

The History of Money Creation, Banks, and the Federal Reserve System



This is a collection of articles published in the American Free Press (1) starting in October, 2025, through May 2026. It will be updated with additional articles every two to four weeks.(3)

Conrad E LeBeau May 22. 2026

Ref:

1. Americanfreepress.net
- 2 Image above is courtesy of redbubble.com
3. lebeaubooks.com

The History of Money Creation, Banks, and the Federal Reserve

by Conrad LeBeau
(Part I of a Series)



Inside the archives of the Federal Reserve Bank of St Louis MO is an original copy of "The Federal Reserve Act" signed President Woodrow Wilson on Dec 23, 1913.

Recently, I was able to obtain a copy through an external link from Wikipedia that I downloaded to my computer. A copy (not marked up) is one of several exhibits in the Appendix to this treatise called-"A Critical Review of the Federal Reserve"

The Act itself can be compared to a shotgun wedding where the bride (Congress) is led down the aisle with her spouse, the devil, who is dressed as a respectable banker in a three-piece business suit.

Of course, there is much fanfare as the band plays and flowers adorn the aisle and vows are exchanged between the spouses to love, cherish and be loyal to each other until death do they part. Thus, this unholy wedding occurred between wealthy Wall St bankers and the US Government on Dec 23, 1913.

Now, as the loan sharks of the privately owned Federal Reserve Banking System come to collect on massive mounting public and private debts, or foreclose on people's homes, businesses and farms, consider this brief review of the history of money and banks, its creation and origins.

To quote the late and honorable Fr. Charles E Coughlin in his 1936 book on "Money! Questions and Answers" he wrote in the Foreword of his book a title he cryptically discarded: "Your Money or Your Life!" or is it?

What is Money?



Historically, barter was the first form of money. Thousands of years ago, the Egyptians used wheat as a medium of exchange (money). However, because gold and silver did not spoil like food does over time, precious metals became the preferred medium for exchanging products and services locally, and was the preferred form of money used in trade.

Money is an artificial creation of man and is defined by governments around the world. Money does not exist in nature nor do debts exist nor do corporations or banks exist.

Money is a medium of exchange for equal values. In

civilized societies, money is assigned, by the authority of government, a numerical value, and is used as a common denominator for purchasing goods and services, including the paying of debts and taxes.

In 1775, the Continental Congress issued their own form of currency known as "Continental Currency" and it helped pay for the war against King George.

During the war, England waged economic warfare against the states by counterfeiting and circulating fake notes of Continental currency causing them to lose much of their value.

The word "**Money**" has taken on multiple meanings over time. First, it was gold and silver coins, then paper currency redeemable in gold and silver, and then fiat currency as in "**United States Notes**" printed during the Civil war under Pres. Abraham Lincoln. Eventually, fiat currency included "**Federal Reserve Notes**" printed after June 24, 1968 when they were no longer redeemable in silver coins.

(To be continued in the next issue)

Note: This is the first in a series of articles on banks and the Federal Reserve. To read the author's 68 page report on the Federal Reserve Bankers go to **Lebeaubooks.com**

For a copy delivered by email, contact **conradlebeau@gmail.com** and ask for a copy of the "**Federal Reserve Report**"

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The History of Money, Banks, and the Federal Reserve

The Knight's Templars were the World's First Bankers

Conrad LeBeau
(Part 2 of a Series)



About 1000 years ago as horses and chariots kicked up dust on the primitive roads of Europe, travelers clutched their gold and silver coins as they passed on their journey to regions of trade where they could buy or sell their wares.

There were several Safe Houses managed by the Templars throughout Europe. Travelers could make a deposit in one Safe House and later withdraw their money from the next Safe House by presenting a "Letter of Credit" as they moved along on their journey.



Templar coins were stored in safe houses managed by the Knights. I can't confirm if the above image is an original or a replica of earlier coins.

Banking 101 – the Knights Templar Safe Houses

During the Middle Ages from about 1,100 to 1,300 AD, the Knights Templar had established their castles throughout Europe as a safe place to store gold and silver

coins along with other valuables. The Templars helped to finance the Crusades, and with the Pope's blessings, they became a favorite charity for millions of Christians.

According to a timeline of the Order of the Knights Templar compiled by the Medieval Combat Society, the Templars began using letters of credit in 1150 AD. With the confidence of the public supporting them and the creative use of letters of credit (IOUs) and notes, they established a vast credit lending system that soon left them in possession of large vineyard holding, farm lands, buildings and other property throughout Europe.

The Secrets of the Templars - how the Safe Houses became de-facto Banks

It is because the castles owned by Templars had armed guards, people would bring their most treasured possessions to the castles for safekeeping. Public confidence in the Knights Templar also increased when the Pope gave his approval of the Templars as a charity for financing the Crusades. My research citing Wikipedia (1) states:

"By 1,150 AD, the Order's original mission of guarding pilgrims had changed into a mission of guarding their valuables through an innovative way of issuing letters of credit, an early precursor of modern banking. Pilgrims would visit a Templar house in their home country, depositing their deeds and valuables. The Templars would then give them a letter which would describe their holdings." (1)

"Modern scholars have stated that the letters were encrypted with a cipher alphabet based on a Maltese Cross; however there is some disagreement on this, and it is

possible that the code system was introduced later, and not something used by the medieval Templars themselves. While traveling, the pilgrims could present the letter to other Templars along the way, to "withdraw" funds from their accounts. This kept the pilgrims safe since they were not carrying valuables, and further increased the power of the Templars."(1)

"The Knights' involvement in banking grew over time into a new basis for money, as Templars became increasingly involved in banking activities. One indication of their powerful political connections is that the Templars' involvement in usury did not lead to more controversy within the Order and the church at large."

"Officially the idea of lending money in return for interest was forbidden by the church, but the Order sidestepped this with clever loopholes, such as a stipulation that the Templars retained the rights to the production of mortgaged property. Or as one Templar researcher put it, "Since they weren't allowed to charge interest, they charged rent instead."(1)

Ref: (1) Wikipedia.org

(to be continued in a future issue)

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Note: This is the second in a series of articles on money, banks and the Federal Reserve. To read online the author's 68-page report on the Federal Reserve Bankers, go to **Lebeaubooks.com**

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The History of Money, Banks, and the Federal Reserve

The Templars Fall on Oct 13, 1307 to the Rothschild Dynasty

by Conrad LeBeau
(Part 3 of a Series)



Jacque de Moley

Arrested on Friday, Oct 13, 1307, the Templar leader was sentenced to death by fire. With his dying breath, he cursed both Pope Clement and King Philip of France and wished that they both should meet their God together before the year's end.

The Fall of the Templars

Jacques de Molay was the grand Master of the Order and Geoffrey de Charney was the Preceptor of Normandy. King Philip IV of France was deeply in debt to the Templars and on Friday October 13th, 1307 AD accused them of heresy, and were arrested in France. (2, 3)

"By seizing the Templar assets, King Phillip avoided having to pay back debts, and by confiscating further Templar assets Philip was able to make further money, although, he found very little gold and silver in their vaults. Pope Clement then issued the Bull *Pastoralis Praeeminentiae* on November 22, 1307, and instructed all Christian kings and monarchs in Europe to arrest the Templars and seize their assets. With the seizure of the Templar assets, their banking system collapsed; but in due time a banking system based on credit instruments was revived in other countries."(2,3)

Ref: 2. The Medieval Combat Society

Palmstruch Bank Notes: 1661-1821 (4)



"Paper currency makes its first appearance in Europe in the 17th century. Sweden can claim the priority (as also, a few years later, in the first national bank). In 1656 AD, Johan Palmstruch establishes the Stockholm Banco. It is a private bank but it has strong links with the state (half its profits are payable to the royal exchequer).

