

INTERPRETATION OF LAW OR REGULATION

(Copies to be sent to all Federal Reserve Banks)

December 3, 1940

Mr. \_\_\_\_\_, First Vice President,  
Federal Reserve Bank of \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_.

Dear Mr. \_\_\_\_\_:

This refers to your letter of September 27, 1940, and enclosures, regarding the applicability of the Clayton Act to Mr. \_\_\_\_\_, who is a director of The \_\_\_\_\_ Bank of \_\_\_\_\_ and a director of the \_\_\_\_\_ Trust and Savings Bank, both of \_\_\_\_\_, \_\_\_\_\_.

The question presented is whether the two banks are engaged in any of the same classes of business within the meaning of the exception contained in paragraph (6) of section 8 of the statute. It appears that both banks receive demand and time deposits, and in view of previous rulings of the Board counsel for your bank reaches the conclusion that the above exception is not applicable. The Board sees no reason to differ with this conclusion.

The \_\_\_\_\_ Trust and Savings Bank contends that the banks are not engaged in the same classes of business because all of the customers of The \_\_\_\_\_ Bank are Japanese whereas the Savings Bank has no Japanese customers. However, the Board does not believe that the applicability of the exception was meant to depend upon differences in the character of the clientele of the two banks; and it is apparent, moreover, that a ruling to this effect would produce serious administrative difficulties, as well as serious practical difficulties for the directors, officers and banks involved in this and in other similar cases if the facts should be slightly different.

Very truly yours,

(Signed) L. P. Bethea

L. P. Bethea,  
Assistant Secretary.