



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

REC'D 7/27/79
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Gene et

September 13, 1979

STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

TO: Federal Open Market Committee

FROM: Murray Altmann *M. A.*

Yesterday, the Foreign Currency Subcommittee suspended for the day the daily limits on the change in the System's overall open position in foreign currencies and on the change in the System's net position in a single foreign currency, specified in paragraphs 1A and 1B of the procedural instructions with respect to foreign currency operations. The Subcommittee also suspended the intermeeting limit of \$600 million on the change in the overall open position specified in paragraph 1A.

Foreign exchange markets appeared to have been influenced yesterday by concern about the rate of inflation in the United States and by rumors of an impending re-alignment of exchange rates within the European Monetary System. By the close of business, the Desk had sold \$228.8 million equivalent of German marks, half for System account and half for account of the Treasury. The change in the System's overall open position since the meeting on August 14 amounted to about \$575 million.

Date file

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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Form: For Cur Op
General

September 13, 1979

STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

PRESIDENTS OF ALL FEDERAL RESERVE BANKS

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ALTMANN

M.A.

*Original filed as attachment
to 4/13/79 memo*

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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

*From: For Lee C. ...
General*

September 13, 1979

STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

PARDEE - NEW YORK

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