"In 1661 AD, in consultation with the government, Palmstruch issues credit notes which can be exchanged, on presentation to his bank, for a stated number of silver coins."(3)

"Palmstruch's notes (the earliest to survive dates from a 1666 issue) are impressive-looking pieces of printed paper with eight hand-written signatures on each. If enough people trust them, these notes are genuine currency; they can be used to purchase goods in the market place if each holder of a note remains confident that he can indeed exchange it for conventional coins at the bank." (3)

"Predictably, the curse of paper money sinks the project. Palmstruch issues more notes than his bank can afford to redeem with silver. By 1667, he is in disgrace, facing a death penalty (commuted to imprisonment) for fraud."(3)

The Rothschild Dynasty: 1801-1815

William IX, ruler of the German state of Hesse-Kassel and possessor of a vast fortune, has for some years consulted in a private capacity his friend Mayer Amschel Rothschild, a Jewish banker and merchant of Frankfurt. He values Rothschild's advice both on matters of finance and on additions to his art collection. In 1801, he formally appoints him his court agent, and encourages him to offer his financial skills to other European princes in these troubled years when Napoleon is unsettling the continent.

Rothschild responds energetically to this opportunity. By 1803 he is in a position to lend 20 million francs to the Danish government. The Danish loan is the first of many such transactions on behalf of governments which rapidly establish the Rothschild family as Europe's most powerful bankers, rising to a pre-eminence comparable to that of the Medici and the Fugger in earlier centuries.

The family is soon represented in all the important centres of the continent. Mayer Amschel Rothschild has five sons. He keeps the eldest, Anselm Mayer, at his side to inherit the Frankfurt bank.

The four younger sons establish branches elsewhere: Solomon in Vienna, Nathan Mayer in London, Karl in Naples, and Jacob in Paris.

Ref: (3,4) worldhistory.net

(To be continued in the next issue)

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The History of Money, Banks, and the Federal Reserve

Jefferson Opposed Hamilton's First Bank

Conrad E LeBeau
(Part 4)



Alexander Hamilton

Today, most Americans may know three things about Alexander Hamilton. One is that his image appears on the \$10 Federal Reserve Note in their wallets next to the \$1 Washington note, the \$5 Lincoln note and the \$20 A Jackson note.

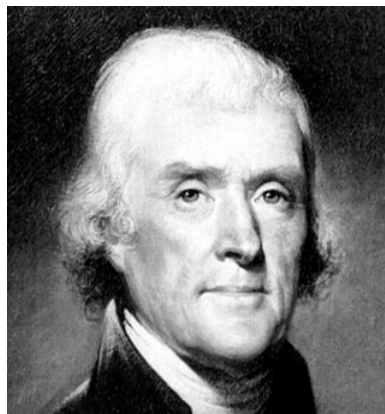
Hamilton is known as a prolific writer of essays published in "The Federalist Papers" that includes writings by John Jay and James Madison. The third is a Broadway play call "Hamilton," where actors dressed in colonial attire choreograph the gun duel between Hamilton and Jefferson's Vice Pres. - Aaron Burr.

The website wikipedia.org covers an extensive review of the history of Hamilton that includes his promotion of a central bank even before the beginning of the War for Independence by the 13 colonies.

Hamilton had been forming ideas of a national bank as early as 1779 that included extensive studies on the Bank of England. The lengthy review by Wikipedia includes 283 references in the footnotes.

In 2008 shortly after taking office as Pres-elect of the United States, Barack Obama was quoted by Tim Russert on NBC as stating

"The banking system started by Alexander Hamilton is failing." There was no follow-up to that statement.



Thomas Jefferson Opposed the First United States Bank

Thomas Jefferson was opposed to Alexander's Hamilton's United States bank. In a letter to George Logan in Nov. 1816, he stated:

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

"I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised-up a money aristocracy that has set the government at defiance. The issuing power (of money) should be taken from the banks, and restored to Congress and the people to whom it belongs."

John Adams wrote to Thomas Jefferson in 1787:

"All the perplexities, confusion and distress in America arise, not from defects in their Constitution or Confederation, not from want of honor or virtue, so much as from the downright ignorance of the nature of coin, credit and circulation."

First US Bank

1791 - 1811 - A 20 yr charter

Alexander Hamilton, who was Pres. George Washington's Treasurer, is the brainchild behind the First Bank of the United States. The first U.S. bank founded in 1791 issued Notes based on the Rothschild model used at the Bank of England.

Thomas Jefferson, James Madison and John Adams opposed the bank as a private corporation that was allowed to issue money.

The First United States Bank was set up in 1791 and was mainly owned by foreign bankers, although the U.S. Government owned 20% of its stock.. Its 20 yr charter beginning in 1791 expired in 1811.



The Coinage Act of 1792

The Coinage Act of 1792 was also known as the Mint Act. This Act was passed by the Congress on April 2, 1792, and was signed into law by President George Washington- the same day. The Act established a mint for the coinage of money. It stated that the "Dollar" was to be the standard unit of value to be used as money in the United States. It also declared the dollar to be lawful tender, and created a decimal system for U.S. currency.

The first US Silver dollar contained 27 grams of standard silver and was based on the popular Spanish milled Silver dollar.

(to be continued in the next issue)

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The History of Money, Banks, and the Federal Reserve

Andrew Jackson's Veto & the Battle with the Banks

Conrad E LeBeau (Part 5)

The Second Bank

1816-1836

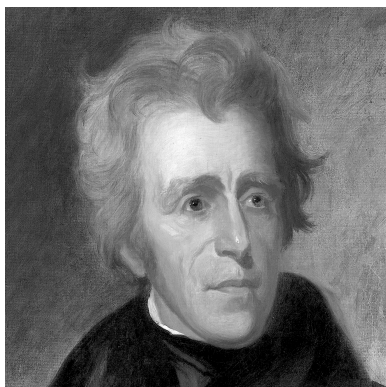
The Second Bank was similar in structure to the First Bank whose charter had expired in 1811, but bigger; it had capital of \$35 million, with the government again holding one-fifth of the shares. Like the First Bank, it was headquartered in Philadelphia and had offices in 29 major cities around the country.

Unlike the First Bank, however, the Second Bank was poorly managed and was on the verge of insolvency within a year-and-a-half after it opened. After Congress inquired into the Second Bank's problems, Langdon Cheves was brought in as president in 1819. (Nicholas Biddle succeeded Cheves who resigned in 1822)⁽²⁾

However, the Second Bank had powerful opponents, primarily President Andrew Jackson who hadn't forgotten the lessons from the early years of the Bank's existence—that such a powerful private institution was susceptible to corruption and would be difficult to control. At the time Jackson was elected, the Bank was operating successfully and was a powerful organization ⁽²⁾.

Jackson made his opposition to the Bank clear from the beginning. When Bank President Nicholas Biddle heard Jackson intended to close the Bank, he used the Bank's resources against Jackson, which ignited a bitter struggle.

When Jackson refused to renew the Bank's charter in 1832 and later began to pull federal deposits from its vaults, it was effectively crippled until the charter expired in 1836.



1832: President Andrew Jackson said the following to the Money Changers who approached him in the drawing room of the White House:

"Gentlemen, I have had men watching you for a long time and I am convinced that you have used the funds of the bank to speculate in the bread- stuffs of the country. When you won, you divided the profits amongst you, and when you lost, you charged it to the bank.

"You tell me that if I take the deposits from the bank and annul its charter I shall ruin ten thousand families. That may be a true, gentleman, but that is your sin!

"Should I let you go on you will ruin fifty thousand families, and that would be my sin! You are a den of vipers and thieves. I have determined to rout you out, and by the Eternal God, I will rout you out!" ⁽¹⁾

Jackson vs. the Banks

Andrew Jackson's opposition to the First and Second Banking Acts deserves mention of Nicholas Biddle, a financier who served as the Second Banks president from 1822 until it was dissolved in January 1836 at the end of its 20 yr. charter.

As bank president, Biddle exercised control over the nation's supply of money and

interest rates. {Today, Fed Chairman Jerome Powell has even more power than Biddle had during his tenure at the helm of the banking system.)

After Biddle began to use the bank's resources to attack Jackson, President Jackson responded by appointing Attorney General Roger B. Taney to the Treasury Dept. as a recess appointment. Taney withdrew government funds from the 2nd National banks and deposited them in state banks.

Wikipedia.org article on Biddle states:

"In September 1833, Roger Taney helped transfer public deposits from the Bank to seven state-chartered banks. Faced with the loss of federal deposits, Biddle decided to raise interest rates.

