

**STATEMENT OF EDWARD B. GREENE, VICE PRESIDENT
CLEVELAND TRUST CO., CLEVELAND, OHIO**

Mr. GREENE. Mr. Chairman and gentlemen of the committee, I want to say a word on just that point of the advisability of amending the proposed bill so as to make it possible for both National banks and State banks to establish branches not only within the city where the parent office is located, but in the communities of the State immediately contiguous.

I think some of those who have opposed this change in the bill have said that they were perfectly willing and believed that the banks whose branches were located within the community, were, in their opinion, the best thing for the country as a whole. The point I desire to make is that the word "community" and the word "city"—that is, technically, the municipal boundaries of the city—are not synonymous. I believe as far as contacts go that a community is not bounded by its boundaries as established by its council, but as established by the contact that the people make socially, in finance and in business, and that a community is made up of a group of people living in close proximity, brought into contact with each other daily, with the same aspirations and the same benefits and suffering from the same injuries. I think there are a good many things that point out that the real dividing line, or real description of a community, should not be within the limited area bounded by the district which is controlled by the common council as distinguished from that governed by one of the other communities.

The CHAIRMAN. You think we should confine ourselves to where the responsible officials of the city bank actually live and pass their home time, although not contiguous territory and not within the political division of the city.

Mr. GREENE. I am sure of that. I feel that big city banks in many cities—and I think that would be true of places like Baltimore and Philadelphia and other places where they have a similar situation—I feel that something like 50 to 90 per cent of the officers of the city banks do not live within the legal municipal confines. I know that is true in Cleveland. In the case of the institution with which I am connected, out of the first ten officers, eight of them live in the suburbs. It has been said that when the officers of a bank do not live within the city, it was foreign ownership, absentee control, etc.

It is impossible for me to recognize that, as calling anybody who lives over the line of a municipality a foreigner or an absentee landlord. I believe too that the cities are tending to become broken up into smaller municipal units rather than into bigger ones, where they have local administration and institutions such as schools, and those are joined together in a metropolitan district for the control of the other things; in other words, the cities themselves are recognizing this fact. The city of Cleveland contains three municipalities independent of it, yet Cleveland goes beyond them. In other words, this small district of 10 miles, say, by 6 or 7, contains three foreign municipalities.

Now it seems absurd that you could not establish a branch within that small district where you can go across the street and start there. It so happens that one of our branches—and we have many of them, 47—is on the dividing line, and if that branch were removed 34 feet it would be within the city. As a matter of fact it is in the