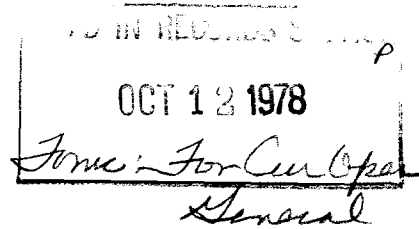




BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551



October 11, 1978

STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

TO: FEDERAL OPEN MARKET COMMITTEE
FROM: Murray Altmann *M.A.*

In the period from the FOMC meeting on September 19, 1978, through yesterday, the Desk engaged in operations that increased the over-all open position in foreign currencies by about \$262 million, reducing to about \$38 million the leeway for further operations over the inter-meeting period, specified under paragraph 1A of the Committee's procedural instructions with respect to foreign currency operations.

In view of continuing disturbances in the exchange markets for German marks and Swiss francs, the Manager today requested an increase in the inter-meeting limit from \$300 million to \$500 million, and the Foreign Currency Subcommittee approved the increase.

FOR FOMC FILES
S. Belton

Date Filed

T E L E G R A M

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

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OCT 12 1978

October 11, 1978

STRICTLY CONFIDENTIAL (FR)
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PRESIDENTS OF ALL FEDERAL RESERVE BANKS

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ALTMANN

M. A.

FOR FOMC FILE
S. Belton

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WASHINGTON

REC'D IN RECORDS SECTION

OCT 12 1978

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STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

HOLMES - NEW YORK
PARDEE - NEW YORK

Given below is the text of a message transmitted to the FOMC members today.

"In the period from the FOMC meeting on September 19, 1978, through yesterday, the Desk engaged in operations that increased the over-all open position in foreign currencies by about \$262 million, reducing to about \$38 million the leeway for further operations over the inter-meeting period, specified under paragraph 1A of the Committee's procedural instructions with respect to foreign currency operations. "

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FOR FOMC FILES
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