

Mr. Glass. * * * * *

I do not speak in advocacy of state-wide banking. I do not think it is feasible to propose that at this time, if at any time. But, in justice to my general advocacy of well-guarded branch banking, I have repeatedly challenged anybody to show that there has ever appeared before the Committee on Banking and Currency of either House of Congress in opposition to branch banking anybody who wanted to borrow money or wanted credit. The only opposition to branch banking that has ever come to Washington has been from banks which want to monopolize the credits of their own community and banks which actually do contribute every day that they exist to what the Senator has so felicitously referred to as "absentee banking." I venture to say that in the State of Missouri to-day the National City Bank of New York acts as a correspondent bank for more Missouri banks than the Bank of Italy has branches in the State of California. We have scarcely anything but absentee banking under this unit banking system. That is the history of the national-banking system of this country, only partially corrected by the adoption of the Federal reserve banking system. The banks in Virginia and in Missouri and in every other State in this Union take the deposits derived from the business activities of the various commercial communities and shunt them off to the great banks in the money centers, to be used for speculative purposes; and when we enacted the Federal reserve banking act, as the Senator from Missouri well knows, we only succeeded in recapturing the reserves of the country, to be impounded in 12 regional banks, for commercial rather than for speculative purposes. We hoped by that that we were going to break up this system of absentee banking, of sending all of the surplus banking funds to the great money centers to be used for speculative purposes, but we only partially cured the evil. We have this very thing of absentee banking all over this country now, and it would be greatly cured by a moderate establishment of branch banking in the country.

The same objection that is raised to a reasonable degree of branch banking was raised to the adoption of the parcel post. We were told that it would break down every corner grocery and every country store in the United States. Yet I venture to say that anybody who should undertake to secure the repeal of the parcel post law would find his task very difficult.

The plea against branch banking comes from bankers and not from people who transact business, not from people who want to borrow money, not from people who want to buy credit. It comes from bankers who want to exclude from their peculiar communities anybody else who wants to sell credit.