

## Index

- account holdings, 304–5
- advance refundings, 242, 251–54, 306, 331–33
  - after mid-1965, 333–34
  - Roosa on, 333
  - stand-alone offerings and, 334–35
  - Treasury bond auctions and, 441–42
- advances, 143
- after-hours trading, 226–27
- agency collateral, 359–61
- aggregate reserve requirements, 38
- aggregate reserves, 38–39
- Aldrich, Winthrop, 27–28
- Allen, Carl, 250–51
- Anderson, Robert, 254
  - Martin and, 224, 234–35, 257–58
- anti-war protests, 436–37
- arbitrage, 286
- assets, 14–15
- Association of Primary Dealers in United States Government Securities (Primary Dealers Association), 371, 410, 445, 499, 520
  - formation of, 378–79
- assured reinvestments, 249
- attrition rate
  - eliminating, 248
  - on exchange offerings, 175–77, 232
  - on maturing debt, 438
  - of maturing notes, 208
  - rock bottom, 180
  - unpredictable, 242
  - unusually high, 233
- Aubrey G. Lanston & Co., 104–5, 261, 371–72, 378–79
- auction innovations, 526–27
- auction mechanics, 444
- auctioning bonds, 335–36
- August money panic, 344–46
- Axilrod, Stephen, 348–49, 483–84, 486–87
- bail outs, 189–92
- Baird, Julian, 228, 234–35, 252–53, 266
- balance-of-payments deficit, 290
- Balderston, C. Canby, 138, 182, 278–79
- bank borrowing, 138–39
  - at discount window, 463, 469
  - from Federal Reserve, 141
  - fluctuations in, 172
  - interest rates and, 171–72
- bank dealers, 484
- bank demand, 462, 478–79
- bank liabilities, 30–31
- Bank of America, 497
- Bank of England, 280
- bank officials, 86
- bank reserves, 113–14, 272
  - sale transactions on, 408
  - stabilizing, 199
  - Thomas on, 277
- Bankers Trust Co., 23–24, 53, 66, 104–5, 371–72, 388
- Banking Act of 1933, 345, 466
- Banking Act of 1935, 33–34, 49
  - Federal Reserve Act and, 27–28
  - Section 205 of, 152
  - Section 206 of, 22
- banking system, 133–34
- Banks for Cooperatives, 360
- Barr, Joseph, 369–70
- Bartow, Francis, 372
- Bartow, Leeds & Co., 104–5, 372
- bearers, 387–91

- bearers (cont.)
  - securities, 394–95, 398, 419
  - Treasury securities, 506
- Bennett, Jack, 445
- Bevill, Bresler & Schulman Asset Management, 528–29
- Bilby, Harold, 395–96
- bill auction rates, 179–80
- bill issuance, 244
- bill market, 241–42, 514
- bill rate, 284
- bill strips, 323–25, 334, 430
- bill yields, 26–27
- bills auctions, 18–20
- “bills only” doctrine, 94–95
- “bills preferably” doctrine, 94–95, 229, 233–34
  - FOMC commitment to, 518
  - Martin and, 297
  - short-term securities and, 234
- blind brokerage, 497–500, 504
- Blyth & Co., 371–72, 376–77
- Blyth Eastman Dillon Capital Markets, 497
- Blyth Eastman Dillon & Co., 497
- Board of Governors, 10, 76, 257, 282, 292, 369–70, 530–31
  - annual report of, 121, 123, 128
  - Banking Act and, 33–34, 49
  - Burns and, 412
  - discount rate and, 159
  - Division of International Finance, 288
  - Division of Research and Statistics at, 11–13, 42–43, 49–51, 195, 373–74, 486
  - Eccles and, 15–17, 28, 49–51, 153
  - Holmes and, 377
  - Lombra and, 462–63
  - Martin and, 84, 138
  - reserve requirements and, 33, 42, 144, 215–16
  - staff of, 411
  - supervision of, 162
- bond coupon rates, 441–42
- bond market, 225
  - disorderly, 226
  - needing rest, 227–28
- bond prices, 117, 223
  - decline in, 225
  - rising, 218
- bond purchases, 286–87
- bond yields, 333–34
- book-entry securities, 399, 510
- book-entry system, 413, 519–20
- categories of Treasury securities outside of, 421
- close, 510
- expansion of, 493, 506–10
- first implementation of, 416–19
- issues in creating, 414–16
- marketable Treasury debt and, 505–6, 509
- origins of, 413–14
- second implementation of, 419–21
- TreasuryDirect, 511–12
- Bopp, Karl, 299, 385
- Bordo, Michael D., 310–11, 313–14
- Bretton Woods, 4–5, 273–75, 311–14, 316
- Briggs, Schaedle & Co., 104–5
- Brill, Daniel, 486
- Brimmer, Andrew, 358, 361, 366, 368, 385, 406
- Brunner, Karl, 141–43
- Bryan, Malcolm, 140–41, 144–45, 160, 172, 234, 288–89, 309
- Burger, Albert, 342, 344–45
- Burgess, W.R., 51, 107, 206–7
  - Riefler-Burgess framework, 142
  - SOMA and, 207
- Burns, Arthur, 316, 483–84
  - Board of Governors and, 412
  - on monetary policy, 487
  - on operations in federal agency debt, 488
- capital gain, 443–44
- Carlock, John, 395–96
- Carroll McEntee & McGinley, Inc., 497
- cash management bills, 431–33, 519
- cash refundings, 242, 248–49, 329
- cash subscription offerings, 20
- central banks, 85, 216
- central reserve cities, 31
- certificates of deposit, 344
- certificates of indebtedness, 148
- C.F. Childs & Co., 23–24, 53, 66, 104–5, 371–73
- Chandler, Lester, 50
- Charles E. Quincey & Co., 23–24, 104–5
- Chase Manhattan Bank, 388, 497, 500–1
- Chase National Bank, 27–28
- check collection, 468, 517
- Chemical Bank New York Trust Co., 388
- Chemical Bank & Trust Cop., 67, 371–72
- Chemical Corn Exchange Bank, 104–5
- chronic deficits, 28
- city banks, 143, 216
- C.J. Devine & Co., 24–25, 53, 66, 104–5, 372

- classical economics, 129
- Clay, George, 298, 487
- clearing banks, 422, 519–20
- clerical error, 393
- closing prices, 223
- Coates, E. Craig, 503
- collateral scarcity, 357
- collateralized obligations, 467
- commercial bank checks, 392
- commercial banks, 401, 466
- Committee of Governors on Centralized Execution of Purchases and Sales of Government Securities by Federal Reserve Banks, 50
- competitive tenders, 444
- computation periods, 34–35
- Conference of Presidents, 417
- consumer credit, 111
- consumer spending, 215
- Continental Illinois National Bank and Trust Company, 53, 55, 60–61, 66, 104–5
- Continental Insurance Company, 506
- Coolidge, T.J., 28
- Coombs, Charles, 311–14
- Corrigan, E. Gerald, 263
- country banks, 31, 34
  - reserve requirements and, 143
  - Sproul on, 143
- coupon offerings, 473
- coupon rate, 173–78, 444
- coupon-bearing debt, 4–5, 17–19, 357
  - auctioning, 6, 425, 516
  - exchange offerings of, 250
  - Federal Reserve and, 5, 23
  - Federal Reserve System and, 301
  - fixed-priced offerings of, 254
  - issuing and redeeming, 242–43
  - major programs of, 326
  - open market purchases of, 306
  - platform for issuing, 327
  - regularized issuance of, 243
  - sale of, 336
  - short-term, 304–5
  - too large to absorb comfortably, 242
  - Treasury cash offerings of, 174
  - Treasury exchange offerings of, 176–77
  - Treasury issuance of, 236–38
  - Treasury offerings in 1956, 204
  - Treasury offerings in 1957, 205
  - Treasury offerings in 1958, 219
  - Treasury offerings in 1959, 244
  - Treasury offerings in 1960, 245
  - Treasury offerings of, 108, 173–75, 178, 180–81
- coupon-bearing securities, 4–5, 319
  - auction offerings of, 423, 439–40
  - auction process not extended to, 254
  - bill market and, 241–42
  - cash offerings of, 250
  - interest rates on, 153
  - maturing, 243
  - mid-quarter refunding dates for, 247
  - short-term, 284–86
  - Treasury offerings of, 173
- coupon-bearing Treasury debt, 76, 82, 345
- coupon-bearing Treasury offerings, 237
- coupon-bearing Treasury securities, 302, 305–6, 311
- CPD settlement, 390–93
- CPD transfers, 394–96, 398, 416–17, 507–8
- credit aggregates, 122
- credit control, 87
- credit demands, 111–12
  - seasonal, 112
- credit instruments, 260
- credit market, 111–12
- credit policy, 119, 129
  - administering, 208
  - debt management and, 189
  - objectives of, 130, 514
- credit restraints, 278
- credit unions, 222
- creditors, 291–92
- crude oil prices, 477
- Culbertson, John, 292
- currency
  - behavior of, 464
  - drains, 357
- currency demand, 113
  - seasonal, 203–4
  - spike in, 199, 201
  - transient, 364–65
- currency in circulation, 147, 464–65
  - fluctuations in, 150, 182–83, 199
  - weekly averages of, 200
- custodial banks, 388–90
  - securities bought with, 395
- customer orders, 267
- D. W. Rich & Co., 373
- Daane, J. Dewey, 253–54, 356, 368, 374–76, 489
- Dale, Edwin, 234

