

During the course of my extemporaneous remarks on yesterday I discussed the standards which are proposed in Section 6 of H. R. 3351 and in the amendments submitted at the close of my testimony. While discussing those standards I inadvertently stated that they would have to be applied by the Comptroller when chartering a new national bank. This was a mistake and I wish to correct it this morning by stating that these standards would have to be applied by the Comptroller only in those cases where a national bank, which is a part of a bank holding company system, makes application to establish a branch or branches of such bank.

So that the record may be correct on this point let me again sum up the provisions of Section 6: Before a new holding company may be organized, it must secure the permission of the Board; before an existing holding company can purchase either the stock or the assets of a bank, permission to do so must be obtained from the Board; before any bank in a holding company system may purchase the assets of another bank, approval by the Comptroller of the Currency must be obtained if the acquiring bank is a national bank, approval by the Board must be obtained if the acquiring bank is a State member bank, and approval by the FDIC must be obtained in the case of any other acquiring bank. In all of these cases the standards referred to above must be applied. In addition, those standards must be applied by the Comptroller, the FDIC and the Board whenever an application to establish a branch is received from a bank which is already a part of a holding company system.