



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

For Cur Op
General

May 28, 1980

STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

TO: Federal Open Market Committee

FROM: Murray Altmann *M. A.*

Yesterday, available members of the Foreign Currency Subcommittee (Messrs. Schultz, Solomon, and Wallich) approved suspension for the day of the \$150 million daily limit on changes in the System's net position in a single foreign currency specified in paragraph 1B of the procedural instructions for foreign currency operations. Prior to the Subcommittee's action the Manager for Foreign Operations had advised that the dollar was under considerable downward pressure and that about \$200 million equivalent of German marks had already been sold by the New York Bank, one-half of the total for System Account and one-half for the account of the Treasury.

As the market situation developed, the day's sales of German marks for System Account were just below the \$150 million limit. Total sales were about \$292 million equivalent, shared equally with the Treasury.

Mark sales