



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

REC'D IN RECORDS SECTION
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Fome: For Cur Ope
General

April 11, 1980

STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

TO: Federal Open Market Committee

FROM: Murray Altmann *M.A.*

Yesterday, Chairman Volcker, in the absence of other members of the Foreign Currency Subcommittee, approved suspension for the day of the daily limit on the change in the System's net position in a single foreign currency specified in paragraph 1B of the procedural instructions with respect to foreign currency operations. (The limit is \$150 million when operations are not associated with repayment of swap drawings.)

During the day, the dollar was subjected to downward pressure associated with market expectations of a near-term and substantial decline in U.S. interest rates. The Desk sold a total of about \$386 million equivalent of German marks, of which half was for System account and half for account of the Treasury. Including sales of small amounts of French and Swiss francs, the total dollar equivalent of sales of foreign currencies for System account was about \$250 million.

Date file