Annual Report 1970

Comptroller of the Currency

The Administrator of National Banks

William B. Camp

Comptroller of the Currency

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Letter of Transmittal

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
WASHINGTON, D.C., SEPTEMBER 30, 1970

SIRS: Pursuant to the provisions of Section 333 of the United States Revised Statutes, I am pleased to submit the 1970 *Annual Report of the Comptroller of the Currency.*

Respectfully,

WILLIAM B. CAMP,
Comptroller of the Currency.

THE PRESIDENT OF THE SENATE
THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

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Statistical Tables

I. *Condition of the National Banking System*

The year 1970 saw a transition from drum-tight funds markets early in the year to relative ease in markets later. Balance-sheet changes for National banks reflected that shift; their ability to compete for funds was greatly strengthened by the June suspension of Regulation Q ceilings on single-maturity, large-denomination time deposits with maturities under 90 days.

Total deposits of National banks increased 10.7 percent during 1970; that figure, however, masks the great disparity between growth of time and demand deposits. While demand deposits showed an increase over the year of 2.9 percent, time and savings deposits spurted by 20.2 percent.

The changes in asset composition during 1970 show that the period of relative ease was utilized by National banks to rebuild their liquidity. While total assets grew by 8.6 percent, to $340.9 billion, total securities held jumped by 20.2 percent. That figure contrasted with the relatively small increase in outstanding loans of 3.2 percent, to a total of $177.2 billion.

Total capital of National banks increased 7.0 percent during the year, reaching $24.9 billion at year-end. The states whose National banks led in total assets were New York, with $1.6 billion at the end of the year; California, with $45.9 billion; Illinois, with $27.8 billion; and Texas, with $22.1 billion.

TABLE 1

Assets, liabilities, and capital accounts of National banks, 1969 and 1970

[Dollar amounts in millions]

	Dec. 31, 1969, 4,669 banks		*Dec. 31, 1970, 4,621 banks*		*Change, 1969–1970*	
	Amount	*Percent distribution*	*Amount*	*Percent distribution*	*Amount*	*Percent*
ASSETS						
Cash and due from banks	$54,727	17.43	$56,040	16.44	$1,313	2.40
U.S. Treasury securities	29,589	9.42	34,223	10.04	4,634	15.66
Securities of other U.S. Government agencies and corporations	4,640	1.48	6,681	1.96	2,041	43.99
Obligations of States and political subdivisions	34,526	10.99	41,542	12.19	7,016	20.32
Other securities	1,362	.43	1,800	.53	438	32.16
Total securities	70,117	22.32	84,246	24.71	14,129	20.15
Federal funds sold and securities purchased under agreements to resell	5,809	1.85	10,436	3.06	4,627	79.65
Direct lease financing	696	.22	790	.23	94	13.52
Loans	171,702	54.67	177,202	51.98	5,500	3.20
Fixed assets	5,280	1.68	5,911	1.73	631	11.95
Customers' liability on acceptances outstanding	1,838	.59	2,054	.60	216	11.75
Other assets	3,879	1.24	4,227	1.24	348	8.97
Total assets	314,048	100.00	340,906	100.00	26,858	8.55
LIABILITIES						
Demand deposits of individuals, partnerships, and corporations	$105,961	33.74	$107,768	31.61	$1,807	1.70
Time and savings deposits of individuals, partnerships and corporations	103,238	32.87	119,843	35.15	16,605	16.08
Deposits of U.S. Government	3,175	1.01	5,061	1.48	1,886	59.40
Deposits of States and political subdivisions	19,569	6.23	25,053	7.35	5,484	28.02
Deposits of foreign governments and official institutions, central banks, and international institutions	2,138	.69	3,386	.99	1,248	58.37
Deposits of commercial banks	16,649	5.30	18,494	5.43	1,845	11.08
Certified and officers' checks, etc	5,696	1.81	4,179	1.23	−1,517	−26.63
Total deposits	256,426	81.65	283,784	83.24	27,358	10.67
Demand deposits	141,092	44.93	145,122	42.57	4,030	2.86
Time and savings deposits	115,334	36.72	138,662	40.67	23,328	20.23
Federal funds purchased and securities sold under agreements to repurchase	9,947	3.17	11,830	3.47	1,883	18.93
Liabilities for borrowed money	2,284	.73	1,280	.38	−1,004	−43.96
Acceptances executed by or for account of reporting banks and outstanding	1,880	.60	2,096	.61	216	11.49
Other liabilities	16,472	5.24	13,204	3.87	−3,268	−19.84
Total liabilities	287,009	91.39	312,194	91.57	25,185	8.77
Minority interest in consolidated subsidiaries	—	—	1	—	1	—
RESERVES ON LOANS AND SECURITIES						
Reserves on loans	3,698	1.17	3,747	1.10	49	1.33
Reserves on securities	87	.03	89	.03	2	2.30
CAPITAL ACCOUNTS						
Capital notes and debentures	1,120	.36	1,161	.34	41	3.66
Preferred stock	62	.02	63	.02	1	1.61
Common stock	6,166	1.96	6,457	1.89	291	4.72
Surplus	10,488	3.34	10,659	3.13	171	1.63
Undivided profits	4,707	1.50	5,864	1.72	1,157	24.58
Reserves	711	.23	671	.20	−40	−5.63
Total capital accounts	23,254	7.40	24,875	7.30	1,621	6.97
Total liabilities and capital accounts	314,048	100.00	340,906	100.00	26,858	8.55

