

Senator GLASS. If you do not think that branch banking is essentially a bad system of banking, why are you willing to deny to 26 other States of the Union the privilege which you enjoy in Ohio?

Mr. MARLATT. I am sorry if I left that impression. But I do not care to leave that impression.

Senator GLASS. You say you advocate this bill and that is what it provides.

Mr. MARLATT. I am speaking now only for the banks of Cleveland.

Senator GLASS. In other words, if we so amend this bill as to extend, under its terms, the privilege to a few Cleveland banks to establish branches in contiguous territory, you are willing to deny to the State banks and the national banks of 26 other States, the right ever to establish branch banks.

Mr. MARLATT. I think the last thing I said would indicate that national banks should have a right to establish branch banks in those States the same as the State banks have.

Senator GLASS. This bill denies it to both State and national banks.

Mr. MARLATT. I appreciate that. If you want my individual opinion on the matter I think that the national banks should be allowed to establish branch banks wherever the State banks do and under the same conditions.

Senator GLASS. You understand this bill denies to 26 States of the Union the right to adopt the branch bank system under penalty of exclusion from the Federal reserve bank system?

Mr. MARLATT. Yes, sir.

Senator GLASS. And you favor that bill?

Mr. MARLATT. No, sir; I do not think I have said so. I may not make myself clear. I say as far as my individual clients are concerned our purpose would be served if we had the privilege in contiguous territory.

Senator GLASS. You would not be so ungenerous as to deny that right to the banks in 26 other States?

Mr. MARLATT. No, sir.

The CHAIRMEN. You recognize the existence of a great cleavage of opinion on this question of branch banks?

Mr. MARLATT. Yes, sir.

The CHAIRMAN. You realize nobody is likely to have his own way without limit—neither the unlimited branch banker nor the person opposed to branches—it has got to be some form of adjustment of conflicting opinions and you think that a possible solution of the difficulty is to give a limited branch bank privilege in the limits of the metropolitan area even at the sacrifice of the establishment of up-State branches in the future?

Mr. MARLATT. Yes, sir.

The CHAIRMAN. Provided the language is so defined as to include immediately contiguous territory and not circumscribed by political boundaries?

Mr. MARLATT. You have correctly stated it.

Senator GLASS. He has not fully stated it, as I see the case. It is not solely a question of limiting the right to establish branches in the municipalities; it is the right of Congress to exclude 26 States of this Union to establish branches at all, whether in municipalities or elsewhere.