glass, and other leaders, the recurrent idea that through the control of interest rates and other authorities the Federal Reserve System could prevent booms and consequently slumps and panics.

A few of their expressions ought to be of interest. Among them they said:

“We shall have no more financial panics.”

**“Panics are impossible.”**

“Businessmen can now proceed in **perfect confidence** that they will no longer put their property in peril.”

“Now the businessman may work out his destiny without living in the terror of panic and hard times.”

**“Panics in the future are unthinkable.”**

“Never again can panic come to the American people.” ...

The **whole country** went along for years with **much confidence in these statements** and, although no one can say with certainty, **it is likely that this confidence** contributed to the building up of the boom which led to the crash.

... I do not criticize the Federal Reserve System. I believe in it. All the point I make is that using its utmost powers it failed in the face of a great mass movement — public psychology.

— Herbert Hoover, Address in St. Louis, Missouri, November 4, 1932 (*Public Papers #378*)

11. The Democrats rationalized their action by citing past situations where the Republicans did the same thing when they were the majority party.
12. This is the same thing I found about the myth of Kennedy's EO11110. The only true part was the day the order was signed. I wrote about that in issue #247 of the now banned *Reasonable Action*, so perhaps we'll reprint it in a future *Liberty Tree*.

action in the conference committee,<sup>11</sup> there were no real surprises in the passage of the bill.

## Taking the bait

**A**s you can see from this example, it doesn't really take that much digging around in actual facts to lay bare some of the myths you will come across. We saw right away that one of the core tenets of the myth — the lack of quorum — wasn't true. Continuing to break it down allowed us to see that the premise behind the myth — that the vote was held after the opposition to the bill left for the holidays — isn't even true. In fact, the only true part of the myth is that the Federal Reserve Act was passed by the Senate on December 23, 1913.<sup>12</sup> Everything else was simply invented! Somebody just concocted a story around the fact that the vote was held on the last day of the session before adjourning for the holidays, and tossed it out to the public like a lure.

And many people took that bait. They believed the story because it sounded good to them, without ever checking to see if it was true. Then they passed it along to others, hooking them as well. And on and on it goes. Who can know why the tale was started? Perhaps it was a well-intentioned attempt to de-legitimize the Federal Reserve System, and maybe that's why people accepted it so readily. They let their dislike of the Fed distract them from the truth, and so the lie suited them.

And yet, maybe the tale wasn't well intentioned. Perhaps the purpose of it wasn't to de-legitimize the FRS, but to de-legitimize the opposition to it, by undermining the credibility of those who repeat an easily proven falsehood. But in the end, the intentions don't really matter, because the result is the same — less credibility for the Freedom movement, which is bad for the movement, but good for the shadow government. So don't get caught by the lure of pretty lies, and end up giving our cause a black eye. Instead, do all you can to verify.



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