- data collection, 98, 264–65, 406–7
    - Federal Reserve Bank of New York on, 261
    - proposal for, 262–64
    - Young and, 264–65
  - dealer finance, 266–67, 380
    - barely adequate, 382
    - discount window and, 384
    - Federal Reserve System assistance to, 385–86
    - Joint Study on, 382
    - money market and, 380–81
    - problems with, 383
  - dealers, 22, 26–27, 117–18, 211. *See also*
    - nonbank dealers; primary dealers;
    - qualified dealer program; recognized dealer program; reporting dealer program
  - access to credit, 267
  - adequately-capitalized, 498
  - association of, 267–68, 369
  - auction long-term bonds not popular with, 445
  - bank, 484
  - bid prices of, 224
  - carrying costs, 155
  - categories of, 263
  - designated as counterparties in open market operations, 213–14
  - discount rate and, 358
  - failure on delivery commitment, 400–1
  - Federal Reserve Bank of New York, dealer positions and, 258
  - Federal Reserve Bank of New York and, 67
  - Federal Reserve Banks repurchase agreements with, 154
  - Federal Reserve System and, 61
  - financial condition of, 260
  - financial difficulties, 375
  - financing needs of, 357
  - financing requirements, 349
  - financings of Treasury securities, 265
  - FOMC and, 93
  - of Government securities, 55–56, 60, 257, 266, 497
  - Hayes on access to individual dealer data, 264
  - Holmes and, 341
  - individual dealer data, 262
  - interdealer market, 26, 493, 495, 497–99, 504
  - maturing securities and, 187
  - meetings with individual, 98
  - New York and Chicago-based, 401
  - non-qualified, 97–98
  - Open Market Account and, 103
  - Open Market Desk and, 285
  - open market operations and, 88, 340–41
  - positions in rights, 355–56
  - positions in Treasury bills, 357
  - positions in Treasury securities, 265
  - positions of, 259
  - post-auction dealer market, 254
  - public disclosure of dealer positions and transactions, 258
  - qualification requirements for, 92–98
  - regional, 25
  - relations, 101–2
  - relatively large number of, 25–26
  - requests for same-day settlement, 408
  - Rouse on access to individual dealer data, 264
  - short sales and, 403, 411
  - transactions in Treasury securities, 265
  - Treasury, 153
  - Treasury offerings and, 341
  - Treasury securities, borrowing, 400
  - in Treasury securities, 163
  - underwriting activities of, 266
  - volatility and, 71
- Debs, Richard, 507–8
- debt management, 237. *See also* Treasury debt
- coherent strategy for, 319
  - credit policy and, 189
  - effective, 341
  - improving, 518
  - initiatives, 242
  - innovations in, 254
  - monetary policy and, 95
  - reserves management and, 96
  - significant changes in, 423
  - in World War II, 11–13
- debt maturities, 306
- debt monetization, 40, 80
- debt-to-GNP ratio, 2
- defense expenditures, 76
- defensive operations, 1–3
- deficit financing, 28–29
- deficit forecasts, 451
- demand deposits, 31–34
- Deming, Frederick, 261
- Department of Statistics on Market Operations, 262–63
- deposit liabilities, 32, 34, 315
- depository banks, 186

- Devine, Christopher, 372  
 Dillon, C. Douglas, 265  
 direct purchase authority, 432–33  
 direct trading, 86–87  
 Discount Corp., 23–24, 53, 66, 104–5, 378–79  
 discount rate, 40, 82, 343–44  
   Board of Governors and, 159  
   dealers and, 358  
   Federal funds rate and, 470  
   of Federal Reserve Bank of New York,  
     145–46, 171, 180–83, 198, 217, 276,  
     283, 469–71  
   changes in, 199  
   raising, 76  
   repo rate and, 365  
 Federal Reserve Banks raising, 197  
 fixed, 133–34  
 Government securities and, 161  
 higher, 144  
 increases in, 180–82, 346  
 Mills on, 278  
 reduction in, 209  
 repo credit and, 154–55, 163, 481–82  
 repo rate and, 162, 363–64, 368, 480–81  
 repos and, 155–56, 343–44  
 Robertson and, 367  
 Sproul and, 182  
 Thomas on, 159  
 discount window, 342, 353  
   bank borrowing at, 463, 469  
   credit, 193, 385  
   dealer finance and, 384  
   liberal access to, 382  
   loan from Federal Reserve Banks, 416  
   volume of borrowings, 470–72  
 disengagement, 299–301  
 disorderly markets, 94–95, 107, 262–63. *See*  
   *also* orderly markets  
   bond market becoming, 226  
   correction of, 130  
   FOMC declaration of, 213, 215  
   Hayes and, 228  
   identifying, 231  
   Mills and, 229  
   Rouse and, 120–21, 230  
 disorderly trading, 228  
 dollar-denominated reserves, 274  
 dollars, value of, 4–5  
 Dow Jones, 226–27  
 Drysdale Government Securities, Inc., 527–28  
 duPont, Glore, Forgan & Co., 497  
 D.W. Rich & Co., 66–67, 104–5  
 dynamic operations, 1–3  
 Earhart, C.E., 170–71, 190  
 Eccles, Marriner, 51, 56–57  
   Board of Governors and, 15–17, 28, 49–51,  
     153  
   Executive Committee of FOMC and, 63–65  
   nonbank dealers and, 155–56  
 economic activity, 167–68, 346–47  
   accelerating pace of, 168  
   FOMC assessment of, 197  
   inflationary implications of, 169  
   monetary policy and, 215–16  
   monitoring, 135–36  
   peaks in, 215, 337, 347  
   recession in aggregate economic activity, 269  
   upturn in, 299  
   weak, 208–9  
 Economic Club of Detroit, 105  
 economic conditions, deterioration of, 215  
 economic contraction, 215–16, 288  
 economic expansion, 167–70, 195, 310–11  
 economic growth, 140, 289  
   FOMC and, 463  
   promoting, 380  
   sustainable, 196  
 economic performance, 337  
 economic recovery, 167, 294, 320–21, 337, 518  
 economic stability, 168–69  
 Eichengreen, Barry, 310–11  
 Eisenhower, Dwight, 107, 226–27, 335  
 electronic transfer system, 413  
 empirical evidence, 313  
 Erickson, Joseph, 121  
 ESM Government Securities, 528–29  
 estate taxes, 81  
 European-American Bank and Trust Co.,  
   396–97  
 even keel, 347–49, 514–15  
   end of, 473  
   Martin and, 348–49  
   Meltzer on, 348  
   money market on, 180  
   during Treasury financing, 179  
   during Treasury offerings, 180, 459–60  
 excess reserves, estimate of, 462  
 exchange markets, 85–86  
 exchange offerings, 21, 244–45  
   assured reinvestments associated with, 249  
   attrition rate on, 175–77, 232

- exchange offerings (cont.)
  - of coupon-bearing debt, 250
  - fixed-price, 242
  - speculative interest and, 222–23
- exchange refundings, 329, 441–42
- exchange rights, 251–52
- exchange securities, 251
- exchange-eligible debt, 21, 329
- failed initiatives, 517
- Fails Crisis (1969), 406–8
- federal agency debt, 359–60
  - market, 485
  - operations in, 488–90
  - outright transactions in, 475, 487, 489
  - repos on, 361
  - SOMA and, 491
- federal cash disbursements, 146–47
- federal debt, 236
- Federal Farm Credit Banks, 359
- Federal funds
  - market, 37–38
  - rate, 146, 171, 198, 217, 342, 365–67, 459, 461
    - behavior of, 472
    - discount rate and, 470
    - Federal Reserve Bank of New York and, 470
    - open market operations and, 472
    - target level of, 470–72
  - trading, 343–44
- federal government deposits, 416
- Federal Home Loan Banks, 359–60
- federal indebtedness, 1
- Federal Intermediate Credit Banks, 360
- Federal Land Banks, 360
- Federal National Mortgage Association, 359–60
- Federal Open Market Committee (FOMC), 2–4, 11–13, 15–17, 98, 378–79
  - anti-inflation program and, 41
  - auction offerings of coupon-bearing securities and, 423
  - “bills preferably” doctrine, commitment to, 518
  - break-out of London gold prices and, 281–84
  - competitive repo auctions and, 475
  - creation of, 49
  - dealer underwriting activities and, 266
  - dealers and, 93
  - default principles for open market operations from, 125
  - deliberations, 195
  - directives issued by, 136–38, 168–69
    - policy-relevant portion of, 195–96
  - disorderly market declared by, 213, 215
  - economic activity, assessment of, 197
  - economic growth and, 463
  - in environment of monetary restraint, 178
  - Executive Committee of, 16, 63–65, 91, 101, 113, 120–21
    - free reserves and, 139–40
    - interest rates and, 140–41
    - limiting instructions by, 122
    - meetings of, 110–14
    - Rouse and, 153–54
    - Sproul and, 66–67, 110, 122
  - Federal Reserve and, 297–98
  - Federal Reserve Bank of New York and, 62–65
  - first agenda item at every meeting of, 135
  - gold and, 275–79
  - Goldenweiser report and, 58
  - Government securities dealers and, 55–56
  - Hamilton and, 152–53
  - Hayes and consensus view within, 298
  - Holmes and, 385, 412
  - inflation, seeking to restrain, 195–96, 381
  - intervention by, 95–96, 99
  - Joint Study steering committee and, 385–86, 405–6
  - lending securities from SOMA, 404–5
  - limitation of, 293–94
  - Martin and, 84
  - members of, 139–40
  - minutes of, 136, 138–41
  - monetary aggregates and, 458–59
  - monetary policy and, 133
  - money market and, 458
  - open market operations at direction of, 162
  - open market operations in short-term securities, 285
  - operating principles of, 130–31, 187, 514
    - abandoning, 190–91, 308–10
    - framework of, 133
    - reaffirmed, 293
    - Sproul on, 129, 194
  - orderly markets and, 69
  - Piser and, 59–60
  - policy change by, 23
  - policy objectives of, 154–55

