

Information
Needed for
Proper Criticism
on Major
Policies

To insure the desirable type of criticism, it is essential that the public be provided with ample information relative to the activities of the reserve banks. The amount of valuable credit information, statistical and otherwise, supplied by the federal reserve system is far beyond that furnished by foreign central banks. For this accomplishment, the reserve administration is to be commended. But in providing the country with official or semi-official explanations of the basic purposes of major policies, much yet remains to be done.

Difficulties
Recognized

The scheme of twelve regional banks and the division of responsibility between the Federal Reserve Board and the district officials increases the difficulty of supplying the public with the desired interpretations of reserve policies. It is to be recognized that various officials may support the same measure from different points of view and that to secure agreement upon the factors to be emphasized may create discord within the system. The further fact that a certain measure might accomplish one useful purpose, but not precisely that originally avowed, must also serve to retard explanation.

Possibilities if
Difficulties Not
Overcome

But despite the difficulties attendant upon complete statements of intent, no secretive policy will succeed in securing approval for the reposal in the reserve administration of a large degree of discretionary power. An ill-informed public will demand precise statutory limitations. Without ample knowledge, public criticism cannot be intelligent and beneficial. The more abundant the information and the sharper drawn the issues, the less fertile becomes the field in which charges of ulterior motives can be sown. When ignorance abounds, the arena belongs to the careless, the radical, and the irresponsible.

Ill-Advised
Critics

With general discussion of reserve problems lifted to a higher plane, ill-advised critics will find it more difficult to secure an audience of intelligent men. Neither should there be too great apprehension regarding the inevitability of frequent reversals of policy. Thoughtful men understand the imponderable character of most credit problems and they will not demand that there be complete consistency between the views of different reserve officials as enunciated on various occasions.

Reversals
of Policy

The Additional
Information
Needed

The explanations and interpretations advanced in the Federal Reserve Bulletin, the annual reports of the Federal Reserve Board, and by various reserve officials in Congressional hearings, have been highly serviceable and beneficial. What appears to be required further is that on irregular occasions of important decisions, men who occupy prominent administrative positions in the system should seek to clarify their motives. By this it is not meant that there should be a newspaper release on every action. But in some recognized way,

(Continued on page 52)