

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

IN RECORDS SECTION  
APR 2 1979  
*Fome General*  
March 29, 1979

# Office Correspondence

Date

To Board Members (individually addressed)

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

From Murray Altmann *M. A.*

CONFIDENTIAL (FR)  
CLASS II-FOMC

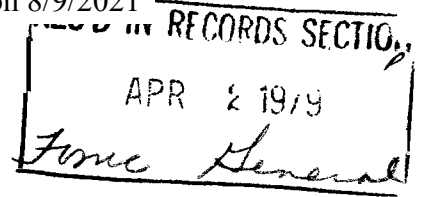
Attached is a copy of a telegram being sent today to the President-Members of the FOMC. If you vote to approve the Chairman's recommendation, please indicate by initialing below and returning this memorandum to my office.

\_\_\_\_\_

Attachment

FOR FOMC FILES  
S. Belton

*Date File*



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

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

March 29, 1979

CONFIDENTIAL (FR)  
CLASS II-FOMC

YOLCKER - NEW YORK  
BLACK - RICHMOND  
MAYO - CHICAGO  
ROOS - ST. LOUIS  
BALLES - SAN FRANCISCO

Current temporary debt ceiling of \$798 billion expires midnight Saturday, March 31, 1979. Congress is not expected to act on debt ceiling legislation before Monday, April 2, and ceiling will revert to permanent level of \$400 billion. Treasury has postponed several auctions of securities designed to raise funds to repay maturing debt and to meet cash outlays in early April. To provide maximum operating flexibility, Treasury has requested that Federal Reserve stand ready to purchase directly up to the statutory limit of \$5 billion of special short-term certificates of indebtedness. Some borrowing probably would be undertaken before the current temporary ceiling expires and some after enactment of new ceiling but before Treasury could arrange to borrow in the market.

Under paragraph 2 of the authorization for domestic operations, the ceiling for Federal Reserve Bank holdings of such certificates is \$2 billion. Accordingly, Chairman Miller recommends that the limit

*Filed as attachment  
to 3/29/79 Memo*

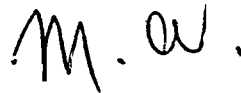
*Date File*

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specified in that paragraph be raised to \$5 billion, effective immediately, for the period ending with the close of business on April 17, 1979, the date of the next scheduled meeting.

Please advise as soon as possible whether you vote to approve the Chairman's recommendation.

ALTMANN

A handwritten signature in black ink, consisting of a stylized 'M' followed by a period, a space, and a stylized 'W' followed by a period.