NOTES: The 1969 and 1970 data reflect consolidation of all majority-owned bank premises subsidiaries and all significant domestic majority-owned subsidiaries, with the exception of Edge Act subsidiaries.

II. *Income and Expenses of National Banks*

The relative shift from loans to securities during 1970 was reflected in the aggregate income and expense data for National banks. Interest on securities increased 13.7 percent over the 1969 figure, reaching $3.6 billion for 1970. In contrast, loan income increased only 9.7 percent. The latter accounted for 67.0 percent of all operating income of National banks in 1970, compared to 68.6 percent the preceding year.

Total operating income of National banks was $20.4 billion in 1970, representing a 12.1 percent year-to-year increase. Total operating expenses rose at an even greater rate, 14.0 percent, to reach $16.3 billion. As a result, income before taxes and securities transactions increased only 5.5 percent over the previous year's figure.

Interest paid on deposits increased only 3.0 percent during 1970, but the $6.2 billion total still accounted for 38.1 percent of total operating expenses. Salaries and wages spurted 12.8 percent in 1970, with the $3.8 billion total representing 23.6 percent of operating expenses.

With securities losses lower in 1970 than in 1969, and applicable income taxes virtually unchanged, net income of National banks rose 11.6 percent, from $2.5 billion to $2.8 billion. Cash dividends declared during 1970 totalled $1.3 billion.

TABLE 2

Income and expenses of National banks, 1969 and 1970*

[Dollar amounts in millions]

	Dec. 31, 1969		Dec. 31, 1970		Change, 1969–1970	
	Amount	Percent distribution	Amount	Percent distribution	Amount	Percent
Number of banks	4,669	....	4,621	....	....	....
Operating income:						
Interest and fees on loans	$12,492.6	68.55	$13,698.4	67.04	$1,205.8	9.65
Income on Federal funds sold and securities purchased under agreements to resell	473.2	2.60	602.9	2.95	129.7	27.41
Interest and dividends on investments:						
U.S. Treasury securities	1,524.7	8.37	1,654.1	8.09	129.4	8.49
Securities of other U.S. Government agencies and corporations	264.2	1.45	327.0	1.60	62.8	23.77
Obligations of States and political subdivisions	1,302.2	7.15	1,535.3	7.51	233.1	17.90
Other securities	81.6	.45	90.7	.44	9.1	11.15
Trust department income	562.4	3.09	626.2	3.07	63.8	11.34
Service charges on deposit accounts	659.1	3.62	686.4	3.36	27.3	4.14
Other service charges, collection and exchange charges, commissions, and fees	426.8	2.34	534.8	2.62	108.0	25.30
Other operating income	434.5	2.38	677.9	3.32	243.3	56.02
Total operating income	18,221.2	100.00	20,433.7	100.00	2,212.5	12.14
Operating expense:						
Salaries and wages of officers and employees	3,402.6	23.78	3,838.6	23.55	436.0	12.81
Pensions and other employee benefits	530.0	3.71	625.2	3.84	95.2	17.96
Interest on deposits	6,036.2	42.19	6,215.2	38.12	179.0	2.97
Expense of Federal funds purchased and securities sold under agreements to repurchase	777.1	5.43	937.5	5.75	160.4	20.64
Interest on borrowed money	255.8	1.79	169.8	1.04	−86.0	−33.62
Interest on capital notes and debentures	56.3	.39	55.2	.34	−1.1	−1.95
Occupancy expense of bank premises, net	618.8	4.33	723.8	4.44	105.0	16.97
Furniture and equipment, depreciation, rental costs, servicing, etc	467.4	3.27	546.6	3.35	79.2	16.94
Provision for loan losses (or actual net loan losses)	296.2	2.07	405.6	2.49	109.5	36.93
Other operating expenses	1,865.6	13.04	2,784.7	17.08	919.1	49.27
Total operating expense	14,306.0	100.00	16,302.0	100.00	1,996.0	13.95
Income before income taxes and securities gains or losses	3,915.2	....	4,131.7	....	216.5	5.53
Applicable income taxes	1,259.1	....	1,239.9	....	−19.2	−1.52
Income before securities gains or losses	2,656.1	....	2,891.8	....	235.7	8.87
Net securities gains or losses (after tax effect)	−125.7	....	−64.5	....	61.2	48.69
Net income before extraordinary items	2,530.3	....	2,827.3	....	297.0	11.74
Extraordinary charges or credits	4.0	....	2.1	....	−1.9	−47.50
Minority interest in consolidated subsidiaries	—	....	—	....	0	....
Net income	2,534.3	....	2,829.3	....	295.0	11.64
Cash dividends declared:						
On common stock	1,063.7	....	1,273.0	....	209.3	19.68
On preferred stock	4.4	....	....	....	.3	6.82
Total cash dividends declared	1,068.1	....	....	....	209.6	19.62
Ratio to income before income taxes and securities:						
Applicable income taxes	....	32.16	....	30.01	....	....
Net securities losses	....	3.21	....	1.56	....	....
Extraordinary charges or credits	....	.10	....	.05	....	....
Ratio to total operating income:						
Salaries and wages	....	18.67	....	18.79	....	....
Interest on deposits	....	33.13	....	30.42	....	....
All other operating expenses	....	26.71	....	13.63	....	....
Total operating expenses	....	78.51	....	79.78	....	....
Net income	....	13.91	....	13.85	....	....

