

INTEREST RATES AND MANAGEMENT OF THE FEDERAL DEBT

I. Money Markets and Monetary Policy

A. Implications of pegged markets

1. Self-inflamatory expansion and contraction
2. Loss of control over flow of expenditures

B. Implications of monetary policy directed
toward stable economic growth

II. The Treasury-Federal Reserve Accord

III. Debt Management and Monetary Policy

A. Marketable and non-marketable debt

B. Variations in terms of marketable debt

C. Financing deficits and maturities

IV. Conclusions

Coordinated monetary and debt management policies

KFB
6/25/52