

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date February 15, 1978

*FOMC: General*

To Board Members (individually addressed)

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

From Arthur L. Broida *ALB*

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*

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

FEDERAL RESERVE COMMUNICATIONS SYSTEM

*Fomic: General*

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

February 15, 1978

CONFIDENTIAL (FR)  
CLASS II FOMC

EASTBURN - PHILADELPHIA  
WINN - CLEVELAND  
BLACK - RICHMOND  
KIMBREL - ATLANTA  
WILLES - MINNEAPOLIS  
BAUGHMAN - DALLAS  
BALLES - SAN FRANCISCO

For your information, the following wire was sent to FOMC members earlier today:

"System Account Management advises that outright sales of Treasury and Federal Agency securities since January meeting of Committee have reduced leeway available for further sales, under the \$3 billion limit on changes during intermeeting period in System holdings specified in paragraph 1(a) of authorization of domestic open market operations, to about \$780 million. The remaining leeway may shortly be reduced to \$300 million or less as a result of the execution of an anticipated foreign account order.

"Since January meeting large-scale sales have been required mainly to counter the effect of seasonal declines in required reserves and currency in circulation. Projections for coming weeks suggest that further reserve-absorbing operations will be needed.

*DATC*

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

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

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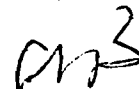
"In view of these considerations and of the lengthening of intermeeting interval by change in February meeting date, Account Management recommends that the limit specified in paragraph 1(a) of the domestic authorization be raised from \$3 billion to \$4 billion, effective immediately, for the period ending with the close of business February 28, 1978.

"Chairman Burns concurs in this recommendation.

"Please advise promptly whether you vote to approve this recommendation."

All available Committee members have voted to approve the Account Management's recommendation, Governors Lilly and Wallich were absent and did not vote.

BROIDA

A handwritten signature in dark ink, appearing to be 'BROIDA' with a stylized flourish at the end.

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date February 15, 1978  
*FOMC's General*

To Board Members (individually addressed)

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

From Arthur L. Broida *ALB*

CONFIDENTIAL (FR)  
CLASS II FOMC

All available Committee members have voted to approve the Account Management's recommendation, described in my wire of today, for a temporary increase, from \$3 billion to \$4 billion, in the leeway for System open market operations. Governors Lilly and Wallich were absent and did not vote.

*DATE*

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

FEDERAL RESERVE COMMUNICATIONS SYSTEM

*Fome: General*

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

February 15, 1978

CONFIDENTIAL (FR)  
CLASS II FOMC

MORRIS - BOSTON  
VOLCKER - NEW YORK  
ROOS - ST. LOUIS  
MAYO - CHICAGO  
GUFFEY - KANSAS CITY

All available Committee members have voted to approve the Account Management's recommendation, described in my wire of today, for a temporary increase, from \$3 billion to \$4 billion, in the leeway for System open market operations. Governors Lilly and Wallich were absent and did not vote.

BROIDA

*CB*

*DATE*

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

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

*FOMC: General*

February 15, 1978

CONFIDENTIAL (FR)  
CLASS II FOMC

STERNLIGHT - NEW YORK

All available Committee members have voted to approve the Account Management's recommendation, described in my wire of today, for a temporary increase, from \$3 billion to \$4 billion, in the leeway for System open market operations. Governors Lilly and Wallich were absent and did not vote.

BROIDA

*B/S*

*DATE*