*Includes all banks operating as National banks at year-end, and full year data for those State banks converting to National banks during the year.

III. *Structural Changes in the National Banking System*

The National banking system comprised 4,621 banks, operating 12,366 branches and a total of 16,987 banking offices as of year-end 1970. The branch figure represented an increase of 819, or 7.1 percent, during calendar 1970. That increase compares with figures of 752 branches, or 7.0 percent, during 1969. As a result of mergers and consolidations, the number of National banks has declined slightly, from 4,669, at the beginning of 1970.

Of the 819 new branches, 737 were *de novo* branches, new branches offering banking services to the public for the first time at their respective sites. Over 58 percent of the *de novo* branches were located in communities with populations under 25,000; only 9 percent were located within cities with populations of over 500,000. Forty-seven percent of the *de novo* branches opened during 1970 are operated by banks with total assets of less than $100 million. California, with 87, New York, with 77, and Pennsylvania, with 64, led the Nation in *de novo* branch openings. The difference between net branch additions to the system and *de novo* branches was accounted for by the entry of 186 branches through merger and conversion and the discontinuation of 104 branches.

Thirty-nine charters were issued for newly-organized National banks in 1970, in comparison with 16 in 1969. The unit banking states of Texas, with nine, and Florida, with six, led in this category. Also, during calendar 1970, preliminary approval was given to 42 charter applications for newly-organized banks, compared with 33 in 1969. In addition to the charter activity relating to newly-organized banks, 26 charters were issued pursuant to corporate reorganizations, principally for the purpose of forming bank holding companies. Eleven charters were issued by the Comptroller for the conversion of State banks to National banks.

During 1970, there were 80 merger, consolidation, or purchase transactions, involving two or more operating banks, in which the resulting bank was a National bank. That figure was identical with that for 1969. In addition, 25 mergers pursuant to corporate reorganization and involving only one operating bank were consummated during 1970.

