

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 2027, February 1, 1940
Reference to Circulars Nos. 1625, 1871, 1894 and 1969]

**REGULATION L OF THE BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM
RELATING TO INTERLOCKING BANK DIRECTORATES UNDER THE CLAYTON ACT**

Amendments Effective February 1, 1940

*To each Member Bank in the
Second Federal Reserve District:*

For your information we quote below the text of a statement for the press which was released by the Board of Governors of the Federal Reserve System on February 1, 1940.

“The Board of Governors of the Federal Reserve System has amended subsections 3(a) and 3(e) of its Regulation L relating to interlocking bank directorates under the Clayton Act, effective immediately, so as to extend until June 1, 1940, the time during which certain persons who have been serving member banks may continue to serve a member bank and not more than one other bank.

“This final extension was made at the request of Senator Wagner, Chairman of the Banking and Currency Committee of the Senate, and of Senator Glass, senior member of that committee, and upon receipt of the following letter from the President addressed to the Chairman of the Board:

In view of my veto last year of the bill extending the time for ending interlocking bank directorships and in view of the apparent hope on the part of some of these directors that some method could be devised for a slight extension of the final date, I am writing to you and the Board to tell you that I have no objection to a short extension—say three months but no longer than four months. This will give ample time to make the necessary arrangements. As I said in my veto message, I honestly believe that the intent of the law should be definitely put into effect, especially because so much time has already elapsed.”

Additional copies of this circular will be furnished upon request.

GEORGE L. HARRISON,
President.