"A mild financial panic ensued from late 1833 to mid-1834 Intended to force Jackson into a compromise and demonstrate the utility of a national bank for the nation's economy, the move had the opposite effect of increasing anti-Bank sentiment.^{[43][42]}

"Meanwhile, Biddle and other Bank supporters attempted to renew the Bank's charter on numerous occasions. All their attempts failed because they did not have the two-thirds majorities in Congress to overcome a presidential veto." ⁽²⁾

References:

1. "Money - Questions and Answers" by Father Charles E Coughlin - 1936
2. wikipedia.org - articles on Andrew Jackson, Nicholas Biddle and the war against the Banks.

(Part 6 to be continued in the next issue)

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The History of Money, Banks, and the Federal Reserve

Abraham Lincoln and the National Bank Act of 1863

Conrad E LeBeau

- (Part 6) -

The Rothschild Brothers Letter to
Ikheimer, Morton and Vandergould,
No. 3 Wall St., N.Y. USA

Dear Sirs:

A Mr. John Sherman has written
us from a town in Ohio, U.S.A., as
to the profits that may be made in
the National Banking business under
a recent act of your Congress....

Apparently this act has been
drawn upon the plan formulated
here last summer by the British
Bankers Association and by that
Association recommended to our
American friends as one that if
enacted into law, would prove
highly profitable to the banking
fraternity throughout the world.

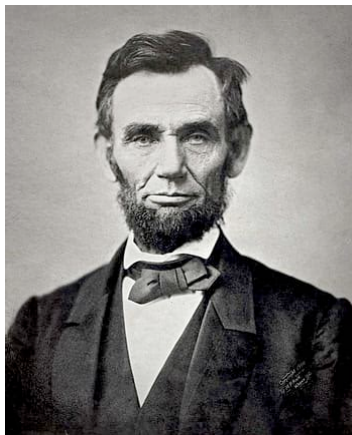
Mr. Sherman declares that there
has never before been such an
opportunity for capitalists to
accumulate money....that the new
schemegives the National Banks
an almost absolute control of the
National finance.

*"The few who can understand the
system," he says "will either be so
interested in its profits, or so
dependent on its favors, that
there will be no opposition
from that class, while on the
other hand, the great body of
people, mentally incapable of
comprehending the tremendous
advantages what capital derives
from the system, will bear its
burdens without complaint and
perhaps without even suspecting
that the system is inimical to
their interests." (2)*

Please advise us fully as to this
matter and also state whether or
not you will be of assistance to us,
if we conclude to establish a
National Bank in the City of New
York...

Awaiting your reply, we are
Your respectful servants.

Rothschild Brothers.
June 25th 1863 (2)



Abraham Lincoln

The outbreak of the Civil War and
the need to finance it led again to a
renewed interest in a national bank.
But this time, with the lessons of
the Second Bank, the designers
took a different approach, modeled
on the free banking system. In 1863,
they established what is now known
as the "national banking system."

The National Bank Act of 1863
was passed on February 25, 1863
and was signed by President
Abraham Lincoln on this same date.
Lincoln was probably too distracted
with the civil war to read the bill or
analyze its nefarious implications.
Lincoln later regretted signing this
act, and stated:

*"The money power preys upon
the nation in times of peace and
conspires against it in times of
adversity. It is more despotic than
monarchy, more insolent than
autocracy, and more selfish than
bureaucracy. It denounces, as public
enemies, all who question its
methods or throw light upon its
crimes."(1)*

With a new national charter in
1863, banks purchased federal
government bonds and then were
given government printed notes
(bank currency) in quantities equal
to the value of the bonds they
purchased. No one seemed to raise
an alarm bell at this fraudulent

arrangement as the banks got
currency in equal face value to the
bonds they just bought. The effect
of this arrangement is that the
banks got their currency for free
while still collecting interest on
their bonds. The same fraudulent
methods were later repeated in the
Federal Reserve Act of 1913.



Salmon P Chase

Salmon P Chase served as
Lincoln's Sec. of the Treasury
during his term as President. Chase
supported the passage of the
National Bank Act of 1863.
Sometime after the Act was passed,
he regretted this decision and made
the following statement:

*"My agency in promoting the
passage of the National Bank Act
was the greatest financial mistake
of my life. It has built up a
monopoly that affects every interest
in the country. It should be
repealed, but before that can be
accomplished, the people will
arrayed on one side and the
bankers on the other, in a contest
such as we have never before seen
in this country."(1)*

Ref.1. Pastor Sheldon Emry - Billions for Bankers
Ref 2. Money -Questions and Answers, 1936 by
Father Charles E. Coughlin

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The History of Money, Banks, and the Federal Reserve

The National Bank Act (1863) to the Federal Reserve Act (1913)

50 Years of Instability

(Part 7)

by Conrad LeBeau

The outbreak of the Civil War and the need to finance it led again to a renewed interest in a national bank. This time, the designers took an approach modeled on the free banking system used in New York. On Feb 25th 1863, Congress passed the National Bank Act.

With a national charter, banks purchased federal government bonds and then were given government printed notes (bank currency) in quantities equal to the value of the bonds they purchased while still being allowed to collect interest on the bonds. The banks receiving these cash advances were not required to pay it back,

No one seemed to raise an alarm bell at this fraudulent arrangement except for Salmon P Chase (Lincoln's Treasury Secretary) who first advocated for the Act and then later admitted it was his greatest financial mistake of his life. He later stated:

"It has built up a monopoly that affects every interest in the country. It should be repealed, but before that can be accomplished, the people will be on one side and the bankers on the other, in a contest such as we have never before seen in this country."

The effect of this arrangement is that the banks got their currency for free. The same fraudulent methods were later repeated in the Federal Reserve Act of 1913.

National Bank Notes



After the national banking system scam came to fruition, at least one bank panic occurred in every decade after the Civil War. A bank panic would often begin when depositors would learn that their bank was unable to meet withdrawal requests.

This, in turn, caused a "run" on the bank, in which a large number of depositors attempted to pull out their money, causing the bank to fail. Seeing this, depositors at other banks were led to withdraw their funds, causing a system wide collapse.

The Panics or Depressions of 1873, 1893, and 1907

In 1893, a bank panic coincided with the worst depression the United States had ever seen, and the economy stabilized only after the intervention of financial mogul J. P. Morgan. During this period, bank notes were redeemable in gold or silver coins and were the only form of money considered "lawful."

Fractional Reserve Banking was the standard of lending as the bankers had less gold and silver in their vaults than the total value of the paper money or checks they would lend that were redeemable in gold or silver. Thus, they repeated the same fraudulent methods of the earliest bankers - the Templars.

United States Notes



When the Civil War started, the union soon found itself short of gold and silver coins to finance operations and pay its soldiers. Banks organized under the various State Banking Charters from 1837 offered to lend the union their privately issued currency. Lincoln refused the bankers notes and told them – "we can print this stuff ourselves." (1,2)

Due to a shortage of gold and silver coins to pay Union soldiers, President Lincoln signed the First Legal Tender Act, passed by Congress on February 25, 1862. This act authorized a fiat currency called "**United States Notes.**" The Notes were printed by the U.S. Treasury and stated on their face: "This Note is legal tender for all debts, public and private..."

The new paper currency would soon be known as **Greenback Dollars** and were spent into circulation as interest free money. At the end of the Civil War, \$450 million worth of United States Notes had been issued.

In September 1994, the "Riegle Act", passed by a corrupt Congress, released the US Treasury from its obligation to keep United States Notes in circulation. In 1996, the US Treasury destroyed the remaining balance of \$100 United States Notes. Shame on Congress!

Ref.1. Lincoln Money Martyred by Dr. R.E. Search
Ref.2. The Federal; Reserve Report by C. E LeBeau

(To be continued in the next issue)

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The History of Money, Banks, and the Federal Reserve

New York Bankers meet in Secret at Jekyll Island (1910)

Secrets of the Federal Reserve

(Part 8)

by Conrad LeBeau

Eustace Mullins is the author of several books. They include:

1. Mullins on the Federal Reserve
2. The Federal Reserve Conspiracy
3. Der BankierDer Jekyll Island
4. The Difficult Individual, Ezra Pound

The 5th book he wrote was "Secrets of the Federal Reserve" that was published in 1983. The book is dedicated to "two of the finest scholars of the twentieth century - George Stimpson and Ezra Pound - who generously gave of their vast knowledge to a young writer in a field which he could not have managed alone."

