

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

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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