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ROOM C-130

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December 22, 1986

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

The Secretary has received the following memorandum dated December 18, 1986 from Mr. Grosche:

I have 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:

In 1987 the Deutsche Bundesbank will aim at an expansion of the money stock which, while preserving largely stable prices, will permit strong economic growth commensurate with the longer-term production possibilities. To this end, the Bank regards it as essential to keep the increase in the Central Bank Money Stock between the fourth quarter of 1986 and the fourth quarter of 1987 within a range of 3 to 6 percent.

Other Distribution:
Department Heads