In Chapter 1 of Mullins book, he writes about a secret meeting of wealthy New York bankers, who under the cover of going on a duck hunting trip, left Hoboken, New Jersey, on Nov 22, 1910, for a secret mission that lasted about two weeks.

The final text of the "Federal Reserve Act" was agreed upon at Jekyll Island. It was finalized over an earlier plan that was drafted by Senator Nelson Aldrich. The Aldrich plan was the basis for the meeting at Jekyll Island that followed. In his official biography, Senator Nelson Aldrich stated:

"In the autumn of 1910, six men went out to shoot ducks, Aldrich, his secretary Shelton, Andrews, Davidson, Vanderlip and Warburg. Reporters were waiting at the Brunswick (Georgia) state. Mr. Davidson went out and talked to them. The reporters dispersed and the secret of the strange journey was not divulged." (1)



Paul M Warburg

Paul Warburg was born in Hamburg, Germany, on Aug 10, 1868 to the Warburg family, a German Jewish banking dynasty with origins in Venice. He is credited with higher than average intelligence. He served with the original members of the Federal Reserve Board in 1914.

With the frequent panics that had been occurring under the National Banking Act of 1863 and public outcry for change, the bankers plotted to extend their control over the credit and currency system of the United States.

They discussed and agreed among themselves at Jekyll Island on the final framework for the Federal Reserve Act. Many details of the meeting at Jekyll Island are documented by Eustace Mullins in his book "Secrets of the Federal Reserve," 1983. Library of Congress No 83-072665.

An article in Wikipedia states: "Warburg died at his home in New York City on January 24, 1932... At the time of his death, he was chairman of the Manhattan Company and a director of the Bank of Manhattan Trust Company,

Farmers Loan and Trust Company of New York, First National Bank of Boston, Baltimore & Ohio Railroad, Union Pacific Railroad, Los Angeles & Salt Lake Railroad, Western Union Telegraph Company, American I.G. Chemical Company, ...and Warburg & Company of Amsterdam."

Three years after Jekyll Island, the Federal Reserve Act was signed by President Woodrow Wilson on Dec 23, 1913, conveniently timed just before Christmas so that many members of Congress may not have read or thought much about its contents before voting on it and leaving town for their Christmas recess.

Sometime, after signing the "Federal Reserve Act, President Wilson had regrets and stated:

"A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the nation, therefore, and all our activities are in the hands of a few men... we have come to be one of the worst ruled, one of the most completely controlled and dominated Governments in the civilized world. No longer a Government by free opinion, no longer a Government by conviction and the vote of the majority, but a Government by the opinion and duress of small groups of dominant men." (2) (To be continued)

References:

1. "Secrets of the Federal Reserve" by Eustace Mullins (1983)
2. "Money - Questions and Answers" by Fr. Charles E Coughlin (1936)

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The History of Money, Banks, and the Federal Reserve

Federal Reserve Privileges Unmasked - A License to Steal

(Part 9)

by Conrad LeBeau



Free Cash for Bankers

Within the demonic archives of the Federal Reserve Act of 1913, (the Act) and remaining up to this day, are 8 privileges that are specific powers granted to the Federal Reserve banks. Of the 8 privileges, #2 is a franchise monopoly and #8 is a constitutionality flawed cash giveaway to the banks.

The 2nd privilege is a credit and money monopoly that renews itself automatically every 20-years. There are no provisions for Congress to veto its policies. At the end of each fiscal year, the Fed pays a franchise fee to the US Treasury, but no one knows how it is calculated.

In 2026, we are in the 6th twenty-year cycle of the Federal Reserve's credit monopoly. Unless Congress or the Federal Courts void part, or all of this Act, it will renew for a 7th 20- year term on Dec 23, 2033.

The last privilege, no 8, is a secret cash trove written in coded language. It is a license for Federal Reserve bankers and their member banks to obtain the free use of currency from the US Mint for the trivial cost of printing, with no interest paid, nor any repayment of the cash advances required.

In 1981, I received a letter signed by Don Wynn, a Special Agent for the Federal Reserve who wrote that the Fed Res pays the U.S. Mint \$20.60 for 1000 notes regardless of denomination. In other words, in 1981, a Federal Reserve Bank could purchase 1000 One-Hundred dollars bills worth \$100,000 for \$20.60 or about 2 cents a note.

Not a bad purchase price for a privately owned business, you think? (1)

What are the Privileges?

There are 8 privileges granted to the 12 Federal Reserve banks in the banking act signed by President Woodrow Wilson on Dec 23, 1913. All eight privileges in the Federal Reserve Act are listed on page 4, Sec. 4. (1, 2)

Excerpts of Sec. 4 privileges:

"...the said Federal reserve bank shall become a body corporate and as such,shall have power—

"First. To adopt and use a corporate seal.

"Second. To have succession for a period of twenty years from its organization, unless it is sooner dissolved by an Act of Congress, or unless its franchise becomes forfeited by some violation of law."

(Note: Section 3, 4, 5, 6 and 7 are omitted in this article to save space).

"Eighth. Upon deposit with the Treasurer of the United States of any bonds of the United States in the manner provided by existing law relating to national banks, to receive from the Comptroller of the Currency-registered and countersigned as provided by law, equal in amount to the par value of the bonds so deposited, such notes to be issued under the same conditions and provisions of law as relate to the issue of circulating notes of national banks secured by bonds of the United States bearing the circulating privilege, except that the issue of such notes shall not be limited to the capital stock of such Federal reserve bank." (1)

The 8th Privilege Decoded

The term "circulating notes" is "Federal Reserve Notes." The same term as applied to the National Bank Act of 1863 means "National Banks Notes." The term "par value" means equal in dollar value. However the deception in no 8 is that it fails to distinguish between dollars as a debt and dollars as money. The government bond that is purchased by the bank is an IOU from the government to the bondholder.

The bond has no legal tender value for the payment of debts whereas the currency (Federal Reserve Notes) has legal tender value for the payment of debts, public and private. The currency is money with a fixed dollar value and the bond is a debt instrument.

A real asset to back up the lending of cash could have been a mortgage loan against the bank building. One problem with the law as written is that the exchange of cash for the bond is not a loan and the bond is called collateral with no terms and conditions to pay interest on the cash received and no terms to repay the principal either. The loose use of the term "collateral" is misleading and dishonest. This is a free cash giveaway to the bankers - all paid for by U.S. taxpayers.

The cash handouts are generous. Up to \$200 Billion of currency are given to the Fed Res banks every year for more than 100 years, Ten Trillion dollars is a fair estimate for all the almost-free-cash the bankers have received since 1913.

Ref1. The Federal Reserve Act of 1913. Archives of the Federal Reserve Bank of St Louis MO

2. "A Critical Review of the Federal Reserve" by Conrad LeBeau Free downloads - Lebeaubooks.com

-To be Continued-

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The History of Money, Banks, and the Federal Reserve

"No Records" - the Fed. Reserve's response to my FOIA requests

Part 10

Conrad Lebeau

My search for the forbidden secrets of the privately owned Federal Reserve Banks began with a Google search for a copy of the Federal Reserve Act (the Act) of 1913. What turned up from a Google search in March of 2024 was a copy of the Act with several sections missing.

In my further search for truth, I turned to the most honest source of information on the Internet, one that is not monetized by bankers or Wall St Oligarchs - called Wikipedia.

After I entered the search term - Federal Reserve - I retrieved an article on the Federal Reserve System, but no copy of the original Act of 1913, except I noticed at the end of the article an external link to the Fed. Res. Bank of St. Louis, MO.

I clicked on the link and immediately downloaded to my computer a copy of the original "**Federal reserve act**," all originally type written in single space lines. The reprint quality was dirty and not easy to read or understand, and the words "**reserve act**" were all written in lower case.

It was obvious from the choice of words and content with some sentences having as many as 200 words in them that it was written by bankers to empower the banks and to confuse the reader.

