



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

TO: Federal Open Market Committee

DATE: July 7, 1989

FROM: Donald Kohn

A handwritten signature in dark ink, appearing to be "DK", written over the printed name "Donald Kohn".

At the meeting yesterday, Chairman Greenspan proposed a review of the placement and wording of the factors bearing on possible intermeeting adjustments of reserve pressures. In the directive these factors are listed now as "indications of inflationary pressures, the strength of the business expansion, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets." I would appreciate receiving next week any suggestions you have on how this sentence should be worded in the present circumstances, including whether you would retain the current structure.