Meeting of the Federal Open Market Committee

December 5, 1980

A meeting of the Federal Open Market Committee was held on Friday, December 5, 1980, at 2:10 p.m., at the call of Chairman Volcker. This was a telephone conference meeting, and each individual was in Washington, D. C., except as otherwise indicated in parentheses in the following list of those participating.

PRESENT: Mr. Volcker, Chairman

Mr. Solomon, Vice Chairman (New York)

Mr. Gramley

Mr. Guffey (Kansas City)

Mr. Morris (Boston)

Mr. Partee Mr. Rice

Mr. Roos (St. Louis)

Mrs. Teeters Mr. Wallich

Mr. Winn (Cleveland)

Messrs. Balles (San Francisco), Baughman (Dallas), Eastburn (Philadelphia), Mayo (Chicago), and Timlen (New York), Alternate Members of the Federal Open Market Committee

Mr. Corrigan (Minneapolis), President of the Federal Reserve Bank of Minneapolis

Mr. Altmann, Secretary

Mr. Bernard, Assistant Secretary

Mr. Oltman (New York), Deputy General Counsel

Mr. Axilrod, Economist

Messrs. Balbach (St. Louis), J. Davis (Cleveland),
R. Davis (New York), T. Davis (Kansas City),
Eisenmenger (Boston), Ettin, Henry, Keir,
Kichline, Truman, and Zeisel, Associate Economists

Mr. Pardee (New York), Manager for Foreign Operations, System Open Market Account

Mr. Sternlight (New York), Manager for Domestic Operations, System Open Market Account

- Mr. Coyne, Assistant to the Board of Governors Mr. Beck, Senior Economist, Banking Section, Division of Research and Statistics, Board of Governors
- Messrs. Boehne (Philadelphia), Burns (Dallas), Fousek (New York), Keran (San Francisco), and Scheld, Senior Vice Presidents, Federal Reserve Banks of Philadelphia, Dallas, New York, San Francisco, and Chicago, respectively
- Mr. Meek (New York), Monetary Adviser, Federal Reserve Bank of New York
- Mrs. Nichols (Chicago), Vice President, Federal Reserve Bank of Chicago
- Mr. Campbell (New York), Assistant Secretary, Federal Reserve Bank of New York

With Mrs. Teeters and Mr. Wallich dissenting, the Committee modified the domestic policy directive adopted at its meeting on November 18, 1980, and subsequently modified in a telephone meeting on November 26, to take account of the action of the Board of Governors on December 4 to raise discount rates by providing leeway for pursuit of the Committee's short-run objectives for the behavior of reserve aggregates without operations being precisely constrained in the current statement week by the 18 percent upper limit of the intermeeting range for the federal funds rate.

The meeting adjourned.

Secretary