

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

REC'D IN RECORDS SECTION

NOV 27 1984

*James General*

Date November 21, 1984

# Office Correspondence

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 Manager's recommendation, please indicate by initialing below and returning this memorandum to my office.

\_\_\_\_\_

Attachment

*to file*

REC'D IN RECORDS SECTION  
NOV 27 1984  
*Fomc, General*

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

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

November 21, 1984

STRICTLY CONFIDENTIAL (FR)  
CLASS I - FOMC

SOLOMON - NEW YORK  
BOEHNE - PHILADELPHIA  
HORN - CLEVELAND  
BOYKIN - DALLAS  
CORRIGAN - MINNEAPOLIS

The System Account Manager for Domestic Operations has advised that the remaining leeway for increasing the System's outright holdings of securities between meeting dates of the Committee is \$2.3 billion as of close of business November 20. To meet seasonal reserve needs in the next reserve period, a sizable Treasury bill purchase is contemplated today, which may just about exhaust the current leeway. Additional needs are anticipated in early December, making it advisable in the Manager's view to increase temporarily the standard leeway by \$2 billion, to a total of \$6 billion. Needs arise at this time of year primarily due to increased currency in circulation and larger required reserves, augmented this year by some reductions in extended credit borrowing. The Chairman concurs in the Manager's recommendation for a temporary increase in leeway.

Please advise promptly whether you concur in this recommendation to increase the intermeeting limit under paragraph 1(a) of the Committee's Authorization for Domestic Open Market Operations from \$4 billion to \$6 billion.

BERNARD

*N.B.*

Date File

*Original filed as ...  
# 11/21/84 ...*

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

NOV 27 1984

*Fomer General*

Date November 21, 1984

# Office Correspondence

To Board Members (Individually addressed)

Subject: Intermeeting Limit on

From Normand Bernard *N.B.*

Desk Purchases.

STRICTLY CONFIDENTIAL (FR)  
CLASS II - FOMC

In response to the message transmitted to FOMC members today, all members of the Committee have voted to approve the recommendation to raise from \$4 billion to \$6 billion, the intermeeting limit on the change in the System holdings of Treasury and federal agency securities. The action is effective today.

*Original of letter attachment  
to 11/21/84 memo to Board 10-10-84*

*Do to file*

REC'D IN RECORDS SECTION

NOV 27 1984

*Fors General*

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

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

November 21, 1984

STRICTLY CONFIDENTIAL (FR)  
CLASS II - FOMC

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BERNARD

*N.B.*

*Original filed w/attachment  
to 11/21/84 memo to Board members*

*Date file*

REC'D IN RECORDS SECTION

NOV 27 1984

*Fome General*

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

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

November 21, 1984

CONFIDENTIAL (FR)  
CLASS II - FOMC

MORRIS - BOSTON  
BLACK - RICHMOND  
FORRESTAL - ATLANTA  
KEEHN - CHICAGO  
ROBERTS - ST. LOUIS  
GUFFEY - KANSAS CITY  
BALLES - SAN FRANCISCO

For your information, the following message was transmitted to FOMC members today:

"The System Account Manager for Domestic Operations has advised that the remaining leeway for increasing the System's outright holdings of securities between meeting dates of the Committee is \$2.3 billion as of close of business November 20. To meet seasonal reserve needs in the next reserve period, a sizable Treasury bill purchase is contemplated today, which may just about exhaust the current leeway. Additional needs are anticipated in early December, making it advisable in the Manager's view to increase temporarily the standard leeway by \$2 billion, to a total of \$6 billion. Needs arise at this time of year primarily due to increased currency in circulation and larger required reserves, augmented this year by some reductions in extended credit borrowing. The Chairman concurs in the Manager's recommendation for a temporary increase in leeway."

"Please advise promptly whether you concur in this recommendation to increase the intermeeting limit under paragraph 1(a) of the Committee's Authorization for Domestic Open Market Operations from \$4 billion to \$6 billion."

*Regional Fed as attached*

-2-

All members of the Committee voted to approve the recommendation which is effective today.

BERNARD

N.B.

REC'D IN RECORDS SECTION

NOV 27 1984

*FOMC General*

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

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

November 21, 1984

CONFIDENTIAL (FR)  
CLASS II - FOMC

STERNLIGHT - NEW YORK

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BERNARD

*N.B.*

*Original filed as attachment  
to 11/21/84 memo to Fed Members*

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NOV 27 1984

Date November 21, 1984

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To Distribution

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CLASS II - FOMC

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Distribution:

- |              |             |
|--------------|-------------|
| Mr. Axilrod  | Mr. Prell   |
| Mr. Bernard  | Mr. Roberts |
| Mr. Bradford | Mrs. Steele |
| Mr. Kichline | Mr. Truman  |
| Mr. Kohn     | Mr. Zeisel  |

Records

*Original filed as attached 11/21/84*