

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date April 22, 1987

To Board Members (Individually addressed)

Subject: _____

From Normand Bernard *N.B.*

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 recommendation, please indicate by initialing below and return this memorandum to my office.

Attachment

T E L E G R A M

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

April 22, 1987

STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

CORRIGAN - NEW YORK
BOEHNE - PHILADELPHIA
KEEHN - CHICAGO
BOYKIN - DALLAS
STERN - MINNEAPOLIS

The Manager for Domestic Operations, System Open Market Account, is requesting an increase of \$3 billion in the leeway for changes in outright holdings of securities in the System Account between meetings of the Committee; the present leeway is \$6 billion as specified under paragraph 1(a) of the Authorization for Domestic Open Market Operations.

The Manager has advised that net purchases of securities in the current intermeeting period to date, mainly due to growth in currency and required reserves, have reduced the leeway for additional purchases in this period to about \$1.26 billion. With further sizable reserve needs projected, especially due to rising Treasury balances, the Manager requests a temporary increase to a level of \$9 billion, effective upon adoption, for the current intermeeting period through May 19, 1987. Chairman Volcker concurs in this request.

Please advise Mr. Bernard whether you vote to approve the Manager's request.

Bernard

Handwritten signature of Bernard, appearing to be 'NB'.

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OF THE
FEDERAL RESERVE SYSTEM

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Date April 23, 1987

To Board Members (Individually addressed)

Subject: _____

From Normand Bernard

N.B.

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC

In response to my message transmitted to FOMC members yesterday, all members of the Committee voted to approve the Manager's recommendation for a temporary increase of \$3 billion to \$9 billion in the limit in paragraph 1(a) of the Authorization for Domestic Open Market Operations, effective April 22, 1987, for the intermeeting period ending with the close of business on May 19, 1987.

T E L E G R A M

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

April 23, 1987

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Bernard

N.B.

T E L E G R A M

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WASHINGTON

April 23, 1987

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC

MORRIS - BOSTON
BLACK - RICHMOND
FORRESTAL - ATLANTA
MELZER - ST. LOUIS
GUFFEY - KANSAS CITY
PARRY - SAN FRANCISCO
HENDRICKS - CLEVELAND

For your information the following message was transmitted to FOMC members yesterday.

"The Manager for Domestic Operations, System Open Market Account, is requesting an increase of \$3 billion in the leeway for changes in outright holdings of securities in the System Account between meetings of the Committee; the present leeway is \$6 billion as specified under paragraph 1(a) of the Authorization for Domestic Open Market Operations.

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"Please advise Mr. Bernard whether you vote to approve the Manager's request."

All members voted to approve the recommendation, effective April 22, 1987.

BERNARD

N.B.

T E L E G R A M

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

April 23, 1987

STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC

STERNLIGHT - NEW YORK

This is to confirm our earlier conversation that the FOMC approved the recommendation for a temporary increase of \$3 billion to \$9 billion in the limit in paragraph 1(a) of the Authorization for Domestic Open Market Operations as described in the following message transmitted to FOMC members yesterday:

"The Manager for Domestic Operations, System Open Market Account, is requesting an increase of \$3 billion in the leeway for changes in outright holdings of securities in the System Account between meetings of the Committee; the present leeway is \$6 billion as specified under paragraph 1(a) of the Authorization for Domestic Open Market Operations.

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"Please advise Mr. Bernard whether you vote to approve the Manager's request."

All members voted to approve the recommendation, effective April 22, 1987.

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"Please advise Mr. Bernard whether you vote to approve the Manager's request."

All members voted to approve the recommendation, effective April 22, 1987.

Distribution:

Mr. Kohn
Mr. Bernard
Mr. Bradfield
Mr. Coyne

Mr. Kichline
Mrs. Loney
Mr. Truman
Records