

tion. When I have finished, if I have made that clear, I have accomplished the object of our coming here.

On January 4, 1926, the Cleveland Clearing House Association passed the following resolution:

Whereas Congress after a great many years of agitation on the part of various banking organizations recognized the necessity for modernizing the national banking act, and the desirability of taking steps toward unifying—through the Federal reserve act—the banking system of the country, and

Whereas there is now before the Committees on Banking and Currency in the Senate and the House of Representatives of the United States, S. 1782 and H. R. 2, being bills providing for the amendment of the act entitled "An act to provide for the consolidation of national banking associations," and

Whereas the Cleveland Clearing House Association and other affiliated banks of Cleveland strongly believe that the legislation now before Congress is directed along the very best lines, with the one exception outlined in the resolution noted below, but believes, however, that Congress deserves the help and assistance of the entire banking community in its efforts to carry out the plans outlined above: Therefore be it

*Resolved*, That it is the sense of the members of the Cleveland Clearing House Association and other banks affiliated with it, that Senate bill No. 1782 introduced by Senator Pepper in the Senate of the United States and H. R. bill No. 2, introduced by Mr. McFadden in the House of Representatives, meet with the full concurrence of the members of this association, with the exception of that clause of section 9, which forbids the establishment of branch banks beyond the corporate limits of the municipality in which the parent bank is located, and that this association respectfully requests and urges the Committees on Banking and Currency of the Senate and House, respectively, so to amend such bills that it will be permissible to establish branches in contiguous territory as defined by the Federal Reserve Board in its resolution of November 7, 1923, to mean "The territory of a city or town whose corporate limits at some point coincide with the corporate limits of the city or town in which the parent bank is located." And, it is further

*Resolved*, That a copy of this resolution be forwarded to Senator George Wharton Pepper and Congressman Louis T. McFadden, and to Senators Frank B. Willis and Simeon D. Fess, and to Congressmen Theodore E. Burton, Robert Crosser, and Charles A. Mooney.

The Cleveland Clearing House Association desires to file the following brief setting forth to some extent its reasons for the adoption of the resolution above set forth:

It clearly appears that the Cleveland Clearing House Association desires such an amendment as will grant to its members and to all State and national banks the right to establish branches in contiguous cities and villages, which privilege the banking laws of Ohio already provide.

In 1917 the Federal Reserve Board, in seeking to bring about mobilization of all banking reserves as a war-time measure, was successful in getting Congress to amend the Federal reserve act so as to allow State banks and trust companies to enter under the condition that they be permitted to retain their full charter and statutory rights, and in its annual report of 1917 the Federal Reserve Board said:

"The action of Congress in confirming what the board had attempted to accomplish by regulation has given State banking institutions firm assurance that they may continue to carry on their lawful banking business in substantially the same way as they have heretofore done without fear of future changes in methods prescribed."

Depending upon this assurance the Guardian Trust Co., the Citizens Savings & Trust Co., now the Union Trust Co., the Cleveland Trust Co. and other banks, members of the Cleveland Clearing House Association, entered the Federal reserve system and now feel that the rights which were guaranteed at that time should not be taken away from them. The laws of Ohio relating to State banks and trust companies in so far as branch banking is concerned, provide as follows:

"SEC. 710-73. No branch bank shall be established until the consent and the approval of the superintendent of banks has been first obtained, and no bank