

OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date September 23, 1983

To Board of Governors
Federal Reserve Bank Presidents
From J.R. Coyne *JRC*

Subject: _____

As requested during our discussion following the August FOMC meeting, I have attached a copy of suggested guidelines for dealing with press inquiries about FOMC decisions and monetary policy. These guidelines have been revised somewhat from those read to the Committee during our last discussion.

cc: Messrs. Axilrod
Kohn
Kichline
Truman
Bernard
Mrs. Steele
Messrs. Zeisel
Siegman
Gemmill
Prell
Ettin
Bakstansky
O'Brien

Suggested Press Guidelines for FOMC Members and Staff

1. To avoid inadvertent disclosure of confidential information, FOMC participants and staff should refrain from discussing monetary policy with the press one week before and one week after each FOMC meeting, and in the interim between the February and July meetings and submission of the Humphrey-Hawkins Report to Congress.
2. When discussing economic matters with the press or outsiders, emphasis should be placed on material already in the public record. Members may, of course, give their personal views of events but should avoid relating them to specific FOMC decisions or meetings (unless the policy records of those meetings have been made public). The press is especially interested in writing stories on monetary policy just before and immediately after an FOMC meeting.
3. Details of the current directive should never be discussed prior to the release of the official policy record the Friday following the next meeting, or in the case of long-range targets, prior to submission of the Humphrey-Hawkins Report to Congress.
4. Discuss confidential matters only with personnel who are privy to such matters; reporters frequently try to obtain information from people they believe are close to the Federal Reserve and may know something about policy.
5. Confidential information contained in FOMC documents such as the Green Book and the Blue Book should never be discussed with reporters or with any person who does not have access to these documents. These documents are released to the public with a five-year lag as previously approved by the FOMC.

-2-

6. Be consistent in the way that you respond to questions. For example, a "not likely" reply on one occasion and a "no comment" to the same question at another time can be revealing to a questioner. We have a policy of refusing to comment on speculation, for example, about changes in the discount rate. We should stick to that policy and not try to "guide" a reporter to the right track or away from a story. Giving guidance can be dangerous. It indicates to a reporter which way he should proceed.
7. Don't be fooled by the reporter's old argument that if you don't help me, I'll get the story wrong and that will hurt the Fed. A wrong story will hurt only the reporter.
8. Don't correct a reporter's "mistake" about monetary policy. That's a favorite way of leading you on.
9. Don't let reporters put words in your mouth or modify or augment your words. Stick to your own words, or decline comment.
10. Don't be deceived by a reporter's question that might begin with "I've been told..." He's on a fishing expedition.
11. The press will frequently telephone a large number of officials and ask the same questions in hopes of comparing answers for some clue to inside information. To guard against this, questions should be answered in terms of published information and by declining to project specific economic or market activity or monetary policy developments. It goes without saying that central bankers never project interest rates.
12. Special care should be taken in handling advance information on money supply figures before they are released officially by the Board on Fridays at 4:15 p.m. These numbers are especially sensitive in the market during the current period and even the suggestion of a leaked number can influence market activity.

-3-

When in doubt, call Mr. Coyne (3204) or Mr. O'Brien (3215)
at the Board.

September 23, 1983