

such as by addresses of the officials of the Federal Reserve Board and of the district banks, sufficient information should be given about the determining factors in the situation so that intelligent men may be able to engage in frank and friendly criticism. And more than this is necessary. It would be evidently advantageous if as a regular feature of reserve bank practice full and detailed publicity were given to the purposes and results of various policies after the situation with which they were concerned had developed to such a point as would make such a statement practicable.

Exchange of
Information
Within System

There is need also for greater exchange of information and clear opinion within the system itself. The regional reserve bank should be thoroughly familiar with the policies of the Federal Reserve Board and the reasons therefor. Only thus can they be in a position to chart their own course and to enlighten the member banks. Not otherwise may there be expected the fullest comprehension of problems and solutions, with wholehearted and intelligent cooperation. There may be some justification upon occasions for not taking the entire public into confidence; there is little for lack of frankness between the Board and the reserve banks.

The Committee concludes that the grant of liberal legislative powers to the Reserve Board and to the reserve banks imposes upon them the responsibility of providing the public, not only with an ample amount of factual and statistical credit information, but also with the means of determining the purposes of major policies.

Recommendation

The Committee recommends that the management of the reserve system should provide the public with such an ample amount of information as to operations and policies as will permit the formation of sound public opinion.

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