With all its imperfections, it was a treasure trove of information into the minds the bankers who wrote it, although US Senator Nelson Aldrich wrote the part of the Act on how the banking franchise would be dissolved if Congress terminated it or some part was found to be invalid.

No where in the Act was the word "unconstitutional" written as the bankers knew what they were doing could be overturned by either Congress or the Federal Courts. No challenge to its Constitutionality of the Act has ever been filed in any Federal Court in the past 112 years.



Father Charles Coughlin

During the Depression of the 1930s. Fr. Coughlin, a radio priest from Detroit, made a Sunday radio broadcast every week that reached 12 to 20 million people. He challenged the monopoly of the bankers and exposed their crimes. In response, he was attacked by newspapers (owned by bankers) for the spotlight he placed on their nefarious activities.

In 1936 he wrote a book called "**Money- Questions and Answers**," and I have copy of his original book. Here is an excerpt from his book on the cash for US bonds and the interest on the bonds the bankers collect even after being fully paid for the bonds, on page 49, he wrote:

"While these Federal Reserve Notes are in circulation the bank which pledged the bonds, collects the interest coupons from the bonds sent to the United States Treasury as collateral for the Federal Reserve Notes. Let me make it clear that the banks obtain government bonds by merely making bookkeeping entries.....They collect interest on the bonds deposited with the United States Treasury but pay no interest on the currency they receive from the United States Treasury."

The 8th Privilege

In my last essay, Part 9, I stated that the Fed. Res. Banks receive 100% of the cash value of the US Bonds they offer to the US Mint as collateral for the currency they receive while still collecting interest on the entire bond

In other words, the bankers get paid twice. This is fraud and stealing by the Federal Reserve Bankers from the US Treasury and the taxpayers. This is outright fraud and the people need to demand our money back.

Freedom of Information Act

On March 25th, 2024, I mailed a Freedom of Information Act (FOIA) request to the Federal Reserve Board (FRB). In my FOIA, I asked for 5 files or documents that would provide answers and insights into the inner workings of the Federal Reserve System. In their reply to my FOIA request, the FRB made lame excuses.

Free Cash for Bankers No Terms & Conditions

My second set of Freedom of Information Act (FOIA) requests was for 7 files or documents and was mailed to the Federal Reserve Board on April 24, 2024. In their reply, they again failed to provide any documents that the banks had any "Terms and Conditions" to either pay the cash back or pay any interest on it. Their reply was that they had "**no records**". They are a bunch of liars,

This means that the banks that buy Treasury Notes or Bonds get free cash for the full value of the Notes while also collecting interest on the bonds for months or decades. This is stealing - why is no one arrested?

You can download all my writings and exhibits on the Federal Reserve at **lebeaubooks.com**. You can watch a new video interview with me by Mark Anderson at **ukcolumn.org**

Scroll down to see video -To be Continued-

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The History of Money, Banks, and the Federal Reserve

The Money Laundering Practices of the Federal Reserve Banks

Part II

Conrad Lebeau

In Essay, Part 9, I explained how the privately owned Federal Reserve Banks buy currency from the US Treasury for the cost of printing and pay for it with a check. In this report, I offer evidence that the Fed. Res. bankers write checks that are not drawn against any bank account and yet are accepted by the U.S. Treasury. Where is the cash?

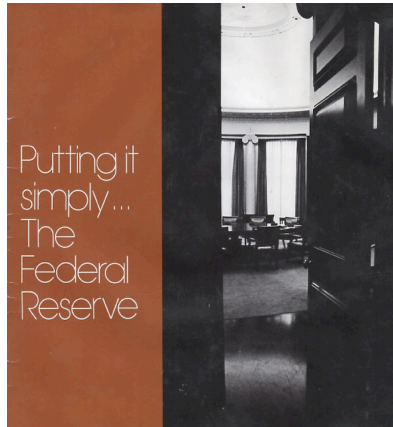
The Federal Reserve Bankers also buy U.S. bonds or T-Notes with checks that are not drawn against any bank account. Do they also pay for the currency they buy from the Bureau of Engraving with these same checks? The immediate answer is that no one knows because no one is asking.

How long has this practice of writing and spending bogus checks as money been going on? The practice has probably been going on since the first Federal Reserve Bank opened for business in 1914.

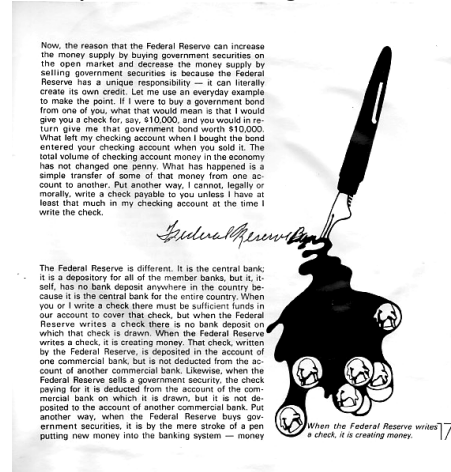
In reviewing the Federal Reserve Act of 1913, I found no part of this act that allows Federal Reserve banks to write checks with no bank account from which the funds are withdrawn. When a Federal Reserve Bank writes a check, there is a record of a deposit made on a receiving bank's computer but no funds are transferred to it from another bank.

If a private citizen writes a check to buy something and the check is not backed by money in his bank account, the check will bounce for "not sufficient funds" or NSF.

A private citizen or corporation cannot legally write a check without having funds in their bank account. Otherwise, they could be arrested. Federal Reserve Banks (all privately owned) apparently are operating a money laundering business.



In 1981, I obtained a pamphlet published by the Federal Reserve Bank of Boston titled **"Putting It Simply- The Federal Reserve."** This booklet discusses the structure of the Federal Reserve System but also discloses a few of its privileged secrets. On page 17 is an excerpt of the following statement:



"I cannot legally or morally write a check payable to you unless I have at least that much in my checking account at the time i write the check. The Federal Reserve is different.... When you or I write a check, there must be sufficient funds in our account to cover that check, but when the Federal Reserve writes a check there is no bank account on which that check is drawn. When the Federal Reserve writes a check, it is creating money. That check, written by the Federal Reserve, is deposited in the account of one commercial bank, but is not deducted from the account of another commercial bank. Likewise, when the Federal Reserve sells a government security, the check paying for it is deducted from the account of the commercial bank on which it is drawn, but it is not deposited to the account of another commercial bank. Put another way, when the Federal Reserve buys government securities, it is by the mere stroke of a pen putting new money into the banking system — money

What "Putting It Simply" Reveals

So the Federal Reserve Banks not only can buy currency for the cost of printing per the 8th privilege, they can also write checks not drawn on any bank account and when deposited becomes a mere bookkeeping entry in a computer call "money" that is actually fake money because it only exists as a record in the computers of a commercial bank.

This is one of several exhibits you can download for free at **lebeaubooks.com**. It is important that the research and supporting exhibits be distributed as widely as possible.

This is one path forward to challenge the credit monopoly of not only the Fed. Res., but the fraudulent practice of allowing banks to create money by lending "promises to pay money" as bank "credit" and then also collect interest on these fictional loans. Credit is not coin or currency and is not lawful money.

As the pieces of the financial puzzle come together, the legal basis for canceling (erasing) 90 to 99% of US and most of the world's debts to bankers rises from the ashes of a bankrupt world.

Legal issues never presented to a Federal Court in 112 years

1. Where in the U.S. Constitution does it give Congress the power to transfer its power to coin (or print) money to banks or any corporation?

Thomas Jefferson opposed Hamilton's bank and stated there was no Constitutional authority for a banking system to exist that creates and lend its own "credit" as money.

2. Why does Congress continue it sell its currency to the privately owned Fed. Res. banks for the cost of printing?

The answer is that members of Congress are ignorant, incompetent or corrupt.

3. Why does not Congress simply print currency and lend it direct to the public through the U.S. Postal Service System at low interest rates or interest free?

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The History of Money, Banks, and the Federal Reserve

The Great Depression started on Oct 29, 1929 - Will It happen again?

Part 12

Conrad LeBeau

It has been said that if we do not learn for the lessons of history, we are condemned to repeat them.

