

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.

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Secretary