

Meeting of the Federal Open Market Committee

December 12, 1980

Minutes of Actions

A meeting of the Federal Open Market Committee was held on Friday, December 12, 1980, at 12:40 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)
Mr. Schultz (Atlanta)
Mrs. Teeters
Mr. Winn (Cleveland)

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

Messrs. Black (Richmond), Corrigan, and Ford (Atlanta), Presidents of the Federal Reserve Banks of Richmond, Minneapolis, and Atlanta, respectively

Mr. Altmann, Secretary
Mr. Bernard, Assistant Secretary
Mr. Petersen, General Counsel
Mr. Oltman (New York), Deputy General Counsel
Mr. Holmes (New York), Adviser for Market Operations
Mr. Axilrod, Economist

Messrs. J. Davis (Cleveland), T. Davis (Kansas City), 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. Allison, Secretary, Office of the Secretary, Board of Governors

Mr. Coyne, Assistant to the Board of Governors

Mr. Prell, Associate Director, Division of Research and Statistics, Board of Governors

Mr. Beck, Senior Economist, Banking Section, Division of Research and Statistics, Board of Governors

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

Messrs. McIntosh (Boston), and Smoot (Philadelphia), First Vice Presidents, Federal Reserve Banks of Boston and Philadelphia, respectively

Messrs. Boehne (Philadelphia), Brandt (Atlanta), Burns, (Dallas), Danforth (Minneapolis), Fousek (New York), Keran (San Francisco), Parthemos (Richmond), and Scheld, Senior Vice Presidents, Federal Reserve Banks of Philadelphia, Atlanta, Dallas, Minneapolis, New York, San Francisco, Richmond, and Chicago, respectively

Mrs. Nichols (Chicago), Vice President, Federal Reserve Bank of Chicago

Mr. Burger (St. Louis), Assistant Vice President, Federal Reserve Bank of St. Louis

Mr. Campbell (New York), Assistant Secretary, Federal Reserve Bank of New York

With Mrs. Teeters dissenting, the Committee modified the domestic policy directive issued on November 18, 1980, and subsequently modified on November 26 and December 5, to extend through the period before the next regular meeting leeway for pursuit of the Committee's short-run objectives for the behavior of reserve aggregates without operations being precisely constrained by the 18 percent upper limit of the intermeeting range for the federal funds rate.

The meeting adjourned.

Secretary