Carney, Michigan. It was 1956 and I was 13 years old. Living on a small dairy farm in the Upper Pennsylvania of Michigan just west of Nadeau and Carney, my father, Herbert J LeBeau, born in 1905, and who lived through the 1930's shared with me the causes of the Great Depression; how a small group of financiers on Wall Street and in the nation's biggest banks create money (credit), and manipulate the expansion of credit and debt to control the economic life blood of the nation.

One day while we were milking cows he told me when and how the Great Depression started. "Herby" as my mother called him, stated that there were two reasons for the stock market crash of October 1929, and the subsequent depression that followed.

First, Herb stated the Federal Reserve Board raised interest rates in 1929 making it harder for people to borrow money, and second, President Hoover tried paying off the U.S. National Debt. He said that both actions reduced the money supply, leaving a shortage of funds available to finance the purchases of consumer goods, services, and property.

He stated,

"Of course paying off the national debt was a noble idea but President Hoover did not understand that this would also create a depression."(1)

The basic problem is the debt nature of our money system and the creation and use of credit as money created by private banks. All money we use is borrowed into existence.

As loans are repaid, our supply of money shrinks and with it goes our ability to buy products and services that creates jobs. As a result, employment rises in proportion to the shrinking money supply.



Herbert J LeBeau 1978 photo

(In the above photo Herbert played the violin, his favorite musical instrument).

As a follower of Father Charles Coughlin, he stated:

"The nation's prosperity depends entirely on someone borrowing money to replace the loans that are being paid off."

He explained it this way: "Except for coins and a few United States Notes (Greenback Dollars) printed during the Civil War by Abraham Lincoln, the U.S. Government does not print money and spend it into circulation. If the Federal Government financed its deficits by printing money, they would have no need to borrow money (credit) from the banks and there would be no national debt." (1)

He further stated: "Imagine the entire nation's money supply as air in a balloon that is floating overhead. All the air (money) in the balloon is borrowed and owed back to the bankers. Thus the balloon has a continuous leak. Someone has to pump more air into the balloon to keep the balloon (our supply of money) afloat. Otherwise, the balloon collapses as it runs out of air just like the economy collapses when the supply of money dries up."

The U.S. Government's national debt, as well as the private debt, must grow every year or the economy will slide into a recession or worse. If the Federal Government tries to balance its budget or pay off the national debt, it will shrink the supply of money leading to economic hardships, unemployment, and foreclosures.

How Pres. Hoover could have ended the Great Depression

In 1930 President Herbert Hoover could have asked Congress to print and distribute 2 Billion dollars to all the American people and this would have ended the depression in about 30 days.

This would have placed \$20 into the pockets of all Americans over 18 years of age. It could have been distributed through the U.S. Postal System. In 1930, \$20 was worth about what \$2000 is in today's money. In 1930, gold was worth about \$35 an ounce. Today the value of an ounce of gold is over 100 times more.

When there is money to spend, the supply line moves. When there is a shortage of money, the supply line stops moving and the unemployment lines grow.

Like the 1930's, one answer to today's recession is simple math. Just print and distribute about \$2000 cash to all Americans through the U.S. Postal Service System, and let prosperity return.

Robert Hemphill, credit manager of the Federal Reserve Bank of Atlanta GA once wrote-

"If all bank loans were paid, no one would have a bank deposit, and there would not be a dollar of currency in circulation. This is a staggering thought. We are completely dependent on the commercial banks. Some one has to borrow every dollar we have in circulation, cash or credit."

"If the banks create ample synthetic money, we are prosperous; if not, we starve. We are absolutely without a permanent monetary system."

"When one gets the complete grasp upon the picture, the tragic absurdity of our hopeless position is almost incredible - but there it is. It is the most important subject intelligent persons can investigate and reflect upon. It is so important that our present civilization may collapse unless it is widely understood and the defects remedied very soon" (2)

(Ref 1: "Money Creation - from the Knight's Templars to Wall St Bankers" by C LeBeau - 2018
2. Famous Quotations on Money by C. LeBeau

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The History of Money, Banks, and the Federal Reserve

Why Credit Unions are a better choice than Banks

Part 13

Conrad LeBeau

Credit Unions are formed under charters passed by State governments or by the Federal government. They are, by statute, non-stock and non-profit institutions.

The first credit union in the United States was established in Manchester, New Hampshire on Nov 24, 1908 and was called St Mary's Cooperative Credit Association. Its origin was inspired by French immigrants from the Maritime province's of Canada.

Monsignor Pierre Hervey was instrumental in establishing this first credit union. Attorney Joseph Boivin voluntarily managed the credit union. Today, a museum on the history of the origin of credit unions resides in his former home. Enabling legislation for credit unions was passed by the Massachusetts legislature in 1908. (1)

With the great depression and hundreds of bank failures in the 1930's, credit unions grew in number and in public trust as an alternative to for-profit banks. By 2019 there were 5236 federally insured credit unions in the United States. (1)

Deposits in credit unions are insured up to \$250,000 by the National Credit Union Association (NCUA) whereas deposits in banks are insured by the FDIC. Historically, there has been friction and rivalry between banks and credit unions.

In January of 1967 I returned to Wisconsin after having served in the US Navy for two years on the oldest submarine in service at the time - the USS Grouper, No 214, that had seen service in World War II. (From 1965 to 1967) I was a 3rd class Quartermaster. I worked in the Submarine assisting in navigation.

Shortly after returning to civilian life, I found a factory job in South Milwaukee at Kyle Mfg. Co. that made electrical transformers. In the same year I became a member of the Kyle Credit Union.



You had to be an employee of the Kyle factory to join its affiliated credit union. The word "**share**" is an important word to remember as it means you are a "**part owner**" of the credit union that you join.

Credit unions offer services like checking accounts and loans for cars or to buy a home. Credit unions have a history of making loans at **lower interest rates than banks** and they don't have prepayment penalty clauses like many banks do.

Privately owned banks are "**for-profit**" corporations and they have stockholders and making money through their trade secrets is their Modus Operandi (MO). They can hold stocks or place their wealth in a private family trust or foundation like the Rockefeller Foundation.

Member banks of the Federal Reserve System are required to own shares of stock in the district of one of the 12 Federal Reserve Banks wherein they reside. The member banks also receive annual dividends on the profits of their district Federal Reserve Bank - all privately owned.

Fed. Res. District banks are a banker's bank and provide their member banks with cash or credit advances, approval of loans and act as a clearing house for checks drawn by one member bank against another member bank. They make entries in records that are treated as "money" even though there is little or no cash to back up these credit entries.

The Federal Reserve System is a syndicate of clever thieves who use secret methods for their own enrichment and power that they enjoy so much they don't change

professions very often. How many bankers have become farmers, plowed a field, pulled weeds, cut hay, milked cows or God forbid, got their hands dirty?

For-profit bankers don't like manual labor. Farmers often work from 12 to 16 hours a day and sometimes even 7 days a week. I know what life on a farm is like. I was raised on a dairy farm in upper Michigan in the 1950s.

My relatives who are Bankers

In the last decade I have learned that I have some relatives who are bankers or married a banker and they have lots of money.

My brother Jim had dinner in 2008 with our first cousin and her husband. They are both from upper Michigan where I was raised. Without using their last names, my cousin, Patricia, married Lee, who inherited a small fortune from his father who owned a small country bank.

In 2008 there was a financial crisis in the country and Lee and Patricia had invested and lost about a million dollars in the stock market. One day at a dinner table, my brother told Lee and his wife that "*a million dollars is a lot of money to lose.*" Lee replied: "*Not really when you have more millions.*"

Last year, Jim also told me we have a 2nd cousin in California who is the CEO of a bank and he is also a millionaire. It must be nice.

For all the foregoing reasons, you can do something today to create a more fair and just economic system. As a first step, open an account at a local credit union. Transfer money from your bank account to your new credit union account and be an owner of "shares" and be proud of it.

-to be continued in the next issue-

Ref 1: Wikipedia.org and family sources.

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""The History of Money, Banks, and the Federal Reserve

It is time to join Credit Unions and Boycott the Banks

Part 14

Conrad LeBeau

In the history of the world, we the living, have inherited from our forefathers, either the sweet taste of their fortunes or the sour grapes of the debts they have left us. If you were not born with a silver spoon in your mouth, then maybe your Papa was a rolling stone, and "when he died, all that he left was a loan."

