



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

STRICTLY CONFIDENTIAL (FR)
CLASS I - FOMC

TO: Federal Open Market Committee

FROM: Normand Bernard *N.B.*

In light of the very recent strength of the dollar, staff proposes dropping the word "slight" shown in line 28 of the draft directive. The new sentence would read as follows:

In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies FLUCTUATED WIDELY OVER declined further over the first several weeks of the intermeeting period but ENDED THE PERIOD HIGHER ON BALANCE ~~it~~ has stabilized more recently.