

STATEMENT OF J. BABNEY DAY, REPRESENTING THE CALIFORNIA DELEGATION OF UNIT BANKERS AND NATIONAL BANKS

Mr. DAY. I just desire to speak a few minutes, and I will say all I have to say in connection with this matter. I represent the Citizens National Bank of Los Angeles and the Citizens Trust & Savings Bank and am chairman of the California delegation of unit bankers and national bankers, who are in favor of the McFadden bill.

I want to say that the two banks I represent, the Citizens National Bank of Los Angeles and the Citizens Trust & Savings Bank of Los Angeles, were established some 36 or 37 years ago, and they now have total assets amounting to \$15,000,000.

We have seen during the past several years encroachments—especially in the past two or three years—the encroachments of the larger banks. We have tried in our feeble way to assist the smaller bank, but it has been brought definitely to us that we should do even more than that, and for that reason Mr. Rossetti and I have gladly come here to say a word in favor of the McFadden bill.

I would say that since the Federal reserve act came into being our bank has met the reasonable requirements of our customers. I think that is true of all the banks in San Francisco and throughout California, and it is practically true all over this country the exception of certain parts of the country that have been so economically affected, and in this section you will not find any branch bankers because they do not work in that territory.

I want to say our relations with the large State banks of California are most cordial; we are good friends, Mr. Flint and Mr. Drum, and myself. Far be it from me to say a word against their institutions, which are considered strong and powerful, but I must say that some of my other friends look with some degree of alarm upon placing in the hands of a few men the banking power of the State of California or any State of this Union because you can not get away from the fact that it is a monopoly.

I have only one concrete illustration that in my judgment, as to the branch banks of California, we do not need any more of them. Some months ago we were approached by a customer of ours, who operates a very good bank, but a small one, in the middle section of the State. He came to me with the suggestion that he would like to borrow \$100,000. His bank was small, as I say, but well managed. I asked him to tell me why he needed \$100,000; at that time of the year when the crops were not moving. He said, "the branch banks of our city"—and I want to say that none of our friends here have trespassed, and this does not refer to the bank represented by Mr. Flint or that represented by Mr. Drum—he said, they sent men over the country and called the loans, many of them, many of which they are unable to meet. He said that some of them were Swedes, that they knew they were good, but they did not have the money to pay, but they will pay. He said:

We can use \$100,000 very well, because these men have come to us and we will have to help them.

We extended to him the \$100,000, and it was paid when the crops began to move.