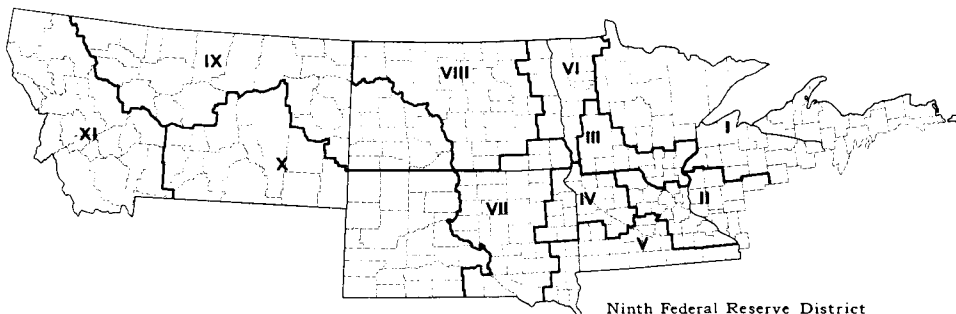


press information



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"The public has a right to know the whys and hows of political, social and economic institutions conditioning the environment of our society, be the institutions public or private," Hugh D. Galusha, Jr., president of the Federal Reserve Bank of Minneapolis said in a recent speech to a conference of Montana newsmen. "These institutions have a responsibility -- indeed, an obligation -- to make their operations understandable to the public.

"The communications business is our link with our public constituency."

Institutions have had various reasons for keeping an aura of mystery about them -- survival, resistance to change, or the enormous difficulty of explaining complicated technical processes behind institutional policies.

But, said Galusha, "we have to try. Our public institutions have to be understood in however general terms. The stakes are enormous. If the objectives -- the national goals -- are not clearly enunciated, the public, or parts of it, cannot be blamed for pursuing their own nihilist courses. If the alternatives for action are not fairly presented, the experts -- and this is truly a nation now of experts who may have these alternatives clearly in mind -- cannot be heard to complain too loudly if the public opts for the wrong ones."

A respectable portion of the public is interested in these processes and goals; the Fed is besieged with requests for economic information that ten years ago would have been remote to the public eye.

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There is a race going on in the United States between large unhappy groups of people becoming aware of their ability to change wealth, production and distribution, and the evolution of institutions to serve the country's needs within the framework of our society as we have known it.

"This means, above all, informing people about their options in our economic system; the pattern of national goals and priorities as they are viewed from our particular vantage points; the price tags that are attached to all of these -- and there are price tags on each. Full employment, stable prices, economic growth, equilibrium in our balance of payments -- these only rarely are parallel objectives. There nearly always must be a trade off, a judgment evaluation that ultimately must reside in the people of a democracy."

The news media has to be an objective mirror for American citizens to view themselves and their institutions. Although complete objectivity may be impossible, the federal reserve system has an obligation to see that its processes and goals are visible to the news media, which means in turn that media communicators must do enough homework to recognize the policies and goals when they see them.

"We have a joint obligation to see that the people know their alternatives," Galusha concluded.