

The bill as it is now before you has been twice considered by the House Committee on Banking and Currency and has twice passed the House in substantially the same form and substance, namely, on January 14, 1925, without a record vote, and February 4, 1926, by a vote of 293 to 90. I may say that the consideration of the bill both in the House committee and upon the floor was entirely non-partisan in character and that a majority of both major parties voted for the bill. The House committee held public hearings during the Sixty-eighth Congress, but considered further hearings unnecessary before reporting out the bill at the present Congress.

While the bill makes a number of important amendments to the national banking laws, only the provisions relating to branch banking have aroused any considerable discussion.

The provisions of this bill have been before Congress and the public for the past two years, and have been discussed at length in the financial publications by students of banking, by all of the organs of public opinion concerned with banking affairs, and by the agencies of the Federal Government responsible to Congress for the recommendation of banking legislation. As a result of the consideration which has thus been given the bill, the issues involved in the limited controversy that has arisen are clearly and definitely defined.

With the main purposes of the bill, no responsible person has raised any objection. It is universally recognized that the necessity is urgent for the national banks to have the cumulative benefits which this bill will give them. The national banks must be able to render a modern banking service else they can not survive. The responsibility is upon Congress to preserve this great Federal instrumentality upon which the Federal reserve system is founded. The Federal Government can not afford to see the control over the great instrumentalities of credit pass predominantly into the hands of State institutions. It has been recognized for more than half a century that the relationship of commercial credit to banking is vested with a national interest. In it the public welfare is concerned. Its supervision and control can not be left to the decentralized control of 48 general State legislatures.

No one who has given the matter serious thought can fail to be impressed with the fact that the national banks are now attempting to compete with State banking institutions which have within recent years gained from the State legislatures charter powers more readily to meet the present day demands of commercial enterprise. This situation explains the general purpose of this bill.

While the bill has been subjected to a very thorough study by bankers, Government officials and legislatures and has been recommended by the official of the Government upon whom Congress has placed the responsibility for recommending banking legislation to Congress, namely, the Comptroller of the Currency, it is an emergency measure intended for immediate enactment. It does not embrace every phase of possible banking legislation. Questions of governmental supervision of banking were purposely omitted from the bill. It is primarily a bill dealing with charter powers.

The suggestion has been made that before Congress should pass this bill there should be an extensive scientific investigation by a body of experts expressly set up by Congress for that purpose. I would be inclined to favor such an investigation but not as a condition prece-