

REC'D IN RECORDS SECTION
OCT 23 1978
From For Cur Op



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

General

October 19, 1978

STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

TO: FEDERAL OPEN MARKET COMMITTEE

FROM: Murray Altmann *M.A.*

Available members of the Foreign Currency Subcommittee (Vice Chairman Volcker and Governors Gardner and Wallich) today authorized operations that would result in (1) a change in the System's over-all position in foreign currencies in excess of the daily limit of \$100 million specified in paragraph 1A of the Committee's procedural instructions, and (2) a change in the System's net position in a single foreign currency in excess of the daily limit of \$100 million specified in paragraph 1B of the instructions. The operations were authorized in order to take advantage of an opportunity to buy 350 million marks, about \$180 million equivalent, directly from the German Federal Bank. Of the total, \$120 million was for System account and the remainder for account of the Treasury. The marks acquired are to be used in repayment of outstanding swap debt.

Date File

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T E L E G R A M

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

October 19, 1978

STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

PRESIDENTS OF ALL FEDERAL RESERVE BANKS

Available members of the Foreign Currency Subcommittee (Vice Chairman Volcker and Governors Gardner and Wallich) today authorized operations that would result in (1) a change in the System's over-all position in foreign currencies in excess of the daily limit of \$100 million specified in paragraph 1A of the Committee's procedural instructions, and (2) a change in the System's net position in a single foreign currency in excess of the daily limit of \$100 million specified in paragraph 1B of the instructions. The operations were authorized in order to take advantage of an opportunity to buy 350 million marks, about \$180 million equivalent, directly from the German Federal Bank. Of the total, \$120 million was for System account and the remainder for account of the Treasury. The marks acquired are to be used in repayment of outstanding swap debt.

ALTMANN

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HOLMES - NEW YORK
PARDEE - NEW YORK

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

"Available members of the Foreign Currency Subcommittee (Vice Chairman Volcker and Governors Gardner and Wallich) today authorized operations that would result in (1) a change in the System's over-all position in foreign currencies in excess of the daily limit of \$100 million specified in paragraph 1A of the Committee's procedural instructions, and (2) a change in the System's net position in a single foreign currency in excess of the daily limit of \$100 million specified in paragraph 1B of the instructions. The operations were authorized in order to take advantage of an opportunity to buy 350 million marks, about \$180 million equivalent, directly from the German Federal Bank. Of the total, \$120 million was for System account and the remainder for account of the Treasury. The marks acquired are to be used in repayment of outstanding swap debt."

ALTMANN

