



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

August 7, 1979

STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

STRICTLY CONFIDENTIAL (FR)

TO: Federal Open Market Committee

FROM: Murray Altmann *M.A.*

Attached for your information is a copy of a letter from Chairman Miller to the Director General of the Bank of Mexico, dated August 6, 1979, on the subject of the System's swap arrangement with that Bank.



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G. WILLIAM MILLER
CHAIRMAN

August 6, 1979

Mr. Gustavo Romero Kolbeck
Director General
Banco de Mexico, S.A.
Apartado Postal 98 bis
Mexico 1, D.F. Mexico

Dear Mr. Romero:

At our meeting in June, you suggested the possibility of increasing the size of the swap arrangement between the Bank of Mexico and the Federal Reserve System. As a preliminary step, I undertook to raise the subject informally with my colleagues on the Federal Open Market Committee. The FOMC expects to discuss the matter further at an early meeting.

In the meantime, events have led to changes in my future responsibilities and in the leadership of the Federal Reserve. In light of my appointment to be Secretary of the Treasury and Paul Volcker's appointment to succeed me as Chairman of the Federal Reserve Board, the two of us have agreed that Mr. Volcker will now take over the further follow up on this matter.

There may be some delay during the transition, which I trust you will understand, but Mr. Volcker expects to be able to give his attention to this subject in coming weeks and then be in touch with you.

Best wishes.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Miller", written in a cursive style.