

The CHAIRMAN. You have been so helpful that we dislike very much to stop your more extended remarks.

Mr. FITZGERALD. I could stay over until Tuesday if it was necessary. But coming to Mr. Drum's statement of their coming in under a guaranty, the guaranty under which he claims they came in is warded this way, and if I am incorrect in this I want to be corrected, as I have never attempted to gain a point where there is nothing in it by misstating anything. But the State banks came in under this wording, "Subject to the provisions of this act and to the regulations of the board made pursuant thereto."

That is the guaranty claimed by those banks, and if I understand Mr. Drum's contention aright, that puts this Congress in the position that it can not change the present system. All right. I will ask, in return, gentlemen of the committee, when that guaranty, if it is a guaranty and a lasting one, was made to the State banks, was there no guaranty reserved to the creatures of your own creation, the national banks? Was there not some latent equitable guaranty that would awaken the moment any banks in those States attempted to destroy the national banks? It seems inconceivable to me that you gentlemen could not amend it or change it.

Now, in conclusion—I will not go to the other matters—I can only sum up in one word what I have said. We ask you, for the benefit of the banks that are struggling for existence—and I mean by that not that they will go out unless they are forced out or bought out—I ask you if you can, in accordance with your high sense of duty to the country, pass the McFadden bill with section 9 as it is and if you wish to amend it, we have no objection so as to say that section 9 would permit banks to come into the Federal reserve with the branches they have to-day. In fact, we do not object to most any amendment to that with the feeling that we could get immediate relief. We ask you not to send us back to California to say to the people of the State that the Congress will not give us that relief. I ask you not to relegate us to the position of the superintendent of banks, but relieve us as far as you can, and then we have to fight out our own salvation afterwards in the State of California, but with the help you can give us in this we go back forearmed, and I will say to you, we will make a fight.

The CHAIRMAN. We appreciate your statement, and inasmuch as you have been hampered by lack of time at the end of your statement, you may be assured if you submit to us a memorandum of brief extension of your remarks, that it will be given very careful consideration by the committee.

Mr. FITZGERALD. I nearly always speak extemporaneously, but I thank you very much for that courtesy.

**STATEMENT OF HON. FRANK B. FLINT, ON BEHALF OF THE
MERCANTILE TRUST CO., OF SAN FRANCISCO, AND
OTHERS**

Mr. FLINT. Mr. Chairman and members of the committee, I desire to comment, for a moment, on certain branch banks that have not been mentioned so far.

Mr. Drum has described the Bank of Italy, covering the entire State, and another group that covers what might be called the metro-