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BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

Chairman Eccles

# Office Correspondence

Date December 4, 1943

To Board of Governors

Subject: \_\_\_\_\_

From E. A. Goldenweiser

The attached recommendation dealing with System policy in respect to publications, speeches, and participation in outside activities by members of the System's research staff has been prepared by a committee composed of representatives of the System's research personnel whose names appear on the recommendation. The Committee submits this recommendation for your consideration; a copy is also being transmitted to the Presidents' Conference.

Attachment.

RECOMMENDATION

The purpose of research work in the Federal Reserve System is to contribute to the System's effectiveness in serving the public interest in the country as a whole and in the several Federal Reserve districts. To achieve this purpose it is necessary to combine the greatest possible freedom of action on the part of the various research departments, which would help to attract and retain a competent and vigorous research personnel, with sufficient unity of action to discharge the System's responsibilities as a national institution. As a part of the program to obtain these objectives, the following policy in regard to public statements and public activities of the research departments and of members of their staffs is recommended. These recommendations represent a departure from the procedure followed heretofore and the four recommendations below should be considered as a whole. 1/

1. The responsibility for public statements made by the research department of a Bank or by any member of the research staff rests with the President of the Bank as chief executive. This applies to the monthly reviews, press releases on special subjects, speeches by members of the research staff, and publications appearing over the signature of a member of the staff. Similarly, commitments to serve on committees of outside organizations must be made on the Bank's responsibility. The Board of Governors, however, is prepared to have its staff review any Bank material prior to release if a Bank so desires, or to give an opinion as to the advisability of participation in any particular outside activity.

2. It is the function of the research staffs to furnish background material as a basis for policy action and they must be prepared to express views which may imply or require taking a position on controversial issues. This involves the necessity of guarding against embarrassing the System and of lessening the effectiveness of the Banks' work in research and of the Banks' leadership. In handling controversial questions responsible officials must act so as to avoid placing the System in the position of appearing to be biased advocates.

3. These considerations should especially be kept in mind on statements dealing with System policy and important issues faced by the Government. On such matters the senior officers of the Bank must be prepared to take the responsibility for statements issued by the research staffs.

4. Copies of all publications and of written out speeches should be sent to the Board of Governors whenever possible prior to release in order to keep the Board informed and give it an opportunity to make comments. The Board should also be informed of commitments made to serve on outside organizations. The Board of Governors on its part will supply the Banks with copies of material issued by the Board and will notify them of commitments made which involve the Federal Reserve Banks.

1/ The principal departure from present practice is that under the proposed procedure publications need no longer receive Board approval prior to release. A minor departure is that the policy in regard to speeches and public activities is made more explicit.

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