

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

DIVISION OF MONETARY AFFAIRS

Date: December 9, 1992
To: Federal Open Market Committee
From: Don Kohn *DK*
Subject: Directive Language

STRICTLY CONFIDENTIAL (FR)
CLASS III - FOMC

Late last year the FOMC altered the wording of the sentence in the operational paragraph of the directive listing the factors to be taken into account in considering intermeeting policy changes. The intent was to make it more general and thus applicable to most situations. At that time, the Committee also agreed to review the sentence at least each December to determine whether the factors enumerated or the order in which they are given were still appropriate.

The sentence now reads: "In the context of the Committee's long-run objectives for price stability and economic growth, and giving careful consideration to economic, financial, and monetary developments, slightly lesser..."

If anyone wishes to discuss the sentence at the December 22 meeting, please let me know next week.