

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-6901

May 28, 1931.

SUBJECT: Enforcement of Provisions of Clayton Anti-Trust Act.

Dear Sir:

The Federal Reserve Board has recently received an inquiry with reference to whether it is necessary for a Federal reserve agent to check up apparent violations of provisions of the Clayton Anti-Trust Act shown by reports of examination of national banks. For your information in this connection you are advised as follows:

It is the established practice of the Comptroller of the Currency to report to the Federal Reserve Board apparent violations of the provisions of the Clayton Act shown by each report of examination of a national bank. The Federal Reserve Board in each case checks the Comptroller's report against its own records and if the person affected has not obtained the Board's permission to serve the banks involved the Board addresses a letter to him calling attention to the apparent violation. A copy of the Board's letter is forwarded to the Federal reserve agent of the district in which the banks involved are located. If a reply to the Board's letter is not received within a reasonable time, a second letter is written and the Board follows up each of these cases until it is finally disposed of in accordance with the law. Under these circumstances, it is not necessary for a Federal reserve agent to check up apparent violations of the provisions of the Clayton Act shown by reports of examination of national banks, unless the Federal reserve agent is requested to do so by the Board in a particular case. Each Federal reserve agent, however, should check up any apparent violation of the Clayton Act discovered through sources other than reports of examination of national banks.

The administration of the provisions of the Clayton Act relating to banks and private bankers is vested in the Federal Reserve Board and it is essential that the Board have complete information with reference to whether these provisions of the Clayton Act are being complied with. The Board

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accordingly desires each Federal reserve agent to check up at least once a year all private bankers and officers, directors and employees of all banks in his district subject to the provisions of the Clayton Act and advise the Board as to all violations of the provisions of the Clayton Act. This may be done by requesting advice from private bankers as to the banks they are serving and requesting banks to submit a list of officers, directors or employees serving other banks, or by inspection of published lists of directors of banks, or by any other method which the Federal reserve agent may deem effective and advisable. Upon discovery of an apparent violation of the Clayton Act, it is appropriate for the Federal reserve agent to take up the matter with the officer, director or employee involved before reporting the matter to the Board and endeavor to have him bring his service within the provisions of the Clayton Act. This method of handling the matter greatly simplifies the procedure and is in accordance with the Board's wishes. The Board's Regulation L, as you know, contains detailed information with reference to the various circumstances under which the provisions of the Clayton Act are applicable to private bankers and to officers, directors, or employees of banks.

By order of the Federal Reserve Board.

Very truly yours,

E. M. McClelland,
Assistant Secretary.

TO AGENTS OF ALL F. R. BANKS EXCEPT SAN FRANCISCO.