

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

REC'D IN RECORDS SECTION  
APR 21 1980  
April 15, 1980  
*Fomc General*

# Office Correspondence

To Board Members (Individually addressed)

Subject: \_\_\_\_\_

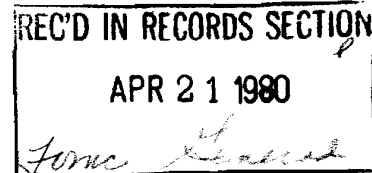
From Murray Altmann *M. A.*

STRICTLY CONFIDENTIAL (FR)  
CLASS I - FOMC

Attached is a copy of a telegram being sent today to the President-members of the FOMC. If you vote to approve the Manager's recommendation, please indicate by initialing below and returning this memorandum to my office.

Attachment

*Date 1/6*



T E L E G R A M

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

April 15, 1980

STRICTLY CONFIDENTIAL (FR)  
CLASS I - FOMC

TIMLEN - NEW YORK  
MORRIS - BOSTON  
WINN - CLEVELAND  
ROOS - ST. LOUIS  
GUFFEY - KANSAS CITY

The Manager for Domestic Operations advises that outright purchases, net, of Treasury and Federal agency securities for System Account since the March meeting of the Committee amounted to somewhat more than \$2.8 billion as of the close of business yesterday, reducing the leeway available for further net purchases during the period before the next meeting to less than \$200 million under the intermeeting limit of \$3 billion on changes in System holdings specified in paragraph 1(a) of the authorization for domestic open market operations. Since the March meeting, the System has provided a large volume of reserves to counter the effects of a decline in float, an increase in currency in circulation, and a rise in required reserves associated with the System actions announced on March 14. Current projections indicate a need to provide a sizable volume of reserves in the week ahead.

*File copy filed as attached to 4/15/80 memo*

*Date File*

T E L E G R A M

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

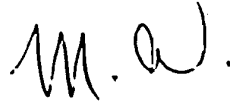
STRICTLY CONFIDENTIAL (FR)  
CLASS I - FOMC

-2-

To provide flexibility for operations, the Manager recommends that the intermeeting limit be raised \$1-1/2 billion to \$4-1/2 billion, effective immediately for the period ending with the close of business on April 22. Chairman Volcker concurs in the recommendation.

Please advise promptly whether you vote to approve the increase in the limit.

ALTMANN

A handwritten signature in dark ink, appearing to be 'M. A.' followed by a flourish.

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

REC'D IN RECORDS SECTION  
APR 21 1980  
*FOMC General*

# Office Correspondence

Date April 16, 1980

To Board Members (Individually addressed)

Subject: \_\_\_\_\_

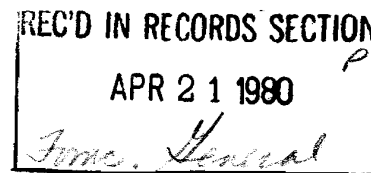
From Murray Altmann *M. A.*

CONFIDENTIAL (FR)  
CLASS II - FOMC

In response to the wire sent yesterday, all available members of the Committee have voted to approve the recommendation for a temporary increase to \$4-1/2 billion in the intermeeting limit on changes in System holdings specified in paragraph 1(a) of the authorization for domestic open market operations. Mr. Timlen voted as alternate for Mr. Solomon.

*File copy held as Attachment to 4/15/80 memo*

*Date file*



T E L E G R A M

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

April 16, 1980

CONFIDENTIAL (FR)  
CLASS II - FOMC

TIMLEN - NEW YORK  
MORRIS - BOSTON  
WINN - CLEVELAND  
ROOS - ST. LOUIS  
GUFFEY - KANSAS CITY

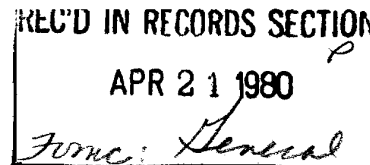
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ALTMANN

*M. A.*

*The copy filed as Attachment to 4/16/80 memo*

*Dist. File*



T E L E G R A M

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

April 16, 1980

CONFIDENTIAL (FR)  
CLASS II - FOMC

STERNLIGHT - NEW YORK

The following message was transmitted to FOMC members  
yesterday:

"The Manager for Domestic Operations advises that outright purchases, net, of Treasury and Federal agency securities for System Account since the March meeting of the Committee amounted to somewhat more than \$2.8 billion as of the close of business yesterday, reducing the leeway available for further net purchases during the period before the next meeting to less than \$200 million under the intermeeting limit of \$3 billion on changes in System holdings specified in paragraph 1(a) of the authorization for domestic open market operations. Since the March meeting, the System has provided a large volume of reserves to counter the effects of a decline in float, an increase in currency in circulation, and a rise in required reserves associated with the System actions announced on March 14. Current projections indicate a need to provide a sizable volume of reserves in the week ahead.

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T E L E G R A M

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

-2-

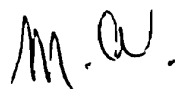
CONFIDENTIAL (FR)  
CLASS II - FOMC

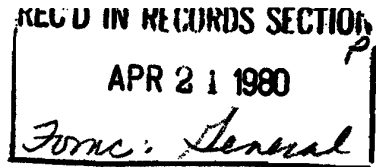
"To provide flexibility for operations, the Manager recommends that the intermeeting limit be raised \$1-~~1~~2 billion to \$4-1/2 billion, effective immediately for the period ending with the close of business on April 22. Chairman Volcker concurs in the recommendation.

"Please advise promptly whether you vote to approve the increase in the limit."

All available members of the Committee have voted to approve the recommendation. Mr. Timlen voted as alternate for Mr. Solomon.

ALTMANN

Handwritten signature of M. Altman, consisting of the letters 'M' and 'A' in a cursive style, followed by a period.



**T E L E G R A M**

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

April 16, 1980

CONFIDENTIAL (FR)  
CLASS II - FOMC

EASTBURN - PHILADELPHIA  
BLACK - RICHMOND  
KIMBREL - ATLANTA  
MAYO - CHICAGO  
WILLES - MINNEAPOLIS  
BAUGHMAN - DALLAS  
BALLES - SAN FRANCISCO

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yesterday:

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FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

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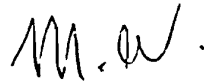
CONFIDENTIAL (FR)  
CLASS II - FOMC

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"Please advise promptly whether you vote to approve the increase in the limit."

All available members of the Committee have voted to approve the recommendation. Mr. Timlen voted as alternate for Mr. Solomon.

ALTMANN



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

REC'D IN RECORDS SECTION  
APR 21 1980  
*Fomc*  
Date April 16, 1980 *General*

# Office Correspondence

To See Distribution

Subject: \_\_\_\_\_

From Murray Altmann *M.A.*

CONFIDENTIAL (FR)  
CLASS II - FOMC

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*File copy filed as Attachment to 4/15/80 memo*

*Date File*

-2-

CONFIDENTIAL (FR)  
CLASS II - FOMC

All available members of the Committee have voted to approve the recommendation. Mr. Timlen voted as alternate for Mr. Solomon.

DISTRIBUTION:

Mr. Axilrod  
Mr. Bernard  
Mr. Coyne  
Mr. Ettin  
Ms. Farar  
Mr. G. Henry  
Mr. Keir  
Mr. Kichline  
Mr. Petersen  
Mr. Truman  
Mr. Ziesel  
Mr. Corrigan