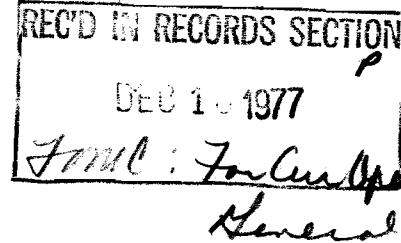




BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551



December 15, 1977

STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

TO: Federal Open Market Committee

FROM: Arthur L. Broida

ALB

The System Open Market Account has continued this week to sell German marks for the purpose of countering disorderly market conditions. Primarily as a result of these operations, through noon today the System's over-all open position in foreign currencies has increased by \$378.2 million since the November 15 FOMC meeting, and during the same period gross transactions in German marks have totaled \$395.8 million.

In view of the likelihood that further intervention will be needed prior to the next FOMC meeting, the Foreign Currency Subcommittee today increased the limits--specified in paragraphs 1A and 1B of the FOMC's procedural instructions--on changes between meetings in the open position and on gross transactions in a single currency to \$450 million for the current inter-meeting period, from the figure of \$400 million the Subcommittee had authorized on December 12, 1977.

Date File

REC'D IN RECORDS SECTION
DEC 16 1977
*FOMC: For Cur by
General*

T E L E G R A M
FEDERAL RESERVE COMMUNICATIONS SYSTEM
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

December 15, 1977

STRICTLY CONFIDENTIAL (FR)
CLASS I-FOMC

To all Federal Reserve Bank Presidents

The System Open Market Account has continued this week to sell German marks for the purpose of countering disorderly market conditions. Primarily as a result of these operations, through noon today the System's over-all open position in foreign currencies has increased by \$378.2 million since the November 15 FOMC meeting, and during the same period gross transactions in German marks have totaled \$395.8 million.

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BROIDA

amb

Date File

REC'D IN RECORDS SECTION
DEC 15 1977
FOMC: For Carter

T E L E G R A M

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

General

December 15, 1977

STRICTLY CONFIDENTIAL (FR)
CLASS I FOMC

HOLMES - NEW YORK

Foreign Currency Subcommittee of FOMC has unanimously agreed to increase limits specified in paragraphs 1A and 1B of procedural instructions for foreign currency operations to \$450 million for current inter-meeting period.

BROIDA

OMB

Date File