- prospective power of, 27–28
- qualified dealer program and, 101–2
  - end of, 103–5
- repo credit and, 365–66
- repo rate and, 164
- repos and, 157–58, 164–65
- responsibilities of, 94–95
- restrictions reimposed by, 121
- Robertson and, 126–27
- Rouse, approval of proposal by, 294
- securities lending and, 408–10
- Snyder and, 42
- SOMA and, 22
- Sproul and, 79, 118
- targeting RPDs, 461
- terms and conditions of, 66
- Treasury offerings and, 167, 187, 473
- Treasury-Federal Reserve Accord and, 73
- Federal Reserve, 1, 3–5, 229
  - bank borrowings from, 141
  - borrowing from, 111
  - Brunner and Meltzer on, 142–43
  - coupon-bearing debt and, 5, 23
  - credit, 369
  - deposit liabilities of, 315
  - direct purchase authority, 432–33
  - exchange participation in cash refundings, 251
  - financing by, 383
  - FOMC and, 297–98
  - foreign currency swaps and, 312–13
  - Government securities dealers and, 266
  - Government securities relations with, 213
  - inflation and, 339–40
  - as lender of last resort, 142
  - market for Treasury securities and, 71
  - Open Market Account and, 309
  - policy intentions of, 184–85
  - post-war inflation and, 14
  - private wire system of, 392
  - reporting program for, 258
  - Snyder and, 77–78
  - support of Treasury offerings, 107
  - trading with, 268
  - Treasury, United States and, 11–14
  - Treasury market and, 89
  - wartime interest rate stabilization program and, 15–16
  - World War II and, 40
- Federal Reserve Act, 152, 359
- Banking Act of 1935 and, 27–28
- 1917 amendment to, 31
- original version of, 31–32
- section 14 of, 162
- Section 14(b) of, 19–23, 360, 432
- Section 15 of, 43, 391
- Section 19 of, 31
- Federal Reserve Bank of Atlanta, 140–41, 234
- Federal Reserve Bank of Cleveland, 182, 250–51, 367
- Federal Reserve Bank of Dallas, 230
- Federal Reserve Bank of Kansas City, 152–53, 281, 298
- Federal Reserve Bank of Minneapolis, 143, 261
- Federal Reserve Bank of New York, 1, 15–16, 25–26, 38, 40–41, 60, 90–91, 98, 105, 141, 406–7
- book-entry securities and, 510
- on data collection, 261
- dealer positions and, 258
- dealers and, 67
- deposits at, 274
- directives issued to, 136–38, 168
  - policy-relevant portion of, 196
- discount rate of, 145–46, 171, 180–83, 198, 217, 276, 283, 469–71
  - changes in, 199
  - raising, 76
- repo rate and, 365
- Federal funds rate and, 470
- Federal Reserve Board and, 152
- fiscal agency stock of unissued Treasury securities, 398
- FOMC and, 62–65
- foreign exchange operations at, 311–12
- free reserves and, 142–44
- Government securities and, 64–65, 215, 265, 409
- GSCA and, 519
- intra-city transfers and, 398–99
- liquidity and, 519
- market intelligence and, 98
- Martin and, 103
- 1962 study, 403
- 1967 staff study by, 403–4
- officials at, 187, 289
- Open Market Desk and, 236
- open market operations and, 84
- primary dealers and, 371–72
- Primary Dealers Association and, 379
- recommendations of, 91

- Federal Reserve Bank of New York (cont.)  
 repo credit and, 154–55  
 repo directive to, 356  
 reporting dealer program and, 500–1  
 repos and, 154–66  
 reserve requirements of, 217  
 safekeeping securities and, 413–14  
 Securities Department of, 262–63  
 securities lending and, 403–4  
 SOMA and, 36, 401–2, 419  
 Sproul and, 68  
 study of market for Government securities,  
 70
- Federal Reserve Bank of Philadelphia, 376, 385
- Federal Reserve Bank of Richmond, 164–65,  
 170–71, 190
- Federal Reserve Bank of San Francisco, 170–71,  
 190, 294–95, 414
- Federal Reserve Bank of St. Louis, 278, 342
- Federal Reserve Banks, 11, 14, 24, 31, 36–37,  
 46–48, 249  
 assets of, 14–15  
 borrowings at, 170–71  
 certificates of indebtedness issued to, 148  
 consolidated balance sheet of, 45–48  
 direct trading by, 86–87  
 discount rate reduction at, 209  
 discount window loan from, 416  
 dual capacity of, 420–21  
 as fiscal agents, 391  
 gold certificate reserves in, 272–73  
 gold certificates issued to, 272, 314–15  
 individual capacity, 418  
 liabilities of, 14–15  
 member bank borrowings from, 138–39  
 nonbank dealers and, 156, 158  
 pledge provision and, 419  
 precious metal in, 31–32  
 raising discount rates, 197  
 repurchase agreements with dealers, 154  
 requests to deliver securities to, 393–94  
 restricted access to discount window, 342  
 securities lending and, 402  
 securities safekept at, 414–16  
 Treasury balances at, 146–47, 206–7, 351  
 fluctuations in, 150, 185, 199, 202, 475,  
 479  
 volatile, 484  
 Treasury debt offerings and, 376  
 Treasury deposits at, 36, 38–39, 147, 464–67  
 Treasury securities and, 29
- Federal Reserve Board, 31, 49, 141, 152  
*Federal Reserve Bulletin*, 265, 409
- Federal Reserve System, 15–17, 41, 56, 64, 374  
 assistance to dealer finance, 385–86  
 coupon-bearing debt and, 301  
 dealers and, 61  
 debt monetization and, 80  
 entering open market, 436–37  
 intervention by, 92–95  
*laissez faire* attitude of, 369  
 liquid Treasury market and, 387  
 long-term securities and, 299  
*New York Times* on, 437  
 orderly markets and, 68  
 qualified dealer program and, 62–64  
 staff members within, 186  
 Treasury, United States and, 89–90
- 15-year bonds, 453–56
- Financial Times* (newspaper), 279
- First Boston Corp., 53, 66, 104–5, 378–79
- First National Bank of Chicago, 66, 104–5
- First National City Bank, 371–72, 388
- First Pennco Securities, 497
- fiscal agents, 391, 415, 419–21
- fiscal policies, 339–40
- fixed-price cash offerings, 242
- fixed-price mid-quarter refundings, 319
- fixed-price offerings, 18, 441
- Fleming, Matthew, 49–51
- float, 146–47, 467–68  
 bulge in, 362  
 fluctuations in, 150, 182–83, 199  
 forecasting errors and, 203  
 spike in, 201  
 volatility of, 423  
 weekly averages of, 202, 468
- fluctuating markets, 93
- FOMC. *See* Federal Open Market Committee
- Fordham University, 241–42
- forecasting errors, 203
- foreign central banks, 249, 272, 280, 312
- foreign currencies, 312
- foreign currency swaps, 312–13
- foreign exchange operations, 311–12
- foreign funds, 274
- forward sales, 312
- Fowler, Henry, 369–70, 375–76, 405, 486–87
- Francis I. duPont & Co., 371–72
- Franklin National Bank, 396–97
- free market, 275, 308
- free reserves, 135, 140–41, 149



