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April 21, 1989

To: Members of the Executive Board
From: The Secretary
Subject: Federal Republic of Germany - Monetary Measures

The Secretary has received the following memorandum dated April 20, 1989 from Mr. Grosche:

I received the following communication from the Deutsche Bundesbank, which I would like to ask you to kindly circulate to the members of the Executive Board for information.

"At its meeting on April 20, 1989, the Central Bank Council of the Deutsche Bundesbank took the following decision:

With effect from April 21, 1989, the Bundesbank's discount rate will be raised from 4 percent to 4 1/2 percent and its lombard rate--the rate for advances against securities--from 6 percent to 6 1/2 percent.

In taking this decision, the Central Bank Council was guided in particular by the consideration that monetary expansion in Germany continues to be stronger than is consistent with stability policy requirements."

Other Distribution:
Department Heads

