



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

February 2, 1977

CONFIDENTIAL (FR)
CLASS II FOMC

TO: Federal Open Market Committee SUBJECT: Designation of new
FROM: Arthur L. Broida *ALB* Directive Subcommittee

As you will recall, at the December FOMC meeting Chairman Burns indicated his intention to appoint a new Subcommittee on the Directive in view of the length of the period over which most of the present members have served. The Chairman has now designated Messrs. Eastburn, Gardner, and Volcker as Subcommittee members. Mr. Partee will continue as Chairman.

In its report of December 15, 1976, the previous Subcommittee had listed five issues as warranting Subcommittee study. The new Subcommittee is being asked to consider four of the listed issues--all except that of possible changes in the concept of money, which is being considered by the Board in connection with its review of the Bach Committee's report. The Subcommittee will give first priority to an analysis of the questions surrounding the base for the longer-run ranges for the aggregates.