



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

PAUL A. VOLCKER
CHAIRMAN

November 12, 1982

PERSONAL

The Honorable Nancy H. Teeters
Member
Board of Governors of the
Federal Reserve System
Washington, D. C. 20551

Dear Nancy:

In my October 19 letter, I promised to inform you of any steps that might be taken in light of the very serious leaks of information, partial information and misinformation that followed the last FOMC meeting on October 5.

I have given this matter considerable thought over the intervening weeks and have concluded that for the time being at least attendance at the sensitive portions of the FOMC meetings must be reduced sharply. I plan to discuss this and related matters with you and other members of the FOMC after our next meeting on November 16.

For that meeting at least, the restrictions on attendance as indicated in the attached listing will be in effect. Regular attendance will be permitted during the first part of the meeting, including the reports on domestic and foreign desk operations and the discussion of economic developments. Limited attendance will be in effect after Mr. Axilrod's presentation and for the Committee's discussion of monetary policy. The change will take place at the coffee break.

Sincerely,

A handwritten signature in cursive script that reads "Paul".

Attachment

11/9/82

*Nancy -
Just a note to
let you know that I
strongly support
your position on this*
Bill Ford



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NANCY H. TEETERS
MEMBER OF THE BOARD

November 4, 1982

To: Chairman Volcker
From: Nancy Teeters *MAF*
Subject: Timing of Release of the Domestic Policy Directive

In light of the recent leaks to various newspapers, I think we should seriously reconsider the timing of the release of the domestic policy directive. What we do is of such concern to the domestic and international markets that our traditional worry that only the sophisticated will receive the news and have an advantage is pretty outmoded. Since the directive is written at the FOMC meeting, I see little reason to hold it for six weeks. I would be in favor of releasing it Tuesday afternoon.

The only disadvantage I see is that when we miss targets, we will be criticized -- but that happens anyway. Immediate release would reduce the speculation about what we decided, might reduce some of the volatility in interest rates, and would remove the incentive of reporters to try to find out what happened.

I would like to discuss this at the next FOMC meeting with a more articulated list of pros and cons.

cc: Members of the Board
All Reserve Bank Presidents
Mr. Axilrod
Mr. Altmann
Mr. Coyne

*Partee
Tulaw
Volcker
Ford*