



# WHEN THE DOLLAR CRASHES, WHERE WILL YOUR FOOD COME FROM?

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# UH-OH!

The New York Times  
DealBook  
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## Fed Divided on Move to Buy U.S. Debt

Federal Reserve officials expressed considerable uncertainty before they took a nearly unanimous vote on Aug. 10 to take a modest step to bolster the flagging recovery, according to the central bank's minutes of the meeting, Sewell Chan writes in The New York Times.

The meeting, which lasted 5 hours and 35 minutes, longer than usual, ended with the Federal Open Market Committee, which sets monetary policy, voting 9 to 1 to use proceeds from the Fed's mortgage bonds to buy long-term Treasury securities.

The action was largely technical — it merely prevented the Fed's bond portfolio from shrinking — but it was also strongly symbolic as it signaled a growing concern about slowing recovery and the risk of deflation. Since the Fed announced its action, the stock market has dipped.

The minutes, released Tuesday, revealed that Fed officials were divided on how effective the purchase of long-term Treasuries would be, and on whether it would complicate an eventual return to normal monetary policy.

While the committee closed ranks behind the Fed chairman, Ben S. Bernanke, who supported the move and whose views are generally decisive in setting policy, the minutes suggested that he would have to go even further to overcome his colleagues' reservations if the Fed were to resume buying huge quantities of government debt — an action Mr. Bernanke has said he is prepared to take if the economy worsens significantly.

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MONETIZING DEBT = :'-(