Table 3

National banks and banking offices, by States, Dec. 31, 1970

	National banks			Number of branches	Number of offices
	Total	Unit	With branches		
United States	4,621	2,982	1,639	12,366	16,987
Alabama	89	43	46	189	278
Alaska	5	0	5	50	55
Arizona	3	1	2	215	218
Arkansas	69	36	33	82	151
California	60	7	53	2,370	2,430
Colorado	122	113	9	9	131
Connecticut	26	6	20	221	247
Delaware	5	3	2	4	9
District of Columbia	11	1	10	66	77
Florida	215	215	0	0	215
Georgia	62	31	31	165	227
Hawaii	1	0	1	9	10
Idaho	7	2	5	108	115
Illinois	414	360	54	54	468
Indiana	122	48	74	339	461
Iowa	99	59	40	54	153
Kansas	171	139	32	32	203
Kentucky	80	36	44	141	221
Louisiana	49	11	38	181	230
Maine	19	4	15	101	120
Maryland	42	12	30	253	295
Massachusetts	86	22	64	428	514
Michigan	101	30	71	560	661
Minnesota	199	197	2	6	205
Mississippi	38	5	33	142	180
Missouri	98	75	23	23	121
Montana	49	48	1	1	50
Nebraska	125	101	24	25	150
Nevada	4	1	3	60	64
New Hampshire	48	25	23	51	99
New Jersey	129	23	106	682	811
New Mexico	33	8	25	73	106
New York	169	66	103	1,261	1,430
North Carolina	22	3	19	549	571
North Dakota	42	32	10	10	52
Ohio	217	69	148	742	959
Oklahoma	203	168	35	35	238
Oregon	10	3	7	249	259
Pennsylvania	299	138	161	1,050	1,349
Rhode Island	5	0	5	92	97
South Carolina	19	4	15	240	259
South Dakota	33	24	9	58	91
Tennessee	77	17	60	276	353
Texas	530	530	0	0	530
Utah	10	5	5	74	84
Vermont	26	11	15	49	75
Virginia	101	26	75	475	576
Washington	25	8	17	440	465
West Virginia	85	85	0	0	85
Wisconsin	125	90	35	65	190
Wyoming	41	41	0	0	41
Virgin Islands	1	0	1	7	8
District of Columbia—all*	14	1	13	101	115

*Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

Table 4

Applications for National bank charters, and charters issued,* by States, calendar 1970*

	Received†	Approved	Rejected	Abandoned	Pending Dec. 31, 1970	Charters issued
United States	159	42	46	9	62	39
Alabama	2	0	1	0	1	0
Alaska	0	0	0	0	0	0
Arizona	0	0	0	0	0	0
Arkansas	1	1	0	0	0	1
California	4	0	2	1	1	0
Colorado	13	2	5	1	5	1
Connecticut	2	0	0	0	2	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	33	10	5	4	14	6
Georgia	3	0	2	1	0	1
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	8	3	2	1	2	2
Indiana	1	1	0	0	0	0
Iowa	1	0	0	0	1	0
Kansas	1	0	0	0	1	0
Kentucky	0	0	0	0	0	0
Louisiana	1	0	1	0	0	0
Maine	1	0	0	0	1	0
Maryland	1	0	1	0	0	0
Massachusetts	1	1	0	0	0	0
Michigan	5	4	0	0	1	3
Minnesota	4	1	3	0	0	3
Mississippi	0	0	0	0	0	1
Missouri	3	0	2	1	0	1
Montana	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0
Nevada	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0
New Jersey	14	5	5	0	4	4
New Mexico	0	0	0	0	0	0
New York	6	2	3	0	1	0
North Carolina	1	1	0	0	0	0
North Dakota	0	0	0	0	0	0
Ohio	0	0	0	0	0	0
Oklahoma	1	0	0	0	1	0
Oregon	0	0	0	0	0	0
Pennsylvania	0	0	0	0	0	0
Rhode Island	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0
Tennessee	1	0	1	0	0	0
Texas	38	7	9	0	22	9
Utah	0	0	0	0	0	0
Vermont	0	0	0	0	0	0
Virginia	2	1	0	0	1	1
Washington	4	0	3	0	1	0
West Virginia	1	1	0	0	0	2
Wisconsin	4	2	1	0	1	4
Wyoming	2	0	0	0	2	0
Virgin Islands	0	0	0	0	0	0

*Excludes conversions and corporate reorganizations.
†Includes 45 applications pending as of Dec. 31, 1969.

TABLE 5

Applications for National bank charters to be issued pursuant to corporate reorganizations, and charters issued, by States, calendar 1970