Our forefathers, in drafting the U.S. Constitution, left future generations with a get of debt (jail) card - it is called the Bankruptcy clause. It is found in Art I Sec 10 of the U.S. Constitution and can be used to cancel a large swath of both public and private debts and to stop high interest rate loans and extreme credit cards interest rates.

In the 250 years since this republic as founded, our ancestors in Congress have failed to provide us with an honest money system. What we have inherited instead is a broken system of borrowing credit from banks while pretending that their credit is money when it is nothing more than "a promise to pay money."

What is money?

J.P Morgan once stated, "gold is money and all else is credit" Money is an artificial creation of governments and it began with coins minted in gold or silver metal. Over time, money evolved to include paper currency redeemable in coins and eventually a fiat currency that was not redeemable in gold or silver but was legal tender for the payment of debts.

Currency included United States Notes printed during the Civil war and fiat Federal Reserve Notes printed after June 24, 1968 when redemption of silver certificates for silver ended.



Occupy Wall St Oct 6, 2011

The **Bank of North Dakota** was chartered by the state of North Dakota in 1919, and is totally owned by the state. All the profits from this bank have benefited all of the people in North Dakota since its origin and this bank is not part of the Federal Reserve System. (1)

This is the only 100% government owned bank in the United States and should be an example for other states, cities and municipalities to emulate. We need more government owned banks whose profits benefit the many instead of the few.

Banks and Digital Dollars

The creation of money whether it is coins, currency or computer generated must be solely a government function. If it is not, the bankers who hold this power will eventually have more power than the government itself and ultimately they will end up owning everything.

Today, over 90% of what we borrow and spend as money is not cash (coins and currency), it is "credit" where numbers called dollars are created by banks with checks, e-funds and credit cards. The cash stored in bank vaults is not sufficient to support the credit instruments

banks create. Banks use checks and lines of credit as a substitute for currency. If the banks only loaned cash, the whole banking system would collapse. Banks create the credit they lend while charging "interest" on their credit (promises to pay money). The nation needs an honest money system and credit unions are by far a better choice than privately owned banks.

The differences between Banks and Credit Unions

Credit Unions are not under the control of the Federal Reserve System as they are state chartered. When you join a credit union, you are a **shareholder** and you have the right to attend an annual meeting and vote to keep the current Board of Directors or to replace them. (1)

Credit union voters are democratic. One shareholder has one vote whereas in a bank the voting power goes mostly to the for-profit bank stockholders who own the most stock.

Credit unions offer loans at **lower interest rates** than most banks for the same types of loans. Unlike banks, Credit unions do not have special privileges like banks have under the Federal Reserve Act. (One example is the 8th privilege that allows banks to collect twice on the T-Notes and U.S. Bonds they buy. See Report No 9 for details)

Boycotting Banks will curb their power and influence

Since Congress prefers to sit on its hands and do nothing about the dishonest money system, the people can start the process of shutting down this corrupt money monopoly by transferring their funds from banks to credit unions.

For all the foregoing reasons, you can do something today to create a more fair and just economic system. Join a local credit union. (to be continued)

Ref 1: Wikipedia.org on the Bank of N. Dakota.
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The History of Money, Banks, and the Federal Reserve

BIG-BANK PROBE URGED

Part 15

Conrad LeBeau

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[The following is an exact reprint from the Milwaukee Sentinel article of July 9 1968 (1)]

"Handful Controls Industry"

Washington D.C. — The chairman of the house banking committee Monday called for an antitrust investigation of a handful of banks which he said control more than half of the nation's trillion-dollar investment industry.

Rep. Wright Patman (D- Texas), in a letter to Atty. Gen. Ramsey Clark, asked the justice department to "look into the antitrust questions raised by the serious and widespread problems of interlocking stock holdings and directorships."

He acted after his panel's domestic finance subcommittee issued a 2,000-page report on a study of nearly all of the 3,125 United States Banks which operate trust departments. The study said that of the \$1 trillion in assets held by all institutional investors in the country, nearly 60%, or \$607 billion, is held by commercial banks. Of the \$607 billion, it said \$250 billion is held by bank trust departments.

It added that 49 big-city banks hold slightly more than 54% of all bank assets in the nation. These banks, the subcommittee reported, are in Baltimore, Boston, Chicago, Cincinnati, Cleveland, Detroit, Hartford, New York, Philadelphia and Pittsburgh.

The report said the Morgan Guaranty Trust Co of New York holds \$16.8 billion in trust assets, which the subcommittee said is more than the combined assets of the 36 banks in California that were included in the study.

Patman, in his letter to Clark, said that the Morgan bank has 7.5% of the common stock of American Airlines and that some of its directors also serve on American's board.



The same bank, Patman said, also owns 8.2% of United Airlines common stock and 7.4% of the common stock of Trans World airlines. No one can question that these major domestic air carriers are in direct competition and yet each has as its largest stockholder a single banking institution," Patman wrote Clark.

"In addition," he said, "the Cleveland Trust Co holds large blocks of stock in the interlocking directorships with three competing iron ore corporations and two of Cleveland's largest department stores."

Chicago's five largest banks are in a position to control a huge sector of the area's economy through trust accounts, stock holdings and interlocking directorships, according to the report.

The report said the five banks own 5% or more than of the stock in over 1000 corporations, have interlocking directorships with more than 600 firms and hold more than 93% of all bank trust assets in the Chicago area.

In its study of banking in the Chicago area, the staff reported these findings:

The five leading banks dominate in Chicago and have 814 interlocking directorships with 638 companies. An interlocking directorship when a person is a member of the governing bodies of both a bank and another company.

They hold 5% or more of one or more classes of stock in 1139 corporations. They are the depositories of \$19.6 billion in trust assets or 93.47% of all such assets in the area.

The report focused on the First National Bank of Chicago, which it said, "has by far, the most extensive interlocking relationships with other corporations of any Chicago bank and one of the most extensive of any bank surveyed." Second in size is the Continental Illinois Bank, followed by the Northern Trust Co., Harris Trust and Savings Co., and American National Bank and Trust Co.

First National holds substantial stock in 401 firms, many of them major corporations (are) in direct competition with each other, the report said. The subcommittee's report said the concentrated holdings of assets, plus the dual director roles indicated, "that banks by virtue of their trust powers alone possess the power to dominate the behavior of large segments of U.S. industry."

(End of article)

Update from 1968 to 2026 - A span of 57 years

How much more of the media, drug companies, AI Data Centers, and hundreds of corporations have the big banks invested in or control today? What is their agenda? No one knows because no one in Congress or the media is asking or investigating.

In the past 57 years, inflation caused by the interest collected on the exploding national debt that is owed to the banks has increased the value of their 1968 holdings by 10-fold.

Ref: 1 The Milwaukee Sentinel July 9, 1968

What can you do? You can do something now to create a more fair and just economic system. Close your bank accounts and join a local credit union today. Download or order a hard copy of all my research on the banking system at <https://lebeaubooks.com>

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HIGH INTEREST RATES CAUSE INFLATION

Part 16

Conrad LeBeau

Federal Reserve Policy Fails

The longest experiment in high interest rates to curb inflation was done under the rein of Federal (Fed) Reserve (Res) Chairman Paul Volcker.

Volcker was appointed by Pres. Jimmy Carter in 1979 and served as chairman of the Federal Reserve Board until 1987. Previous to his role as the "inflation fighter," Volcker was President of the Federal Reserve Bank of New York.