- Bryan and, 144–45  
 competition with, 169–70  
 desired, 144  
 expected future course of, 139–40  
 Federal Reserve Bank of New York and, 142–44  
 fluctuations in, 216  
 increasing, 282  
 interest in, 141–43  
 levels of, 170–71, 297–98  
 Mills and, 180  
 monetary policy and, 138–39, 143  
 need for, 288  
 negative, 197  
 net, 337–38  
 rising, 215–16  
 Robertson on, 172  
 Rouse on, 170, 178–79  
 Sproul on, 140, 142–43, 145–46  
 supply of, 281, 306  
 target, 146–47  
 Thomas on, 281  
 volume of, 140  
 weekly averages of, 170, 198, 216, 307, 338–39  
 free-riders, 108–9  
 Friedman, Milton, 144, 241–42, 437–38  
 Fulton, W.D., 190  
 fundamental change, 84–85  
 fundamental market imbalances, 226  
 funding needs, 244
- Gaines, Tilford, 82–83, 236–40  
 GAO. *See* General Accounting Office  
 Garban, 503  
 Garvin, Bantel & Co., 37–38  
 GCF Repo, 529–30  
 General Accounting Office (GAO), 530–31  
 Gensler, Gary, 457  
 gold, 35–36, 68–69  
   break-out of London gold prices, 279–80  
   FOMC and, 281–84  
   certificate reserves in Federal Reserve Banks, 272–73, 314–15  
   certificates, 45, 272–73, 315  
   demand for, 314–15  
   dollars in lieu of, 274  
   drain, 271–73, 279, 299, 315  
   flows, 310–11  
   FOMC and, 275–79  
   international payments system and, 273–74  
   London gold market, 275  
   outflow, 269, 275–78, 299  
   strengthened, 279  
   price of, 313–16  
   Thomas and, 299  
   Treasury gold, monthly changes in, 300  
 Goldenweiser, Emanuel, 11–13, 49–51, 55–57  
 FOMC and, 58  
 Sproul and, 58–59  
 government investment accounts, 249  
 Government securities, 35–36, 45, 62, 112  
   advances to, 161–62  
   authorization to purchase, 234, 480  
   dealers of, 55–56, 60, 257, 266, 497  
   Federal Reserve and, 266  
   dealing in, 102  
   discount rate and, 161  
   disorderly situation in market for, 137  
   Federal Reserve Bank of New York and, 64–65, 215, 265, 409  
   Federal Reserve relations with, 213  
   firms actually engaged in, 103  
   free market in, 308  
   infrastructure of, 493  
   intervention in, 94, 101  
   loans collateralized with, 268  
   long-term market in, 411  
   margin requirements for, 256  
   market, 266, 308, 310  
   Martin and market for, 264–65  
   nonbank dealers in, 154–65  
   over-the-counter trading in, 86  
   public confidence in, 374  
   Rouse and market of, 229–30  
   secondary market for, 256, 513  
   short-term, 230–32  
   in SOMA, 115  
   study of market for, 70  
   transferred to SOMA, 154  
   Treasury debt management relations with, 213  
 Government Securities Act of 1986, 504, 528  
 Government Securities Clearing Arrangement (GSCA), 387, 505–6, 519–20  
   clearing banks participating in, 507  
   efficiencies introduced by, 399  
   end of, 511–12  
   Federal Reserve Bank of New York and, 519  
   introduction of, 509  
   net settlement system of, 397–98  
   origins of, 387–96

- Government Securities Clearing Arrangement (GSCA) (cont.)  
     Participant Memos, 397–98  
     pilot program for, 396  
     securities owned by GSCA banks, 509  
 Government Securities Clearing Corporation (GSCC), 529–30  
 Government Securities Section of the Division of Research and Statistics, 57–58  
 government trust funds, 225–26  
 GovPX, Inc., 530–31  
 Great Contraction, 142, 269  
 Great Depression, 24–25, 44  
 gross national product, 167  
 Group C banks, 186, 518–19  
 GSCA. *See* Government Securities Clearing Arrangement  
 GSCC. *See* Government Securities Clearing Corporation  
 Guaranty Trust Co., 53, 66, 104–5  
 Guy, Edward, 417–18
- Hackley, Howard, 250, 404–6, 409  
 Hamilton, George, 49–51, 152–53  
 Harriman, Ripley & Co., 66–67  
 Harris Trust and Savings Bank, 371–72  
 Harrison, George, 49–51, 55  
 Hayes, Alfred, 195, 197, 206, 228, 289, 343–44, 375–76  
     on access to individual dealer data, 264  
     Axilrod committee and, 483–84  
     consensus view within FOMC and, 298  
     on fragmentation of agency market, 487  
     Open Market Account and, 278–79  
     on recession, 299  
     Rouse and, 230  
     Sproul and, 308  
     Treiber and, 286–87  
 Heffernan, Paul, 107, 234  
 Heflin, Aubrey, 487–88  
 Hickman, W. Braddock, 367  
 Hicks, John R., 290–92  
 Holland, Robert, 359–61  
 Holmes, Alan, 340–41, 357–58, 363, 483  
     Axilrod committee and, 483–84  
     Board of Governors and, 377  
     Brill and, 486  
     FOMC and, 385, 412  
     Hackley and, 405–6, 409  
     Holland and, 359–61  
     maturing issues and, 490–91
- Open Market Account and, 489–90  
     primary dealers and, 378  
     repo pricing and, 480–81  
     repos and, 366–67  
     securities lending and, 408–9, 411  
 Humpage, Owen, 313–14  
 Humphrey, George, 107–9  
 Humphrey, Hubert, 452
- IMF. *See* International Monetary Fund  
 income tax, 346–47  
 industrial commodities, 197  
 industrial corporations, 381  
 inflation, 169, 316  
     anti-inflation program, 41  
     under control, 458  
     Federal Reserve and, 339–40  
     FOMC seeking to restrain, 195–96, 381  
     monetary policy and, 475  
     post-war, 14  
     struggled to contain, 338  
     virulent, 337  
 insider trading, 378  
 institutional innovations, 521  
 institutional investors, 249  
 insurance companies, 11, 222  
 insurance crisis, 506–7  
 inter-agency accommodations, 518  
 interbank market, 36–39, 114  
 interdealer market, 26, 493, 495, 497–99, 504, 530–31  
 inter-district wire transfers, 391  
 interest payments, 387–88  
 interest rates, 3–4, 38–39, 75, 518–19. *See also*  
     short-term interest rates  
     bank borrowings and, 171–72  
     ceilings on, 11–15, 75–76  
     on coupon-bearing securities, 153  
     Executive Committee of FOMC and, 140–41  
     fluctuating, 236  
     information on, 259  
     Joint Study and, 383–84  
     Meltzer and, 348  
     nonbank dealers and, 480  
     overnight, 400  
     raising, 274  
     recession and, 298  
     repos and, 183  
     restraining, 380  
     rising, 111  
     Rouse on, 281

- secondary market, 344–45
- setting, 383
- Snyder and, 77
- Sproul and, 172
- stable, 339–40
- term structure of, 269, 290–92
- Treasury financing and, 218
- volatile, 317, 353, 380, 423
- wartime interest rate stabilization program, 15–16
- interest-earning obligations, 467
- intermediate-term debt, 6, 251–52
- intermediate-term market, 320–21
- intermediate-term note offerings, 453–54
- International Monetary Fund (IMF), 273–74
- international payments system, 273–74
- international trade, 273–74
- intra-city settlements, 388–89, 394
- intra-city transfers, 396–99
- intra-day settlement, 398–99
- investment tax credits, 346
- Iraq, 226–27
- Irons, Watrous, 230, 232
- irregular bills, 430–32
  - maturities of, 431
  - tax anticipation bills and, 431
- Irving Trust Co., 388, 396, 508–9
- Johns, Delos, 160, 278
- Johnson, Lyndon, 338, 346–47
- Johnson, Matthey & Co., 275
- Joint Economic Committee, 104, 221, 224, 254, 257, 452
- joint staff report
  - data collection and, 264–65
  - implementation and, 264–65
- Joint Treasury-Federal Reserve Study of the Government Securities Market (Joint Study), 4–5, 373–74
  - on dealer financing, 382
  - final report of, 487
  - FOMC and, 385–86, 405–6
  - interest rates and, 383–84
  - key findings of, 485
  - market infrastructure and, 369–70
  - market performance and, 402
  - securities lending and, 402
  - steering committee, 382–84, 404–5, 486
- July refunding, 227–28, 233–35
- Kaufman, Henry, 445
- Kennedy, David, 57–59
- Kennedy, John, 249, 269, 289, 294–95, 319
- Kent State University, 436–37
- Koch, Albert, 195, 285, 373–74
- Korea, 76
- laissez faire* attitude, 369
- large block transactions, 498
- Larkin, John, 220, 229–30, 232
- Leach, Hugh, 121, 164–65, 170–71, 182–83, 190
- Lebanon, 226–27
- Leedy, Gavin, 281
- lender of last resort, 142
- lending, 40
- liabilities, 14–15, 47
  - bank, 30–31
  - deposit liabilities, 32, 34, 315
- liquid secondary market for Treasury securities, 92
- liquidity, 2, 30, 70–71, 367, 503–4
  - break down of, 224
  - demands on, 317
  - Federal Reserve Bank of New York and, 519
  - GCF Repo and, 529–30
  - limited, 301
  - open market operations and, 423
  - primary dealers and, 495
  - problems with, 480
  - of short-term agency market, 485
  - threats to, 506–7
  - undermining, 297
- loan fees, 403
- loan limits, 404
- Lombra, Raymond, 462–63
- London gold market, 275
  - break-out of London gold prices, 279–84
- longer-term Treasury yields, 216
- long-run growth, 464
- long-term bonds, 13–14, 120–21, 335, 524–25
  - auction, 445
  - Martin and, 178–79
  - multiple-price auctions of, 445–46
  - non-marketable, 80–81
  - placed with investors with long investment horizons, 175
- long-term debt, 80
  - attractiveness of, 81
  - demand for, 328–30
  - new issues of, 251–52

