

816

# FEDERAL RESERVE BOARD

WASHINGTON

November 28, 1923.

X-3899

SUBJECT: Administration of Clayton Act.

Dear Sir:

Reference is made to the Board's circular letter of January 2, 1923, (X-3603). In that letter the Board stated that after careful consideration of the question of what policy it should adopt as to revoking Clayton Act permits theretofore granted, it had decided not to revoke permits in any case where the interlocking directorate had resulted in the growth of competition between the banks involved.

Some criticism has been made of what is called the anomalous situation thereby created, resulting from the fact that the Board allows previously granted permits to remain in effect, although it will not grant new permits to serve the same banks.

You are directed, therefore, to forward to the Board not later than December 7, 1923, a comprehensive review of the situation affecting interlocking directorates in your district, designed to inform the Board in detail whether the terms of Section 8 of the Clayton Act are being complied with, and with particular reference to all cases involving banks having interlocking directorates which were granted at a time when no substantial competition existed, but which could not now be granted under the terms of the Kern Amendment to the Clayton Act because the institutions affected have since become substantial competitors.

By direction of the Federal Reserve Board.

Walter L. Eddy,  
Secretary.

TO ALL FEDERAL RESERVE AGENTS.