

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date April 27, 1948

To Governor Eccles

Subject: Distribution of Speeches,
Articles, etc.

From M. S. Szymczak

Following the recent informal discussion of the question of procedure followed in connection with distribution of speeches, articles, etc., I gave the matter some further thought with a view to offering a suggestion as to how the procedure might be modified.

As I understand it, the Board, as one of several regulations governing various matters, adopted on March 20, 1947, a rule to the effect that "distribution shall not be made for any member of the Board or of its staff of speeches, articles or other documents through the use of the franking privilege or otherwise at the expense of the Board without written approval, on a form provided for the purpose, by the Board Member whose assignments include Board publications, or by his alternate when such distribution on his part is involved or when he is absent."

It has not been any part of my purpose to question the reason for or desirability of some uniform policy with respect to this matter, but rather to suggest the desirability of some other procedure, designed to accomplish the same purpose, which would have a less restrictive effect upon what I believe is a desirable objective. By this I mean that the Board and its individual members need to devote more time and effort to explaining Board policies and proposals which have the support of the Board as well as Federal Reserve functions and purposes, when there is evidence of a desire on the part of particular groups to be more fully informed, and that such activity should be encouraged to the fullest extent possible in the exercise of good judgment. While in some instances it may be desirable to utilize the larger mailing lists, in other instances a special or more limited list may be all that should be covered. All such lists, however, should be maintained in the section of the Board's organization that handles the distribution of publications generally. The only question in connection with their distribution at Board expense that would need to be considered would be whether the subject matter was appropriate from the Board's standpoint and whether its distribution would be timely.

By way of illustration, the Board received a request to send someone to speak at a meeting of the District of Columbia Bankers Association last fall and I accepted on behalf of the Board. Following my talk, I received numerous requests for copies, which were furnished, by reason of the fact that the speech related to and was in explanation of Board policies in which there was considerable current interest on the part of bankers. On the other hand, if the speech had

not been in furtherance of the Board's interests, it should have been treated as a purely personal matter.

In order to accomplish what I have in mind and at the same time have a procedure which would be satisfactory to all Board members for obtaining official sanction by someone other than the author, I suggest that the request for approval of the reproduction and distribution of a speech at the Board's expense be addressed to the Chairman, that it contain a brief statement of the purpose of the speech and the type of distribution proposed, and that it be acted upon either by him or by the Vice Chairman, as they may decide. The same procedure would apply to members of the staff as well as Board members.

A handwritten signature in dark ink, appearing to be 'M. S.', with a long horizontal stroke underneath.

Mr. Eccles

BOARD OF GOVERNORS
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Office Correspondence

Date April 28, 1948

To Members of the Board

Subject: Distribution of Speeches,
Articles, etc.

From James K. Vardaman, Jr.

Reference is made to Mr. Szymczak's memorandum of the 17th on distribution of speeches, articles, etc.: I agree with Mr. Szymczak that the present system of authorization of printing and distribution of speeches at Board's expense is not sound in principle. I think the same criticism can be made of the Board's travel regulations. Both of these rules, as they now stand, have the effect of giving one or two members of the Board the right to restrict, censor or prevent, actions of another member. The only relief the affected Board member would have is a formal appeal to the full Board, thereby creating an issue.

I do not agree with Mr. Szymczak's recommendation that application for distribution be made solely to the Chairman or Vice Chairman, because thereby we will simply continue the possibility of issues between individual members.

I recommend that applications for the distribution of speeches be made to the Board either at formal meetings or by circulation, thereby giving each Board member an opportunity to express himself on the particular item. I can see no harm in this, because the matter of distribution could hardly ever be so emergent as to be adversely affected by the slight delay in circulation, or reference to a formal meeting.

When the Board considers this question, I would also recommend that it consider changing the travel regulations so as to provide, in substance, that a member desiring to travel at the Board's expense shall give notice of his intention to travel at least two business days before such travel begins, and that unless some Board member objects to such travel and refers the question to the whole Board for action, then the proposed trip shall be considered official and handled accordingly. In emergency cases, where there is no time for reference in the manner suggested, I recommend that the Chairman or the Vice Chairman, or any two members of the Board including the member desiring to travel, shall have the right to approve such travel, and that the matter then be referred to the entire Board. If the Board then does not approve the trip previously authorized by the Chairman, Vice Chairman or two members, it should have the Secretary notify the traveler to terminate his trip as soon as practicable; and that if he continues the trip, it must be at his own expense.

If worse came to worse, and no member was available to join in the request of the member proposing to travel, then the traveler might

well make the trip at his own initial expense and later apply for reimbursement from the Board.

In principle, I am heartily in favor of the Board, as a Board, having the right to pass on all expenditures made by members and staff; but I am unalterably opposed to any rules or regulations which actually, or by implication, allow one member, or one group of members, to pass upon, censor, restrict or prevent, actions by any other member.
