

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date March 1, 1973

To Members of the Board

Subject: _____

From Arthur L. Broida *ALB*

Attached is a copy of a telegram being sent to the president members of the FOMC today.

If you vote to approve the recommendation described in the telegram, please indicate approval by initialing this memorandum and returning it to my office.

cc: Messrs ✓Holland
✓Melnicoff
✓Partee
✓Axilrod
✓Bernard
✓Hackley
✓O'Connell
✓Bryant

✓Reynolds
✓Keir
✓Gramley
✓Hersey
✓Williams
✓Wernick
✓Coyne

T E L E G R A M
LEASED WIRE SERVICE

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

March 1, 1973

CONFIDENTIAL - FR

Morris - Boston
Hayes - New York
Mayo - Chicago

Francis - St. Louis
Balles - San Francisco

As you know, in last two statement weeks the average to Federal Funds rate was equal/or slightly above 6-3/4 per cent, the upper limit of range of tolerance established by FOMC at February meeting. Manager believes that under prevailing circumstances, with growth rates for monetary aggregates continuing near or slightly above upper limits, it would be useful to have a little more elbow room for open market operations in case of need, and he recommends that upper limit of funds rate constraint be raised to 7 per cent.

Chairman Burns concurs in this recommendation.

Please advise by wire whether you vote to approve this recommendation.

BROIDA

