

Senator GLASS. Oh, no; it does not.

Mr. RATHJE. Where the State law permits it.

Senator GLASS. No, it does not do that at all. For example, suppose the Illinois legislature in six months or a year or two years from now would disagree with you in adjudging that branch banking is essentially an evil, and would pass a law permitting the State banks of Illinois, under proper restriction, to establish branches in incorporated towns of 50,000 population or more, there you would have a situation in which your State branch banks might have branches and the national banks could not have them under this bill. Do you think that is fair competition?

Mr. RATHJE. That is very true. If such a thing happened I would be willing to see that this part of the law was repealed, if such a thing happened. I am sure it would never happen.

Senator GLASS. Then why put it in this bill?

Mr. RATHJE. To prevent—

Senator GLASS. To prevent that from happening?

Mr. RATHJE. To prevent the establishment of branches in States where it is not now in effect. Senator Glass, this has been passed upon by the American Bankers' Association and it has been thoroughly gone over and the banks all agree to it, with the exception of only a few banks, perhaps not more than 10 or 15 banks.

Senator GLASS. Your State banks have agreed to it and yet there has not been a gentleman to testify here in advocacy of the bill who has not deliberately gone on record as saying that he could not justify the proposition that the national banks in one State might have a privilege denied to national banks in another State. As a matter of fact, I have talked to banker after banker, members of the National Bankers' Association, and very few of them understand the provisions of this bill, and when they are told what the provisions are they are amazed, and I want somebody—because nobody has done it so far—to justify to me a Federal statute, or proposed Federal statute, that will give the national banks of my State of Virginia a privilege which is explicitly denied to the national banks of the State of Illinois. Now, if you can do it, I would be very much obliged to you.

Mr. RATHJE. Of course, that is looking ahead to something that probably will not happen.

Senator GLASS. It probably will not happen because you provide a penalty here. You attempt by a Federal statute to prevent this happening.

Mr. RATHJE. We do not want it to come into the State of Illinois, think.

Senator GLASS. You do not, but maybe the State of Illinois might hereafter decide that it wants it to come in and then the national banks of Illinois will be confronted with a situation where they are out at a total disadvantage in their competition with the State banks?

Mr. RATHJE. Well, those States, almost all of them, have passed legislation against the establishment of branches, strictly against it.

Senator GLASS. Yes; why not leave that to the State those functions of the State? Why should you come here and propose by a Federal statute to control a situation in the States?

