

“Man is not truly one, but truly two.”

-Robert Louis Stevenson, *The Strange Case of Dr. Jekyll and Mr. Hyde*

This “horror” story begins in the shadow of the banking calamities following the American Civil War and extends into every corner of our world today. It traces back to a small, quiet island off the coast of Georgia.

By day, the island was a picture of perfection, a literal portrait of luxury. The rich and powerful gathered on its shores, strolling along manicured paths while smoking cigars and sipping exotic cocktails. But by night, something darker stirred as the mist rolled in and the moonlight streaked through the Spanish moss draped from ancient oaks. Moss, mist, and moonlight mixed and mingled together to create slender, monstrous fingers clawing toward the shadowy paths. It was in this otherworldly environment that the creature began to stir—*The Creature from Jekyll Island*. A beast born of power and control, peddled as protector but denounced for domination.

The Creature, the Federal Reserve, was clandestinely conceived on this island in 1910.

Jekyll Island, named after Sir Joseph Jekyll, a prominent British politician and lawyer, was purchased in the late 19th century by a group of wealthy American financiers and industrialists. This private club, which included names like J.P. Morgan and William Rockefeller, became a retreat where these titans of industry could conduct business away from public view. It was here, in the winter of 1910, that a secret meeting took place, where powerful bankers and politicians laid the foundations for what would become the Federal Reserve.

Not unlike Dr. Jekyll and Mr. Hyde, the Federal Reserve possesses a dual nature. The Fed’s actions can be either stabilizing or stifling, depending on when and how it intervenes.

In the lead-up to the 2008 financial crisis, many of the Fed’s “good” policies, such as keeping interest rates low and encouraging borrowing, created the very conditions that led to the housing bubble and eventual collapse. Credit became too easy, risks were taken without enough oversight, and eventually, the bubble burst. While these policies contributed to the crisis, the Federal Reserve’s alter ego, however painful, stepped in to stabilize the economy, potentially averting an even greater global depression.

Take inflation, for example. When the economy starts to grow and things begin to look too promising, the Fed steps in, like Hyde emerging from the shadows, talking of inflation and the need to slow things down. It raises interest rates, making borrowing more expensive. Credit becomes harder to get, and wages are curbed. The Creature tightens the reins just when everything feels like it’s going well.

This is the paradox of the Fed, much like Jekyll trying to control Hyde. The central bank was designed to keep the economy healthy and prevent financial disasters. But in doing so, it sometimes takes on a role that feels more monstrous—slowing down growth.

G. Edward Griffin, in *The Creature from Jekyll Island* (1994), paints the Federal Reserve as a force too powerful, benefiting a select few and creating wealth inequality. According to Griffin, the system built in secret on Jekyll Island by the powerful has grown into a behemoth that influences every corner of the global economy, controlling the flow of money and shaping economic policies in ways that often go unseen by the public.

There’s truth in these criticisms. The Fed’s decisions ripple through markets, affecting everything from mortgages to grocery bills. But there’s another side to this story. The Federal Reserve’s interventions, while sometimes painful, have also been the key to preventing far worse economic catastrophes. During the 2008 financial crisis and again during the COVID-19 pandemic, its

actions helped stabilize markets, prevent banking collapses, and ensure that businesses and consumers could continue operating, even in the face of overwhelming uncertainty.

The Fed was a savior in March 2020, but the easy money contributed to significant inflation—growth was too hot. Mr. Hyde was unleashed to raise rates and tighten credit to intentionally slow the economy. The stated goal of the beast is a “soft landing.” Will we be lightly placed on the sun-drenched shore of the Atlantic or dropped from moss-covered oaks onto a pile of rocks? It’s too early to call, but we will continue to track the Creature’s every move.

The Federal Reserve’s role, much like Jekyll & Hyde, walks a fine line between control and chaos. Like it or not, this 110-year-old being is likely here to stay. It has grown into one of the most powerful influences on the global economy and financial markets.

As always, please let me know if you would like to discuss coastal Georgia, creatures, or anything else on your mind.

My Very Best,

A handwritten signature in blue ink, appearing to be 'JG' or 'Jack Green', with a stylized, cursive script.

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