



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

May 23, 1978

STRICTLY CONFIDENTIAL (FR)  
CLASS I FOMC

TO: Federal Open Market Committee

FROM: Arthur L. Broida *ALB*

As a result of purchases of German marks from foreign correspondents and in the market, the System's over-all open position in foreign currencies has declined by \$292 million since May 16 FOMC meeting, leaving only a small leeway for inter-meeting change in open position under the \$300 million limit specified in paragraph 1A of the Committee's procedural instructions. In light of advice from Desk that there may be further opportunities in the near term to acquire marks for use in paying down System swap debt, the available members of the Foreign Currency Subcommittee (Governor Gardner, Governor Partee, and First Vice President Timlen, with Mr. Partee serving in the absence of both Chairman Miller and Governor Wallich, and Mr. Timlen serving in the absence of President Volcker) have authorized an increase in the limit on change in open position for the current inter-meeting period to \$500 million.

**T E L E G R A M**

**FEDERAL RESERVE COMMUNICATIONS SYSTEM**

**BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON**

**May 23, 1978**

STRICTLY CONFIDENTIAL (FR)  
CLASS I FOMC

**TO: Presidents of all Federal Reserve Banks**

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**BROIDA**

*AMB*

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WASHINGTON**

**May 23, 1978**

**STRICTLY CONFIDENTIAL (FR)**  
**CLASS I FOMC**

**HOLMES - NEW YORK**  
**PARDEE - NEW YORK**

**Available members of the Foreign Currency Subcommittee  
(Governor Gardner, Governor Partee, and First Vice President Timlen)  
have today authorized an increase in the limit on change in open  
position for the current inter-meeting period to \$500 million.**

**BROIDA**