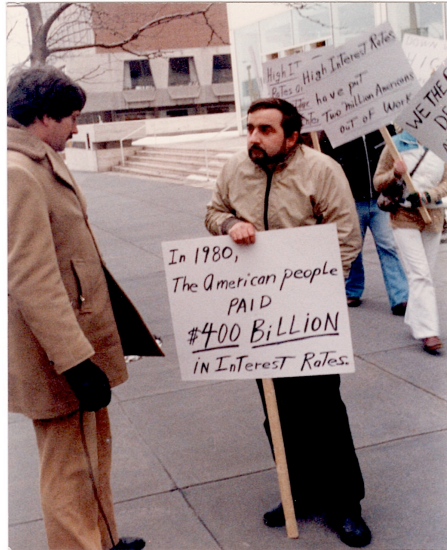
Earlier, Volcker had attended Princeton University and later graduated from the "Woodrow Wilson School of Public and International Affairs." In his senior thesis, titled "The Problems of Federal Reserve Policy since World War II", Volcker criticized the Federal Reserve's post-WWII policies for failing to curb inflationary pressures, writing -

"a swollen money supply presented a grave inflationary threat to the economy. There was a need to bring this money supply under control if the disastrous effects of a sharp price rise were to be avoided." (1)

Flawed Economic Theories

I doubt that Paul Volcker, born with a silver spoon in his mouth, has ever given a damn about the common man, burdened with the high cost of repaying bank loans. There are many causes of inflation. These include the cost of energy, shortages of oil, gas and electricity, food and housing, and least I forget, the burden of the high cost of interest paid on public and private debts.

The current war in Iran started by President Trump has driven up transportation costs, raw materials and consumer goods prices. Other factors include drug and medical monopolies, some public and private unions, excessive government regulations and excess taxes from a government's wasteful spending.



Feb 1 1981 photo of Conrad LeBeau (Photo above shows me leading 17 people on a protest against Paul Volcker's 18% interest rates. A TV reporter from Channel 12 interviews me)

Volcker did not learn that by increasing the cash reserves of banks, it would reduce their ability to create and lend credit and this would decrease the money supply that he blamed for inflation. Bankers prefer little or no reserve requirements as they can make more loans at higher interest rates and make more profits.

High interest rates imposed to service bank and credit card debts are added to the cost of buying property, producing and transporting energy, consumer goods and services. Thus, the interest rate burden, also known as "usury," is passed on to consumers in higher prices.

While the bankers make more profits, the so-called high interest rate war on inflation has caused millions of people in the 1980's to go bankrupt, lose their homes, farms, and small businesses. I give Paul Volcker and the Fed's high interest rate policies an F (failing) grade,

What Volcker was also not taught at the prestigious schools he attended is that "debt" is a form of money since one person's debt is another person's "assets." Credit is also a form of money, as credit, like debt, is "a promise to pay money."

Why the Fed won't raise the Bankers Cash Reserves

The Federal Reserve could reduce the money supply anytime to "fight inflation" without increasing interest rates simply by raising the cash reserve requirements of banks while lowering interest rates at the same time, but greedy bankers oppose this.

Right now, the Federal Reserve is sitting on its high interest rate policies as the economy continues to limp along with over 60% of the American people struggling to make ends meet on a month to month basis. Like Volcker, the current Federal Reserve Board is a failure; they, along with the Federal Reserve Open Market Committee; they should all resign or be fired by Congress.

Fractional Reserve Banking

The following is an excerpt from an article at wikipedia.org -

"Fractional-reserve banking is the system of banking in which commercial banks make loans by accepting borrowers' promises to repay and creating corresponding bank deposits. These deposits are liabilities (IOUs) of the bank and function as money.[1]

"Under fractional-reserve banking, banks hold only a fraction of their deposit liabilities as reserves in the form of cash or balances at the central bank. Fractional-reserve banking differs from full-reserve banking, under which banks would be required to hold reserves against all demand deposits, limiting their ability to create money through lending."

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Ref: 1 Wikipedia.org Paul Volcker

What can you do? You can do something now to create a more fair and just economic system. Close your bank accounts and join a local credit union today. Download or order a hard copy of all my research on the banking system at <https://lebeaubooks.com>

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BEN BERNANKE'S LOW INTEREST RATE POLICIES SAVED CONSUMERS BILLIONS

Part 17

Conrad LeBeau

Ben Bernanke - The Fed Chairman from Main St

An economist from Main St (not Wall Street), Ben Bernanke was a friend of the common man and was not a puppet of the financial overlords of Wall St. He was appointed by Pres. George W Bush as Federal Reserve Board Chairman on Feb. 1 2006 for an eight year term.

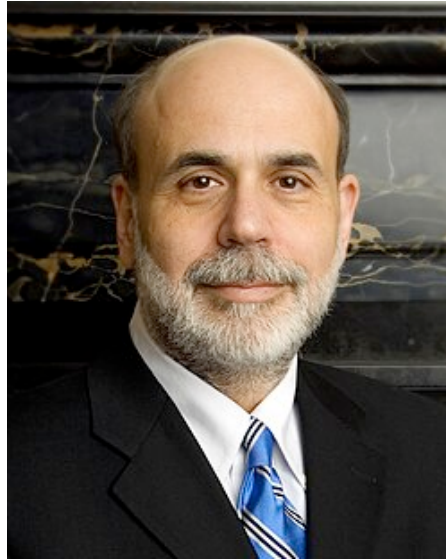
When the credit markets froze-up in the last days of the Bush administration in 2008, Ben Bernanke, as Chairman of the Federal Reserve Board (FRB), put all options on the table to prevent the economy from sliding into a 1930's style depression.

He reduced the Discount rate and Federal funds rate to zero percent and that helped mortgage rates fall to 2%. Ben Bernanke's policies lasted past his 2nd term as Fed Chairman. In fact, they lasted through all of President Trump's first term. In Oct of 2020, I obtained a 7 yr home mortgage loan for 2.29%.

American International Group (AIG) was one of the first Wall Street corporations to receive a loan (\$120 billion) from the Federal Reserve.

At the time the mass media incorrectly reported that taxpayer money was used, in fact, the Federal Reserve Board created the money it used to bail out AIG. No tax dollars were ever used. Some talking heads on TV claimed that the Federal Reserve Board was "printing money." This is not true because only Congress authorizes the Bureau of Engraving to print money.

In 2008, AIG, a large and stable insurance company had insured mortgages against default. As the real estate bubble burst and property values began falling, numerous defaults on mortgages became the liability of AIG.



Ben Bernanke Fed Chr from 2006 -2014

In 2008, the New York Times reported that AIG's third quarter loss of \$5.3 billion as less than its first quarter loss of \$7.8 billion. However, in the third quarter, losses spiraled out of control and by the end of 2008, AIG had reported over \$99 billion in losses. (3)

In September, 2008, Henry Paulson, then Treasury Secretary under President George Bush said the major financial credit markets had frozen and credit to smaller country banks had stopped flowing. Paulson warned that the entire financial system was teetering on the verge of collapse.

Even before Congress approved a bank bailout, the Federal Reserve directly wrote AIG a check for \$120 billion that was soon followed by another \$30 billion loan. The media has incorrectly reported that this was taxpayer money. It was not. The Federal Reserve Board directed the creation of this digital money by the Federal Reserve Banks.

The Federal Reserve Banks are already empowered to write a check against no funds and then deposit it as money. This creation of money (credit) with a check, or with a few keystrokes on the computers of the

Federal Reserve Banks, was the source of all the credit (bookkeeping entry dollars) that were used to finance the bailouts.

The truth of the matter is that 1 or more of the 12 Federal Reserve District Banks created the money as a bookkeeping entry, and used it to bail out the biggest banks on Wall Street that were unable to follow their own rules for staying solvent.

In 2014, Senator Ted Cruz, in a presidential debate, was critical of Bernanke's "Quantitative easing." Cruz's wife was employed at Goldman Sachs and may have been influenced by Wall St bankers who opposed Ben's policies that cut into the profits bankers made from lending their credit.

"The Courage to Act" (2)

In his book 'The Courage to Act,' Bernanke used the Fed's powers to create "credit" as a form of money to prevent the total meltdown of the US and world economies. His efforts were successful for a few years, at least, at preventing the total collapse of the US economy.

While I gave Paul Volcker an F (failing grade) for his performance in my last essay (See Part 16), I would give Ben Bernanke an A - the highest grade for any Fed Chairman in the history of the Federal Reserve.

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Ref:

1. Money Creation by C Lebeau
2. The Courage to Act by Ben Bernanke
3. Wikipedia.org on Ben Bernanke

What can you do?

You can do something now to create a more fair and just economic system. Close your bank accounts and join a local credit union today. Download a copy of all my research on the banking system at **lebeaubooks.com** and email a copy to everyone on your mailing list. Also, order a printed copy or donate if you are able to.

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