- long-term debt (cont.)
  - non-marketable, 87
  - offerings of, 237
  - regularized issuance of, 242
  - short-term debt and, 292
- long-term securities, 120–21, 248
  - eroding value of, 340–41
  - exchange securities not close to maturity for, 251
  - Federal Reserve System and, 299
  - Martin and, 287
  - open market operations and, 284–86, 292, 295–97
    - scale of, 301–7
  - open market purchases of, 294
  - purchases of, 306
- Lutz, Friedrich, 290–92
- M.A. Shapiro & Co., 371–72
- Maisel, Sherman, 385
- Manufacturers Hanover Trust Co., 388, 508–9
- Marget, Arthur, 279, 288
- Markese, John, 348
- market functioning, 258, 266–67
- market infrastructure, 369–70, 379, 519, 527
- market intelligence, 92, 98, 102–3
- market intervention, 99–101
  - reimposition of, 121–22
  - restrictions on, 103–6, 118–21
  - Sproul and, 118–21
- market performance, 402
- market prices, 208
- market receptivity, 208–9
- market statistics, 258–60
  - adequacy of, 256
  - Treasury-Federal Reserve Study and, 258–59
- market turmoil, 215
- market uncertainties, 448
- marketable debt, 9–17, 319. *See also* Treasury
  - debt, marketable
    - average maturity of, 320
    - growth in, 319–20
    - total, 322
- Martin, William McChesney, 79, 91–92, 99, 208, 263
  - Anderson and, 224, 234–35, 257–58
  - Baird and, 266
  - bill market and, 514
  - “bills preferably” doctrine and, 297
  - Board of Governors and, 84, 138
  - Dillon and, 265
  - on disengagement, 299–301
  - even keel and, 348–49
  - Executive Committee of FOMC and, 113
  - on explicit exception for repos, 189
  - Federal Reserve Bank of New York and, 103
  - on FOMC operating principles, 129
  - on free market in Government securities, 308
  - Government securities market and, 264–65
  - loan limits and, 404
  - long-term bonds and, 178–79
  - long-term securities and, 287
  - market intervention and, 103–6
  - military intervention and, 226–27
  - Mills and, 125–26
  - on monetary policy, 298–99
  - Nixon and, 316
  - open market operations and, 123–24
  - on policy-making, 130–31
  - on pressure for change, 284–86
  - on recession, 197
  - repos and, 366–67
  - Robertson and, 127, 188, 257
  - Rouse and, 147–49
  - seeking unusually accommodative money
    - market conditions, 179
  - Sproul and, 100–3, 120–21, 123
  - Treasury offerings and, 181
  - Treasury-Federal Reserve Accord and, 106
- matched sale-purchase agreements (MSPs), 354–55, 361–63, 382
  - draining funds with, 484–85
  - with foreign accounts, 477
- Open Market Desk and, 475–76
- outright sales and redemptions of, 476
- repos and, 476
- maturing bills, 23, 145–46, 150–51, 250
- maturing debt, 27, 222–23, 329
  - attrition on, 438
  - holders of, 248
  - purchased with intention of exchanging, 257
  - refinancing, 327
- maturing issues, 490–91
- maturing notes, 208
- maturing securities, 137–38, 187, 329
  - dealers and, 187
  - holders of, 251–52
  - par-for-par exchanges for, 329
  - quantity of, 328
  - refinanced, 243, 442–43
  - repos on, 187

- maturity limit, 355–59
- May 1970 refunding, 436–38
- McAdoo, William, 11–13, 43, 391
- McCabe, Thomas, 77–78
- McKee, John, 55–56
- McKinney, Buckner, 49–51
- Meltzer, Allan, 80, 83, 105, 141–43, 361–62
  - on economic performance, 337
  - on even keel, 348
  - interest rates and, 348
  - 1965 and, 338
  - von der Linde and, 401
- Merrill Lynch, 372
- Meulendyke, Ann-Marie, 462–63
- mid-quarter refunding, 290, 327–29, 334–35, 341, 425, 454–56
  - cash and exchange offerings in, 329
  - of coupon-bearing securities, 247
  - fixed-price, 319
  - maturities of offerings in, 331, 448, 456
  - offering amounts in, 330
  - term to maturity of, 454–55
  - Treasury finance and, 450
- military intervention, 226–27
- Mills, A.L., 101, 128, 145–46, 293–94
  - on discount rate, 278
  - on discount window credit, 193
  - disorderly markets and, 229
  - free reserves and, 180
  - Martin and, 125–26
  - monetary policy, 110–12
  - repos and, 163
  - Robertson and, 229, 309
  - securities and, 190
  - Sproul and, 112–13
    - on Treasury bill yields, 277–78
- minimum capital requirements, 267
- Mitchell, George, 356, 361, 368, 488
- mixed refundings, 328–29
- Mocatta & Goldsmid Ltd., 275
- modest changes, 84, 87
- Modigliani, Franco, 313
- monetary aggregates, 122, 137, 463
  - FOMC and, 458–59
  - rate of growth, 469
- monetary policy, 347, 458–59, 473
  - balancing, 203–4
  - Burns on, 487
  - charting course of, 110
  - debt management and, 95
  - easing of, 482
  - economic activity and, 215–16
  - FOMC and, 133
  - free reserves and, 138–39, 143
  - inflation and, 475
  - international economic developments and, 269
  - Martin and, 298–99
  - Mills on, 110–12
  - needs of, 317
  - from 1974–79, 461–63
  - from 1970–71, 458–60
  - from 1972–73, 460–61
  - objectives of, 127, 130, 169–70, 403, 514
  - proactive, 141–42
  - repos and, 160
  - restrictive, 205, 357
  - sources for identifying, 136
  - Sproul and, 308
  - supportive fiscal policies and, 339–40
  - tightening, 167
  - transmitting, 385–86
  - wartime constraints on, 73
- monetary restraint, 178, 343–44, 442–43
- money center banks, 381
- money market, 111, 113
  - change in conditions, 460
  - condition of ease in, 137–38, 147–49, 168–69
  - dealer finance and, 380–81
  - on even keel, 180
  - FOMC and, 458
  - indicators, 169–72
  - longer-term money market rates, 367–68
  - maintaining conditions of, 114–17
  - rates, 116, 142, 159, 216
  - SOMA and, 458–59
  - Sproul and, 171–72
  - tighter, 210, 272
  - unexpectedly tight, 144–45
  - unusually accommodative conditions of, 179
- money supply, 140–41
- Morgan Guaranty Trust Co., 371–72, 376–77, 388, 395–96, 506, 508
- Morgenthau, Henry, 11–28
- MSPs. *See* matched sale-purchase agreements
- multiple-option exchange offers, 248
- mutual savings banks, 222
  
- National Banking System, 31–32
- National Bureau of Economic Research, 215, 337
- national expenditures, 111

- net demand deposits, 283
- neutrality, 90
- New Jersey Bankers Association, 123
- New York banks, 266
- New York Hanseatic Corp., 24–25, 53, 104–5
- New York Herald Tribune* (newspaper), 223
- New York Stock Exchange, 23–24, 85
- New York Times* (newspaper), 78–80, 107, 109, 117–18, 123
  - on Federal Reserve System, 437
  - Friedman and, 437–38
  - severe winter storms and, 468
  - Treasury securities and, 371–72
  - “U.S. Government and Agency Bonds,” 218–20
- 99-day tax anticipation bills, 191–92
- Nixon, Richard, 316, 436–37
- N.M. Rothschild & Sons, 275
- nonbank dealers, 155–56, 158, 358, 382
  - expanded repo program for, 384
  - in Government securities, 154–65
  - interest of, 480
  - nonbank primary dealers, 175, 508–9
  - repo credit and, 163
- non-borrowed reserves, 460–61
- non-public information, 376–77
- non-qualified dealers, 97–98
- North Korea, 75–76, 78
- Northern Trust, 497
- note prices, 218
- Noyes, Guy, 299
- offering prices, 223–24
- OID threshold, 443–44
- OMIC. *See* Open Market Investment Committee
- one-year certificate yields, 179–80
- OPEC. *See* Organization of Petroleum Exporting Countries
- Open Market Account, 4–5, 154–55, 272, 514–15
  - bearer securities held for, 419
  - cash refundings and, 250
  - certificates in, 303–4
  - dealers and, 103
  - exchange offerings of coupon-bearing debt and, 250
  - Federal Reserve and, 309
  - Hackley and, 250
  - Hayes and, 278–79
  - Holmes and, 489–90
  - management of, 147–49, 164, 406
  - reduction in, 362
  - repo rates and, 160–61
  - Rouse and, 125–26, 226
  - Rouse’s management of, 206
  - short-term coupon-bearing debt and, 304–5
  - short-term loans of securities from, 520
  - special certificates of indebtedness issued to, 118
  - Sternlight and, 406
  - transacting business with, 154
  - transactions for, 125
  - Treasury securities in, 477
- Open Market Desk, 184, 191–92, 232
  - buying certificates on when-issued basis, 233
  - dealers and, 285
  - expansion in repo authority, 358–59
  - Federal Reserve Bank of New York and, 236
  - individual dealer data and, 262
  - MSPs and, 475–76
  - outright purchases, 408
  - repo credit and, 365–66
  - repos and, 189
  - selling certificates, 304
  - Sternlight and, 499
  - Treasury bills and, 362–63
  - Treasury securities and, 199, 314–15, 351
- Open Market Investment Committee (OMIC), 50
- open market operations, 2, 4–5, 352, 475, 513–14, 517
  - centrality of, 92
  - counterparties in, 263
  - dealers and, 88, 340–41
  - dealers designated as counterparties in, 213–14
  - defensive, 50, 182–83
  - efficacy of, 518
  - evolution of, 515
  - executing, 262, 380, 403
  - factual base available daily for, 263
  - Federal funds rate and, 472
  - Federal Reserve Bank of New York and, 84
  - FOMC, in short-term securities, 285
  - FOMC default principles for, 125
  - FOMC direction of, 162
  - instruction regarding, 138
  - Larkin and, 220
  - limiting, 94
  - liquidity and, 423

