

Meeting of Federal Open Market Committee

March 10, 1978

MINUTES OF ACTIONS

A meeting of the Federal Open Market Committee was held on Friday, March 10, 1978, at 11:30 a.m. 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.

PARTICIPATING: Mr. Burns
Mr. Coldwell
Mr. Eastburn (Philadelphia)
Mr. Jackson
Mr. Miller
Mr. Wallich
Mr. Willes (Minneapolis)
Mr. Winn (Cleveland)
Mr. Volcker
Mr. Kimbrel, Alternate
for Mr. Baughman (Atlanta)

Mr. Broida, Secretary
Mr. Altmann, Deputy Secretary
Mr. O'Connell, General Counsel
Mr. Axilrod, Economist

Messrs. Kichline and Truman,
Associate Economists

Mr. Pardee, Deputy Manager for
Foreign Operations (New York)
Mr. Sternlight, Deputy Manager for
Domestic Operations (New York)

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Mr. Coyne, Assistant to the Board
of Governors

Mrs. Deck, Staff Assistant, Open
Market Secretariat, Board of
Governors

Mr. J. Davis (Cleveland), Senior
Vice President, Federal Reserve
Bank of Cleveland

Messrs. Brandt (Atlanta) and Kaminow
(Philadelphia), Vice Presidents
Federal Reserve Banks of
Atlanta and Philadelphia,
respectively

Mr. Meek, (New York) Monetary Adviser,
Federal Reserve Bank of New York

By unanimous vote, on nomination by Chairman
Burns, the Committee elected G. William Miller to succeed
Dr. Burns as Chairman for the period until the election of
Committee officers at the organization meeting of the
Committee to be held on March 21, 1978.

By unanimous vote, the Committee modified the
domestic policy directive adopted at its meeting of February
28, 1978, to call for open market operations directed at
maintaining the Federal funds rate at about the prevailing
level of 6-3/4 per cent for the time being.

The meeting adjourned.

Secretary's note: Subsequent to the telephone
meeting the Committee, with Messrs. Baughman and Gardner

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absent and not voting (Mr. Kimbrel voted as alternate for Mr. Baughman), delegated authority to Chairman Miller to negotiate an increase in the System's swap arrangement with the German Federal Bank in an amount up to \$2 billion if he determined that the detailed arrangements were satisfactory, and approved a concurrent amendment to paragraph 2 of the authorization for foreign currency operations to raise the amount specified there for the swap arrangement with the German Federal Bank correspondingly.

Acting pursuant to authority delegated to him by the Federal Open Market Committee on March 10, 1978, Chairman Miller, after determining that the detailed arrangements were satisfactory, approved a \$2 billion increase in the System's swap line with the German Federal Bank on March 11, 1978. Accordingly, under the terms of the Committee's action on March 10, paragraph 2 of the authorization for foreign currency operations was amended, effective March 11, to raise the amount specified there for the swap arrangement with the German Federal Bank from \$2 billion to \$4 billion.



Secretary