

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

REC'D IN RECORDS SECTION  
JAN 15 1979  
Date January 15, 1979  
*Turne General*

# Office Correspondence

To Board Members (Individually Addressed)

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

From Murray Altmann

This morning, I informed all members of the Committee-- orally, either in person or by telephone--that the Management of the System Account had advised that outright sales of Treasury and Federal Agency securities since December meeting of the Committee have reduced leeway available for further sales to about \$100 million under \$3 billion inter-meeting limit on changes in System holdings specified in paragraph 1(a) of authorization for domestic open market operations. Large-scale sales have been required primarily to counter the effect on member bank reserves of an unusually and unexpectedly high level of float. Projections indicated a need for additional absorption of reserves before the next meeting of the Committee, because of a seasonal decline of currency in circulation and a continuing high level of float.

In order to provide flexibility for Desk operations, the Manager recommended that the limit specified in paragraph 1(a) be raised by \$2 billion to a total of \$5 billion for the period ending with the close of business on February 6, 1979.

Chairman Miller concurred in the recommendation, and all members of the Committee have voted to approve it.

FOR FILES FILES  
S. Bolton

*D. T. ...*

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

REC'D IN RECORDS SECTION

JAN 15 1979

*Case: General*  
Date January 15, 1979

# Office Correspondence

To Board Staff (see list below)

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

From Murray Altmann

This morning, I informed all members of the Committee-- orally, either in person or by telephone--that the Management of the System Account had advised that outright sales of Treasury and Federal Agency securities since December meeting of the Committee have reduced leeway available for further sales to about \$100 million under \$3 billion inter-meeting limit on changes in System holdings specified in paragraph 1(a) of authorization for domestic open market operations. Large-scale sales have been required primarily to counter the effect on member bank reserves of an unusually and unexpectedly high level of float. Projections indicated a need for additional absorption of reserves before the next meeting of the Committee, because of a seasonal decline of currency in circulation and a continuing high level of float.

In order to provide flexibility for Desk operations, the Manager recommended that the limit specified in paragraph 1(a) be raised by \$2 billion to a total of \$5 billion for the period ending with the close of business on February 6, 1979.

Chairman Miller concurred in the recommendation, and all members of the Committee have voted to approve it.

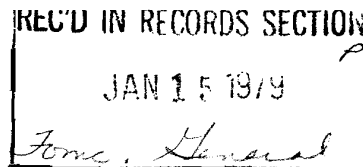
- |               |              |
|---------------|--------------|
| Mr. Axilrod   | Mr. Bernard  |
| Mr. Coyne     | Mr. Kichline |
| Mr. Ettin     | Mr. Keir     |
| Mr. O'Connell | Mr. Truman   |

Ms. Farar

FOR THE FILES  
S. Bolton

*Date Feb.*

**T E L E G R A M**  
FEDERAL RESERVE COMMUNICATIONS SYSTEM  
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON



January 15, 1979

CONFIDENTIAL (FR)  
CLASS II-FOMC

VOLCKER - NEW YORK  
EASTBURN - PHILADELPHIA  
WINN - CLEVELAND  
WILLES - MINNEAPOLIS  
BAUGHMAN - DALLAS

This morning, I informed all members of the Committee-- orally, either in person or by telephone--that the Management of the System Account had advised that outright sales of Treasury and Federal Agency securities since December meeting of the Committee have reduced leeway available for further sales to about \$100 million under \$3 billion inter-meeting limit on changes in System holdings specified in paragraph 1(a) of authorization for domestic open market operations. Large-scale sales have been required primarily to counter the effect on member bank reserves of an unusually and unexpectedly high level of float. Projections indicated a need for additional absorption of reserves before the next meeting of the Committee, because of a seasonal decline of currency in circulation and a continuing high level of float.

FOR FOMC FILES  
S. Bolton

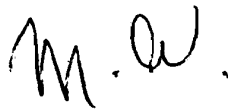
*Date Filed*

-2-

In order to provide flexibility for Desk operations, the Manager recommended that the limit specified in paragraph 1(a) be raised by \$2 billion to a total of \$5 billion for the period ending with the close of business on February 6, 1979.

Chairman Miller concurred in the recommendation, and all members of the Committee have voted to approve it.

ALTMANN

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

RECEIVED FILES  
SECTION

REC'D IN RECORDS SECTION  
JAN 15 1979  
*FOMC General*

TELEGRAM

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

January 15, 1979

CONFIDENTIAL (FR)  
CLASS II-FOMC

MORRIS - BOSTON  
BLACK - RICHMOND  
KIMBREL - ATLANTA  
MAYO - CHICAGO  
ROOS - ST. LOUIS  
GUFFEY - KANSAS CITY  
BALLES - SAN FRANCISCO

This morning, I informed all members of the Committee-- orally, either in person or by telephone--that the Management of the System Account had advised that outright sales of Treasury and Federal Agency securities since December meeting of the Committee have reduced leeway available for further sales to about \$100 million under \$3 billion inter-meeting limit on changes in System holdings specified in paragraph 1(a) of authorization for domestic open market operations. Large-scale sales have been required primarily to counter the effect on member bank reserves of an unusually and unexpectedly high level of float. Projections indicated a need for additional absorption of reserves before the next meeting of the Committee, because of a seasonal decline of currency in circulation and a continuing high level of float.

*Dist. 106*

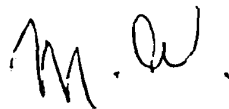
REC'D IN FILES  
S. C. 106

-2-

In order to provide flexibility for Desk operations, the Manager recommended that the limit specified in paragraph 1(a) be raised by \$2 billion to a total of \$5 billion for the period ending with the close of business on February 6, 1979.

Chairman Miller concurred in the recommendation, and all members of the Committee have voted to approve it.

ALTMANN

A handwritten signature in dark ink, appearing to be 'M. W.' followed by a period. The letters are cursive and somewhat stylized.

7-7 FOMC FILES  
S. Dalton

REC'D IN RECORDS SECTION  
JAN 15 1979  
*James General*

T E L E G R A M

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

January 15, 1979

CONFIDENTIAL (FR)  
CLASS II-FOMC

HOLMES - NEW YORK  
STERNLIGHT - NEW YORK

This morning, I informed all members of the Committee-- orally, either in person or by telephone--that the Management of the System Account had advised that outright sales of Treasury and Federal Agency securities since December meeting of the Committee have reduced leeway available for further sales to about \$100 million under \$3 billion inter-meeting limit on changes in System holdings specified in paragraph 1(a) of authorization for domestic open market operations. Large-scale sales have been required primarily to counter the effect on member bank reserves of an unusually and unexpectedly high level of float. Projections indicated a need for additional absorption of reserves before the next meeting of the Committee, because of a seasonal decline of currency in circulation and a continuing high level of float.

*Walter J. ...*

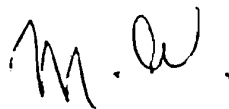
... FILES  
...

-2-

In order to provide flexibility for Desk operations, the Manager recommended that the limit specified in paragraph 1(a) be raised by \$2 billion to a total of \$5 billion for the period ending with the close of business on February 6, 1979.

Chairman Miller concurred in the recommendation, and all members of the Committee have voted to approve it.

ALTMANN

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

FOMC FILES  
Bolton ✓