- long-term securities and, 284–86, 292, 295–97
  - scale of, 301–7
- in long-term Treasury debt, 91
- Martin and, 123–24
- origins of, 50–51
- proactive monetary policy and, 141–42
- purpose of, 127
- repos and, 211
- revising institutional framework of, 59–64
- role for, 292
- scale of, 317
- short-term coupon-bearing securities and, 284–86
- Sproul and, 123–24
- Treasury bills and, 150
- in Treasury securities, 49, 85
- weekly report of, 165
- open market policy, 122, 130
- open market transactions, 60–61, 303–4
- Operation Twist, 4, 294–95, 301, 306, 518
  - launch of, 303–4
  - after 1961, 310–11
  - objectives of, 297–99
  - outcomes of, 308
  - termination of, 313
- orderly markets, 68
  - FOMC and, 69
  - restoration of, 234
- Organization of Petroleum Exporting Countries (OPEC), 477
- Paine, Webber, Jackson & Curtis, 497
- par-for-par exchange offering, 221
- Patman, Wright, 235, 486–87
- peacetime deficit, 425
- pegged market, 131
- pension funds, 222, 249
- personal income, 215
- Piser, Leroy, 57–59
  - FOMC and, 59–60
  - Rouse and, 63
- policy instruments, 310–13
- post-auction dealer market, 254
- post-war recession, 75
- Powell, Oliver, 143
- precious metal, 31–32, 35–36, 68–69. *See also* gold
- pre-refundings offered, 334
- primary dealers, 104–5, 495–97, 499
  - C.F. Childs & Co., withdrawing as, 373
  - data collection from, 406–7
  - designation of, 371–72, 501–2
  - at end of 1960s, 373
  - Federal Reserve Bank of New York and, 371–72
  - Holmes and, 378
  - increase in, 503
  - liquidity and, 495
  - nonbank, 175, 508–9
  - number of, 530
  - reporting dealer status and, 500–3
- Primary Dealers Association. *See* Association of Primary Dealers in United States Government Securities
- primary market, 21–23
  - dealers and, 26–27
  - Treasury offerings, 90
- principal-agent conflicts, 71
- private expenditures, 111
- private market participants, 515
- private wire system, 392
- public confidence, 374
- public debt, 9, 11–17
- public funds, 414
- public interest, 256–58, 260
- public policy, 301
- Public Securities Association, 530–31
- publicly-owned securities, 438
- qualified dealer program, 55–59, 67
  - continuation of, 91
  - dissatisfaction with, 96–97
  - end of, 103–5
  - expanding number of, 87–89
  - Federal Reserve System and, 62–64
  - FOMC and, 101–2
  - non-qualified dealers and, 97
  - Rouse and, 67
  - Sproul and, 102
- quantitative targets, 137
- Ransom, Ronald, 51
- real-time accounting, 510–11
- recession
  - deep, 425
  - Hayes and, 299
  - interest rates and, 298
  - Martin on, 197
  - post-war, 75
  - recovery from, 288, 337
  - tendencies toward, 196

- recession (cont.)
  - Young and, 223
- recognized dealer program, 52–53, 60–61
  - formalization of, 53–55
  - fuzziness of, 67
- Record of Policy Actions, 121, 123, 128
- redelivery fails, 404
- refunding issues, 454
- regional dealers, 25
- regular bills, 322, 426–27
- regular refunding dates, 243
- reporting dealer program
  - advent of, 260
  - Federal Reserve Bank of New York and, 500–1
  - primary dealer status and reporting dealer status, 500–3
- repurchase agreements (repos), 3, 152–53, 354, 466, 517
  - agency collateral, system repos on, 359–61
  - aggressive repo pricing, 482
  - auctions, 4
  - back-to-back, 357–59
  - changes to repo authority, 165–66
  - collateral, 480
  - competitive repo auctions, 475
  - competitive repo pricing, 483–84
  - continuing importance of, 209–11
  - discount rate, repo credit and, 154–55, 163
  - discount rate, repo rate and, 162
  - discount rate and, 343–44
  - draining reserves and, 184–85
  - effect on securities prices, 188
  - expansion in repo authority, 358–59
  - on federal agency debt, 361
  - Federal Reserve Bank of New York, repo credit and, 154–55
  - Federal Reserve Bank of New York, repo directive to, 356
  - Federal Reserve Bank of New York and, 154–66
  - flexibility in, 317, 363–68
  - floor on, 155–56
  - FOMC and, 157–58, 164–65
  - Holmes, repo pricing and, 480–81
  - Holmes and, 366–67
  - increasing importance of, 351–52
  - incremental expansion of terms, 522
  - interest rates and, 183
  - Leach and, 182–83
  - liquidated, 199–200
  - margin requirements for, 256
  - Martin and, 366–67
  - Martin on explicit exception for, 189
  - on maturing securities, 187
  - maturity limit on, 3–4
  - Mills and, 163
  - monetary policy and, 160
  - MSPs and, 476
  - new sources of credit on, 380–81
  - in 1954, 157–60
  - nonbank dealers, repo credit and, 163
  - nonbank dealers expanded repo program for, 384
  - Open Market Account, repo rates and, 160–61
  - Open Market Desk and, 189
  - open market operations and, 211
  - outright sales and redemptions of, 476
  - rate, 182–83, 481
    - discount rate and, 162, 363–65, 368, 480–81
  - repo authority of August 2, 1955, 154–65
  - repo authority of January 20, 1948, 154
  - repo authority of March 1, 1950, 156
  - repo authority of March 4, 1953, 158
  - repo collateral, 355–57
    - access to, 361
    - financing, 357
  - repo credit, 365–66, 481–82
  - on rights, 187–89, 208
  - Robertson and, 160–63
  - Rouse, repo rate and, 160
  - Rouse and, 157
  - scope of, 423
  - SOMA, repo rate and, 157
  - in SOMA, 200–1
  - Sproul, repo authority and, 156–57
  - Sproul and, 153, 158–59
  - system repos with bank dealers, 484
  - Thomas on, 188
  - on Treasury securities, 162
  - “trust-me” repos, 528
- reserve requirements, 30–32
  - aggregate, 38
  - aggregate supply of reserves and, 35–36
  - Board of Governors and, 33, 42, 144, 215–16
  - country banks and, 143
  - demand deposits and, 34
  - of Federal Reserve Bank of New York, 217
  - increase in, 41
  - for net demand deposits, 283



- reserve balances and, 39
- revised, 352
- time deposits and, 34
- reserves, 137. *See also* free reserves
  - absorbing, 130
  - aggregate, 38–39, 44
  - availability of, 114, 146–47, 199, 337–38, 470–73
  - balances, 39
  - bank demand for, 462, 478–79
  - borrowed, 148–49, 170, 198, 216, 307, 338–39, 469–71
  - deficiencies, 352
  - demand for, 462
  - draining, 184–85, 351, 361–62, 477–78
  - excess, 38, 143, 147–48, 170, 198, 216, 307, 338–39, 352
  - factors supplying and absorbing, 35–36
  - geographic distribution of, 143
  - injecting large quantities of, 133–34, 151–52
  - management, 40–43, 96, 133
  - mitigation of market, 151
  - projections of, 185
  - providing, 130
  - quantity of, 292
  - Riefler, seasonal reserve needs anticipated by, 159–60
  - Rouse on, 281
  - sources and uses of, 45–48
  - supplied to banking system, 201
  - surplus, 274
  - transient bulge in, 185
- retirement, 226
- Riefler, Winfield, 141, 292
  - Riefler-Burgess framework, 142
  - seasonal reserve needs anticipated by, 159–60
- risk exposure, 498
- risk-free rights, 221–22
- Robertson, J.L., 126, 139–40, 164, 185, 488–89
  - discount rate and, 367
  - on financing auction award of Treasury securities, 192–93
  - on free reserves, 172
  - Martin and, 127, 188, 257
  - Mills and, 229, 309
  - open window proposal of, 163
  - repos and, 160–63
  - Rouse and, 151
  - on Rouse management of Open Market Account, 206
  - on sales of securities for cash, 193–94
  - SOMA and, 188
  - Sproul and, 127, 129–30, 161, 163–64
  - Szymczak and, 161
- Roosa, Robert, 1–3, 182–85, 294–95, 516
  - on advance refundings, 333
  - mid-quarter refunding and, 290
  - Roosa bonds, 312
  - Volcker and, 313–14
  - willing to experiment, 335
- Roosevelt, Franklin, 271
- round lots, 498
- Rouse, Robert, 53–54, 59–63, 128
  - on access to individual dealer data, 264
  - Baird and, 228
  - dealer carrying costs and, 155
  - disorderly market and, 120–21, 230
  - disorderly trading and, 228
  - economic recovery and, 294
  - Executive Committee of FOMC and, 153–54
  - FOMC approval of proposal by, 294
  - FOMC terms and conditions and, 66
  - forecasting float and, 203
  - on free reserves, 170, 178–79
  - Government securities market and, 229–30
  - Hayes and, 230
  - on interest rates, 281
  - Joint Economic Committee and, 104
  - management of Open Market Account, 206
  - Martin and, 147–49
  - maturing bills and, 150–51
  - military intervention and, 226–27
  - Open Market Account and, 125–26, 226
  - Piser memo and, 63
  - qualified dealer program and, 67
  - repo rate and, 160
  - repos and, 157
  - on reserves, 281
  - Robertson and, 151
  - on short-term money rates, 159
  - SOMA and, 102–3, 110, 145–46, 279, 288–89, 300, 348–49
  - Thomas and, 113–14
  - Treasury financing and, 189
- RPDs, 460–61
- sale-purchase agreements, 3–4
- Salomon Brothers & Hutzler, 23–24, 53, 66, 104–5, 221, 378–79, 445, 503, 526
- Samuel Montagu & Co., Ltd., 275

