



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

August 13, 1974

TO: Federal Open Market Committee

FROM: Arthur L. Broida

Enclosed for your information is a copy of a memorandum dated August 13, 1974, entitled "Safeguarding the confidentiality of FOMC information." While the memorandum is directed to Board staff members with access to FOMC documents, Reserve Bank Presidents might find parts of it--particularly the guidelines listed on pages 3 and 4--useful in connection with the handling of such documents at their Banks.

On a related matter, beginning with the next issue, the green book will be bound in two separate parts. Part I, to be labeled "Summary and Outlook," will contain material (including the GNP projections) of the kinds formerly shown in the first section of each of the three main divisions (domestic nonfinancial, domestic financial, and international); all other material will be included in part II. This procedure is being adopted to facilitate appropriate control of the more sensitive material in the green book at the Board and the Reserve Banks without requiring undue restriction on the circulation of the remaining material among staff members now authorized access to the document.

Enclosure

August 13, 1974

TO: Board staff members with access
to FOMC Documents

SUBJECT: Safeguarding the
confidentiality of FOMC
Information

FROM: Arthur L. Broida

As you know, documents relating to the work of the Federal Open Market Committee are marked "Confidential (FR)" or "Strictly Confidential (FR)" on their cover pages. Under the Committee's Rules Regarding Availability of Information these documents must be kept completely confidential except to the extent that release of the materials contained therein has been authorized. The documents in question include materials prepared for the use of the Committee (including the green, blue, and red books; weekly and monthly reports of the Manager and Special Manager; draft directives; and all other regular and special FOMC staff memoranda and reports) and materials relating to the Committee's discussions, actions, and operations (including memoranda of discussion, policy records and action minutes before release has been authorized, reports of morning and afternoon calls, charts and tables distributed at the Board's weekly economic and financial review marked "Strictly Confidential," and telegrams relating to work of the Committee).

This memorandum sets forth the rules governing access to FOMC documents, and describes the procedures that should be followed in handling these materials.

-2-

Access to FOMC Documents

Staff members at the Board and the Reserve Banks are given access to particular types of FOMC documents on a "need-to-know" basis. Under procedures most recently reaffirmed at the FOMC meeting in March 1974, access can be granted on the approval of a member of the Committee or a Reserve Bank President not currently serving on the Committee, with notice to the FOMC Secretary. With respect to Board staff members, the Secretary is authorized to act on the Chairman's behalf.

The lists of persons authorized to have access (excluding secretaries and records and duplicating personnel) to each type of FOMC document are maintained in the Secretary's office. Copies of the lists for staff members in the Board's Divisions of Research and Statistics and International Finance are held in the offices of the Directors of those Divisions. The lists are modified from time to time as a result of changes in staff member assignments, and they are reviewed in full at least once each year. Questions regarding the names on these lists should be directed to the Secretary's office (Mrs. Ferrell, ext. 3507) or to the offices of the two Division Directors indicated above (Miss Galiardi, ext. 3301; and Mrs. Jett, ext. 3614).

The basic rule is that no staff member should see any FOMC document unless his name appears on the list of persons authorized to have access to that type of document. The rule applies to older as

-3-

well as to current material, except where the Committee has specifically authorized release of the older material.^{1/}

The main exception to this rule arises in the occasional case where a staff member not on the access list for a particular FOMC document needs to consult that document in connection with an ad hoc assignment. Such cases should be discussed with the Secretary.

Handling FOMC Materials

To assure the necessary confidentiality, it is important that all staff members exercise special care in handling FOMC materials. The following guidelines should be observed:

1. In addition to insuring that the documents themselves are shared only with staff members who have been authorized access to them, the information they contain should be discussed only with such persons. (Any information which is generally available, such as published statistics cited in the green book, is, of course, excepted.)
2. FOMC documents should not be left unattended on desk or table tops during the working day.
3. All FOMC documents should be out of sight when outside visitors are in an office.

^{1/} The policy records are published about 90 days after the meeting to which they relate, and the document formally titled "minutes of actions" is made available on request with the same timing. The memoranda of discussion--usually referred to as the "minutes"--for a calendar year are customarily released shortly after the close of the fifth subsequent year, and the Committee has authorized the release of certain staff materials (the green, red, and blue books, and the Manager's--but not the Special Manager's--reports) for any period for which the memoranda of discussion have been released.

-4-

4. When sent from one office to another by messenger, FOMC documents should be placed in envelopes with a gummed-label seal bearing the initials of the person sending them.
5. When no longer needed, FOMC documents should not be disposed of by dropping in wastebaskets. Such materials should be marked "for destruction" and sent under seal to Mr. Broida's office (room B-2017), where arrangements will be made for their incineration.
6. All FOMC documents (except possibly the red book and part II of the green book) should be kept under lock and key at night and over weekends. Reasonable safeguards should be employed in overnight storage of the red book and part II of the green book, extending to locking when feasible. It is recognized, however, that these documents are less sensitive than other FOMC materials, and that some offices to which they are distributed do not have lockable facilities. (Locks can be provided for any staff members holding other FOMC materials overnight.)

Officers and Sections Chiefs in the Divisions of Research and Statistics and International Finance are asked to maintain continuing oversight with respect to the handling of FOMC documents by staff members reporting to them, in order to insure compliance with these guidelines.

-5-

Questions about the appropriate treatment of FOMC documents may be addressed to any member of the FOMC Secretariat staff, listed below:

Mr. Broida	ext. 3253	Mrs. Ferrell	ext. 3507
Mr. Altmann	ext. 3254	Miss Klaput	ext. 3255
Miss Pruitt	ext. 3377	Mrs. Stanier	ext. 3255