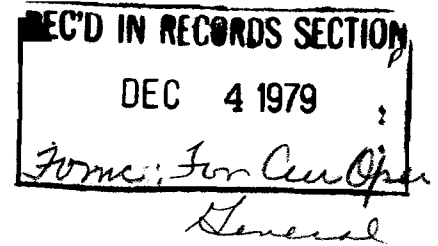




BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551



December 4, 1979

STRICTLY CONFIDENTIAL (FR)  
CLASS I - FOMC

TO: Federal Open Market Committee

FROM: Murray Altmann *M. A.*

Yesterday morning, the dollar was under downward pressure in association with the Iranian situation, and the Desk sold, net, \$88 million equivalent of German marks--half for System account and half for the account of the Treasury. At midday, available members of the Foreign Currency Subcommittee (Chairman Volcker and Messrs. Schultz and Timlen) approved suspension for the day of the daily limit of \$300 million on the change in the System's overall open position in foreign currencies and the daily limit of \$150 million on the change in the System's net position in a single foreign currency, specified in paragraphs 1A and 1B of the procedural instructions with respect to foreign currency operations. Subsequently, however, market conditions improved, and the Desk did not intervene further.

FOR FOMC FILES  
S. Belton