- Saunders, R. Duane, 375–76  
 savings and loan associations, 222  
 savings bonds, 11–28  
 savings-type investors, 222  
 Scheld, Karl, 483  
 Schwartz, Anna, 313–14  
 Scott, Robert, 313  
 screen brokers, 503–4  
 Second District Securities Co., 371–72, 376–77  
 secondary market, 23–25, 320  
   bond yields, 433  
   for Government securities, 256, 513  
   interest rates, 344–45  
   post-war, 11–26  
   prices, 232  
   transactions, 251–52  
   Treasury securities, liquid secondary market  
     for, 92  
 secret trading, 378  
 securities, 189, 242–43. *See also* coupon-  
   bearing securities; Government  
   securities; long-term securities; short-  
   term securities  
   bearer, 394–95, 398, 419  
   book-entry, 399  
   borrowing, 402, 407, 520  
   bought with custodial banks, 395  
   cash refunding and, 329  
   definitive, 387, 394, 415, 511–12  
   drain of, 398–99  
   eligible for exchange, 233, 328–29  
   Federal Reserve Banks, requests to deliver  
     securities to, 393–94  
   FOMC lending securities from SOMA,  
     404–5  
   government, 35–36, 45  
   long-term, 120–21, 248  
   Mills and, 190  
   new, 525–26  
   pledged to third parties, 419–20  
   in post-auction dealer market, 254  
   prices, 150  
   publicly-owned, 438  
   repos effect on prices of, 188  
   Robertson on sales of securities for cash,  
     193–94  
   safekeeping, 413–16, 421  
   sales of, 44, 329  
   simultaneous purchases and sales of, 286  
   SOMA, sales of securities from, 271–72, 369  
   from SOMA, 40, 42, 409, 462  
   term to maturity of, 332  
   tight rein, 210  
   World War I and, 43–44  
 Securities and Exchange Commission, 376–77,  
   530–31  
 securities lending, 400–1, 405, 407, 520  
   Federal Reserve Bank of New York and,  
     403–4  
   Federal Reserve Banks and, 402  
   FOMC and, 408–10  
   Holmes and, 408–9, 411  
   impetus for, 401–2  
   Joint Study and, 402  
   terms of, 410  
 Senate Banking Committee, 27–28  
 serial innovations, 522  
 settlement systems, competing, 397–99  
 severe winter storms, 468  
 Sharps, Pixley & Co., 275  
 Sherrill, William, 488  
 short maturities, 431–32  
 short positions, 266–67  
 short sales, 410–12  
   dealers and, 403, 411  
   facilitation of, 404  
   speculative, 410–11  
   Treasury-Federal Reserve Study on, 401  
   types of, 403–4  
 short-dated rights, 21  
 short-term coupon-bearing debt, 304–5  
 short-term coupon-bearing securities, 284–86  
 short-term credit, 340–41  
 short-term debt, 4, 6  
   long-term debt and, 292  
   yields on, 290  
 short-term Government securities, 230–32  
 short-term interest rates, 4, 269  
   gold drain and, 315  
   increase in, 288  
   kept high, 364–65  
   rising, 380–81  
 short-term issuance, 242  
 short-term money rates, 159  
 short-term note offerings, 448–49  
 short-term securities, 94, 100, 130, 221  
   authorization to purchase, 234  
   “bills preferably” doctrine and, 234  
   cash offering of, 438  
   FOMC open market operations in, 285  
   injections of reserves from purchases of,  
     96

- open market sales of, 306
- purchases of, 99–100
- short-term Treasury securities, 151–52, 289
- Sigma-5, 507–8, 510
- Simon, William, 445, 454
- single-issue offerings, 328
- single-price auctions, 445
- Snyder, John, 40–42
  - Federal Reserve and, 77–78
  - interest rates and, 77
  - Martin and, 79
  - Treasury securities and, 77
- social security taxes, 44
- Solomon, Anthony, 454
- SOMA. *See* System Open Market Account
- special purchase authority, 233
- speculative abuses, 267
- speculative activity, 213
- speculative exchanges, 252
- speculative interest, 221–23
- speculative positions, 225
- speculators, 108–9
- Spencer, Girard, 221
- spread trading, 286
- Sproul, Allan, 15–17
  - bail outs and, 189, 192
  - on country banks and city banks, 143
  - discount rates and, 182
  - disorderly market and, 107
  - Executive Committee of FOMC and, 66–67, 110, 122
  - Federal Reserve Bank of New York and, 68
  - FOMC and, 79, 118
  - on FOMC operating principles, 129, 194
  - on free reserves, 140, 142–43, 145–46
  - Goldenweiser and, 58–59
  - Hayes and, 308
  - interest rates and, 172
  - market intervention and, 118–21
  - Martin and, 100–3, 120–21, 123
  - Mills and, 112–13
  - monetary policy and, 308
  - money market and, 171–72
  - open market operations and, 123–24
  - purchases on when-issued basis and, 191
  - qualified dealer program and, 102
  - recognized dealers and, 55
  - repo authority and, 156–57
  - repos and, 153, 158–59
  - Robertson and, 127, 129–30, 161, 163–64
  - Snyder and, 40–42
- SOMA and, 53
  - on Treasury debt management, 194
- Stalnecker, Mark, 445–46, 457
- stand-alone offerings, 328–30, 451
  - advance refundings and, 334–35
  - cash offerings, 449
  - closely spaced, 452
  - maturities of, 331, 449
- standardized maturities, 241–42
- standardizing trading practices, 267
- Sternlight, Peter, 406, 484, 499–500, 502–3
- Stone, Robert, 355–56
- STRIPS, 525–26
- Subcommittee on Economic Stabilization of
  - the Joint Committee on the Economic Report, 123–24
- subscription books, 108–9, 221, 232–33
- surplus reserves, 274
- Sutch, Richard, 313
- Swanson, Eric, 294–95
- swap authorization, 126
- swaps, 402–4
- System Open Market Account (SOMA), 22, 88–89, 154–55, 196, 251, 262–63, 310
  - acquiring Treasury securities, 250
  - activity, 114, 354–55
  - annual reports of, 209
  - Burgess and, 207
  - commitments to Treasury, 43
  - coupon-bearing Treasury securities and, 302, 305–6, 311
  - federal agency debt and, 491
  - Federal Reserve Bank of New York and, 36, 401–2, 419
  - FOMC lending securities from, 404–5
  - Government securities in, 35–36, 115
  - Government securities transferred to, 154
  - holdings of, 301–3
  - Holmes and, 340–41
  - managers of, 97, 101
  - maturing bills in, 23
  - money market and, 458–59
  - organization and operation of, 91
  - purchase of bills for, 114
  - purchases for, 203
  - quantities of certificates and notes held in, 304
  - reinvestments, 250–51
  - repo rate and, 157
  - repos in, 200–1
  - Robertson and, 188

- System Open Market Account (SOMA) (cont.)  
   Rouse and, 102–3, 110, 145–46, 279, 288–89, 300, 348–49  
   safekept securities and, 413–14  
   sales of securities from, 271–72  
   securities held in, 42, 409, 462  
   selling securities from, 40, 369  
   size of, 349  
   Sproul and, 53  
   Stone and, 355–56  
   transactions for, 51–52  
   Treasury bills and, 301–2  
   Treasury debt held in, 41  
   Treasury securities in, 200, 354–55  
 Szymczak, Menc, 51, 131, 161, 193
- Tax and Loan account balances, 466–67  
 tax anticipation bills, 191–93, 319, 321, 334, 517  
   as cash management device, 325–26  
   irregular bills and, 431  
   marketable Treasury debt and, 319–20, 327  
   maturities of, 326  
   99-day tax anticipation bills, 191–92  
   poor reception of, 341  
 tax anticipation certificates, 175, 233  
 technological developments, 392  
 telephone communication, 503  
 term structures, 290–92  
 TGA. *See* Treasury General Account  
 Thomas, Woodlief, 42–43, 113, 139–41, 155  
   on bank reserves, 277  
   on discount rate, 159  
   free reserves and, 281  
   gold and, 299  
   on gold drain, 279  
   on gold outflow, 278  
   on repos, 188  
   Rouse and, 113–14  
 Tilton, Richard, 503  
 time deposits, 31, 34  
 TIPS. *See* Treasury Inflation-Protected Securities  
 Torto, Raymond, 462–63  
 trade-by-trade settlement, 399  
 trading activity, 259  
 trading vacuum, 231  
 transition bills, 429  
 Treasury, United States, 1, 378–79  
   bailing out, 191–92  
   borrowing plans of, 112–13  
   cash needs of, 20  
   classes of depositories and, 44–45  
   debt management and, 96, 129  
   direct exchange with, 137–38  
   Federal Reserve and, 11–14  
   Federal Reserve System and, 89–90  
   Fiscal Assistant Secretary of, 185  
   gold, monthly changes in, 300  
   gold and gold certificates, 272  
   issuance of coupon-bearing debt, 236–38  
   lending to, 118  
   marketing effort by, 253–54  
   maturing certificates given by, 106  
   provided with new money, 22–23  
   purchasing directly from, 28–29  
   registration with, 388  
   relations with, 130–31  
   SOMA commitments to, 43  
   standardized maturities and, 241–42  
   swamped with subscriptions, 109  
   War Loan Deposit Account and, 33–34  
 Treasury balances, 146–47, 206–7, 351  
   fluctuations in, 150, 185, 199, 202, 475, 479  
   volatile, 484  
 Treasury bills, 150–51, 240–41, 387, 402  
   attractiveness of, 284–86  
   dealer positions in, 357  
   demand for, 357  
   expansion of, 433–34  
   functional categories of, 321  
   issuance of, 246–47  
   nine month, 428–29  
   one year bills, 247–48, 428–29  
   Open Market Desk and, 362–63  
   open market operations and, 150  
   rate of, 155–56, 170–71, 198, 276, 298  
   SOMA and, 301–2  
   13-week Treasury bills, 197, 217, 245–46, 426–28, 480, 515–17, 521–22  
   26-week bills, 244–46, 426–28  
   *Wall Street Journal* and, 437  
   yields on, 276–78, 347  
 Treasury bonds, 322, 434  
   auctions, 435–36, 439–42  
   advance refundings and, 441–42  
   Exchange trading of, 86  
   falling prices of, 68–69  
   15-year, 454–56  
   long-term, 108–9, 111, 441  
   maturities of offerings, 443

- New York Stock Exchange and, 23–24
  - prices, 224
- Treasury borrowings, 113
- Treasury cash management, 43–45, 479, 518–19
- Treasury certificates, 322
- Treasury currency, 35–36, 48
- Treasury dealers, 153
- Treasury debt, 1–2
  - coupon-bearing, 76, 82, 345
  - differences between notes and bonds, 433–34
  - element of surprise in, 457
  - exchange offerings of, 27
  - expansion in, 23–24
  - financing of, 9
  - held in SOMA, 41
  - interest-bearing, 10
  - long-term Treasury debt, 91
  - management of, 2, 5–6, 213, 241–42, 423, 513, 515, 523–25
    - dysfunctionalities in, 242
    - evolution of, 425, 515
    - factual base available daily for, 263
    - Gaines and, 236
    - innovations, 457
    - Sproul on, 194
  - marketable, 24–25, 319–20, 424, 524
    - annual changes in, 426
    - average maturity of, 321, 435
    - book-entry system and, 505–6, 509
    - composition of, 320–21
    - doubling, 425
    - increase in, 433
    - in 1970s, 426
    - rate of growth of, 450–51
    - tax anticipation bills and, 319–20, 327
  - offerings, Federal Reserve Banks and, 376
  - primary market for, 424
- Treasury deposits
  - at Federal Reserve Banks, 36, 38–39, 147, 464–67
  - fluctuations in, 466–67
- Treasury financing, 95–96, 103, 111–12, 121, 208
  - accommodating, 197
  - expanded limits on repo collateral, 356–57
  - interest rates and, 218
  - maintaining even keel during, 179
  - mid-quarter refunding and, 450
  - requirements, 423
- Rouse and, 189
  - two world of, 334–35
  - World War I and, 392
- Treasury for Monetary Affairs, 1
- Treasury General Account (TGA), 271–72
- Treasury Inflation-Protected Securities (TIPS), 525–26
- Treasury market
  - break down of, 114–17
  - Federal Reserve and, 89
  - liquid, 387
  - sharp sell-off in, 226–27
  - supervision of, 87, 89–97
  - Wall Street Journal* on, 406
- Treasury notes
  - auctions, 435–36, 439–42
  - expansion of, 433–34
  - intermediate-term, 450–54
  - maturities of offerings, 443
  - price appreciation on, 218–20
  - regular and predictable, 447–49
  - two-year cycle notes, 448–50
  - yields on, 347
- Treasury offerings, 99–100, 208–9
  - accommodating, 133, 203–5, 208
  - coupon-bearing debt, maturities of, 237
  - coupon-bearing debt, Treasury cash offerings of, 174
  - coupon-bearing debt, Treasury exchange offerings of, 176–77
  - of coupon-bearing debt, 108, 173–75, 178, 180–81
  - of coupon-bearing debt in 1956, 204
  - of coupon-bearing debt in 1957, 205
  - of coupon-bearing debt in 1961, 303
  - of coupon-bearing securities, 173
  - dealer financing requirements associated with, 349
  - dealers and, 341
  - directly supporting, 190–91
  - even keel during, 180, 459–60
  - failed, 207–8
  - Federal Reserve support of, 107
  - fixed-price, 446–47
  - FOMC and, 167, 187, 473
  - intervals of, 180–81
  - Martin and, 181
  - non-public information on, 376–77
  - regular and predictable, 447–49, 516–17, 524
  - subscriptions to, 391
  - supporting, 118

- Treasury offerings (cont.)
  - underwriting of, 267, 380
- Treasury refundings, 303–4
- Treasury securities, 20
  - atypically large quantities of, 479
  - bearer, 506
  - categories of, 421
  - coupon-bearing, 238, 302, 305–6, 311
  - dealer financings of, 265
  - dealer positions in, 265
  - dealer transactions in, 265
  - dealers borrowing, 400
  - dealers in, 163
  - Federal Reserve and market for, 71
  - Federal Reserve Bank of New York fiscal
    - agency stock of unissued, 398
  - Federal Reserve Banks and, 29
  - financing auction award of, 192–93
  - held as collateral, 414
  - inter-district wire transfers of, 391
  - inventories of, 380
  - liens on, 415–16
  - liquid secondary market for, 92
  - market for, 52, 70
  - New York Times* on, 371–72
  - in Open Market Account, 477
  - Open Market Desk and, 199, 314–15, 351
  - open market operations in, 49, 85
  - outright sales and redemptions of, 476
  - prohibition on direct purchases of, 27–29
  - recommendations to purchase and sell, 50
  - redemptions of, 354
  - repos on, 162
  - secret trading in, 378
  - security interests on, 417
  - selling, 43, 362
  - settlement process for, 399
  - settling transactions in, 387–88, 393, 400
  - short-term, 151–52, 289
  - Snyder and, 77
  - in SOMA, 200, 354–55
  - SOMA acquiring, 250
  - transactions in, 369
  - unissued, 391
- Treasury Tax and Loan account balances, 413
- Treasury Tax and Loan Account System, 33–34
- Treasury Tax and Loan depositories, 185
- Treasury yields, 18, 81, 210, 424
  - daily figures, 340
  - longer-term, 216
  - long-term, 110
  - long-term and short term, 313
  - monthly averages of, 218, 307, 311, 339
  - sharp rise in, 442–43
- TreasuryDirect, 511–12
- Treasury-Federal Reserve Accord, 2, 73, 78–82, 513
  - consequences of, 156–57
  - effects of, 82
  - Martin and, 106
  - run-up to, 76–78
- Treasury-Federal Reserve Study of the Government Securities Market (Treasury-Federal Reserve Study), 218–20, 223–24, 256–58, 267–68, 520
  - financial condition of dealers and, 260
  - market statistics and, 258–59
  - New York banks and, 266
  - public interest and, 260
  - on short sales, 401
  - Young and, 260–61
- Treiber, William, 208, 250–51, 279, 284–87, 289
- “trust-me” repos, 528
- 20-year bond auction, 443
- two-year notes, 450, 453
- uncertainty, consequences of, 470–73
- Under Secretary of the Treasury for Monetary Affairs, 431–32, 454
- United California Bank, 371–72
- “U.S. Government and Agency Bonds” (*New York Times*), 218–20
- Vardaman, James, 188
- vault cash, 282–84
- Victory Liberty Loan Act, 433
- Victory Loan offerings, 20
- Vietnam war, 339–40, 436–37
- volatility, 71
- Volcker, Paul, 313–14, 436, 438–40, 448, 450, 516
- von der Linde, Gert, 105, 401
- Walker, Charls, 253–54
- Wall Street Journal* (newspaper), 77, 79–80, 109, 123, 223, 282, 439
  - Roosa and, 290
  - severe winter storms and, 468
  - on Simon and Yeo, 454
  - Treasury bills and, 437
  - on Treasury market, 406

War Loan Deposit Account, 33–34, 44, 518–19	recovering from, 275
War Loan drives, 11–12	War Loan drives, 12
William E. Pollack & Co., 104–5	
winner’s curse, 526–27	
World War I, 1, 3, 43–44	Yeo, Edwin, 431–32, 453–54
bond drives of, 11–28	yield auctions, 442–44, 457
Liberty Loan drives of, 11	yield curve, 290
Treasury financing and, 392	Young, Ralph, 135, 144, 167–68, 195
World War II, 1, 4–5, 33, 44, 253–54	Aubrey Lanston & Co., and, 261
beginning of, 68–69	data collection and, 264–65
debt management in, 11–13	on economic activity, 197
end of, 15–16	recession and, 223
Federal Reserve and, 40	Treasury-Federal Reserve Study and, 260–61