	Received*	Approved	Rejected	Abandoned	Pending Dec. 31, 1970	Charters issued
United States	33	31	0	1	1	26
Alabama	1	1	0	0	0	0
Alaska	0	0	0	0	0	0
Arizona	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0
California	1	1	0	0	0	0
Colorado	0	0	0	0	0	0
Connecticut	0	0	0	0	0	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	0	0	0	0	0	0
Georgia	0	0	0	0	0	0
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	1	0	0	1	0	0
Indiana	0	0	0	0	0	0
Iowa	0	0	0	0	0	0
Kansas	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0
Louisiana	1	1	0	0	0	1
Maine	0	0	0	0	0	0
Maryland	0	0	0	0	0	0
Massachusetts	1	1	0	0	0	2
Michigan	1	1	0	0	0	1
Minnesota	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0
Missouri	4	4	0	0	0	2
Montana	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0
Nevada	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0
New Jersey	12	12	0	0	0	12
New Mexico	0	0	0	0	0	0
New York	1	1	0	0	0	1
North Carolina	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0
Ohio	5	5	0	0	0	2
Oklahoma	0	0	0	0	0	0
Oregon	0	0	0	0	0	0
Pennsylvania	0	0	0	0	0	2
Rhode Island	0	0	0	0	0	1
South Carolina	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0
Texas	4	3	0	0	1	2
Utah	0	0	0	0	0	0
Vermont	0	0	0	0	0	0
Virginia	1	1	0	0	0	0
Washington	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0
Virgin Islands	0	0	0	0	0	0

*Includes 1 application pending as of Dec. 31, 1969.

Table 6

Applications for conversion to National bank charters, and charters issued, by States, calendar 1970

	*Received**	*Approved*	*Rejected*	*Abandoned*	*Pending Dec. 31, 1970*	*Charters issued*
United States	16	10	2	1	3	11
Alabama	1	1	0	0	0	1
Alaska	0	0	0	0	0	0
Arizona	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0
California	0	0	0	0	0	0
Colorado	2	2	0	0	0	2
Connecticut	0	0	0	0	0	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	2	0	1	1	0	0
Georgia	0	0	0	0	0	1
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	0	0	0	0	0	0
Indiana	1	0	0	0	1	1
Iowa	1	1	0	0	0	1
Kansas	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0
Maine	0	0	0	0	0	0
Maryland	0	0	0	0	0	0
Massachusetts	1	1	0	0	0	1
Michigan	1	1	0	0	0	1
Minnesota	0	0	0	0	0	0
Mississippi	1	1	0	0	0	0
Missouri	0	0	0	0	0	0
Montana	4	1	1	0	2	1
Nebraska	0	0	0	0	0	0
Nevada	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0
New Jersey	1	1	0	0	0	1
New Mexico	0	0	0	0	0	0
New York	0	0	0	0	0	0
North Carolina	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0
Ohio	0	0	0	0	0	0
Oklahoma	0	0	0	0	0	0
Oregon	0	0	0	0	0	0
Pennsylvania	0	0	0	0	0	0
Rhode Island	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0
Texas	0	0	0	0	0	0
Utah	0	0	0	0	0	0
Vermont	0	0	0	0	0	0
Virginia	0	0	0	0	0	0
Washington	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0
Wyoming	1	1	0	0	0	1
Virgin Islands	0	0	0	0	0	0

*Includes 4 applications pending as of Dec. 31, 1969.

Table 7

Branches of National banks, calendar 1970

	Branches in operation Dec. 31, 1969	*De novo branches opened for business Jan. 1–Dec. 31, 1970*	*Branches acquired through merger or conversion Jan. 1–Dec. 31, 1970*	*Existing branches discontinued or consolidated Jan. 1–Dec. 31, 1970*	*Branches in operation Dec. 31, 1970*
United States	r 11,547	737	186	104	12,366
Alabama	173	14	2	0	189
Alaska	47	2	1	0	50
Arizona	199	16	0	0	215
Arkansas	78	4	0	0	82
California	2,293	87	12	22	2,370
Colorado	2	7	0	0	9
Connecticut	205	14	5	3	221
Delaware	3	1	0	0	4
District of Columbia	64	3	0	1	66
Florida	0	0	0	0	0
Georgia	155	11	0	1	165
Hawaii	7	2	0	0	9
Idaho	106	0	2	0	108
Illinois	44	10	0	0	54
Indiana	318	17	5	1	339
Iowa	51	4	0	1	54
Kansas	27	5	0	0	32
Kentucky	135	6	0	0	141
Louisiana	167	13	1	0	181
Maine	91	9	2	1	101
Maryland	239	16	6	8	253
Massachusetts	406	22	6	6	428
Michigan	533	30	1	4	560
Minnesota	6	0	0	0	6
Mississippi	127	11	4	0	142
Missouri	20	3	0	0	23
Montana	1	0	0	0	1
Nebraska	22	3	0	0	25
Nevada	56	4	0	0	60
New Hampshire	45	5	1	0	51
New Jersey	602	57	34	11	682
New Mexico	67	6	0	0	73
New York	1,163	77	23	2	1,261
North Carolina	495	40	19	5	549
North Dakota	9	1	0	0	10
Ohio	r 691	45	7	1	742
Oklahoma	37	3	0	5	35
Oregon	240	10	0	1	249
Pennsylvania	979	64	31	24	1,050
Rhode Island	88	4	0	0	92
South Carolina	222	22	0	4	240
South Dakota	55	1	2	0	58
Tennessee	r 259	18	0	1	276
Texas	0	0	0	0	0
Utah	61	6	7	0	74
Vermont	45	3	1	0	49
Virginia	r 437	35	5	2	475
Washington	414	17	9	0	440
West Virginia	0	0	0	0	0
Wisconsin	57	8	0	0	65
Wyoming	0	0	0	0	0
Virgin Islands	6	1	0	0	7
District of Columbia—all*	97	6	0	2	101

*Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

r Revised.

TABLE 8

De novo branch applications of National banks, by States, calendar 1970

	*Received**	*Approved*	*Rejected*	*Abandoned*	*Pending Dec. 31, 1970*
United States	1,255	782	152	53	268
Alabama	17	12	1	0	4
Alaska	10	4	3	1	2
Arizona	23	16	3	0	4
Arkansas	5	5	0	0	0
California	184	115	41	7	21
Colorado	12	12	0	0	0
Connecticut	25	22	0	0	3
Delaware	0	0	0	0	0
District of Columbia	12	5	0	0	7
Florida	0	0	0	0	0
Georgia	62	7	0	11	44
Hawaii	0	0	0	0	0
Idaho	7	6	0	0	1
Illinois	13	9	0	1	3
Indiana	31	21	2	0	8
Iowa	7	6	0	0	1
Kansas	2	2	0	0	0
Kentucky	7	6	1	0	0
Louisiana	11	7	3	0	1
Maine	10	7	1	1	1
Maryland	53	35	5	5	8
Massachusetts	32	25	3	0	4
Michigan	71	30	21	6	14
Minnesota	0	0	0	0	0
Mississippi	12	7	2	1	2
Missouri	5	2	0	0	3
Montana	2	2	0	0	0
Nebraska	4	4	0	0	0
Nevada	3	2	1	0	0
New Hampshire	4	3	0	1	0
New Jersey	78	53	11	2	12
New Mexico	11	8	0	0	3
New York	168	113	19	7	29
North Carolina	74	38	2	3	31
North Dakota	0	0	0	0	0
Ohio	48	39	3	1	5
Oklahoma	8	8	0	0	0
Oregon	11	6	3	0	2
Pennsylvania	75	52	10	0	13
Rhode Island	5	3	0	0	2
South Carolina	23	14	4	0	5
South Dakota	1	0	0	0	1
Tennessee	17	13	2	1	1
Texas	0	0	0	0	0
Utah	10	7	0	1	2
Vermont	2	1	0	1	0
Virginia	74	39	8	2	25
Washington	18	11	3	1	3
West Virginia	0	0	0	0	0
Wisconsin	8	5	0	0	3
Wyoming	0	0	0	0	0
Virgin Islands	0	0	0	0	0
District of Columbia—all†	15	6	0	0	9

*Includes 266 applications pending as of Dec. 31, 1969.
†Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

Table 9

De novo branches of National banks opened for business, by community size and by size of bank, calendar 1970

Population of cities	*Branches*	*Total resources of banks* [millions of dollars]	*Branches*
Less than 5,000	179	Less than 10.0	70
5,000 to 24,999	252	10.0 to 24.9	124
25,000 to 49,999	90	25.0 to 49.9	86
50,000 to 99,999	64	50.0 to 99.9	69
100,000 to 249,999	45	100.0 to 1,000.0	220
250,000 to 499,999	40	Over 1,000.0	168
500,000 to 1,000,000	24		
Over 1,000,000	43	Total	737
Total	737		

Table 10

Mergers, calendar 1970*

	Transactions involving two or more operating banks	*Other, pursuant to corporate reorganizations*
Applications carried over from 1969	15	3
Applications received 1970	79	26
Disposition of applications 1970:		
Approved	80	24
Abandoned	2	0
Applications pending December 1970	12	5
Transactions completed 1970:		
Mergers	60	25
Consolidations	10	0
Purchase of assets	10	0
Total completed	80	25

The aggregate total capital stock and capital accounts for the certificates issued are as follows: †

	Charter or purchasing bank	*Merging, consolidating, or selling bank*	*Combined*
Capital stock	$817,785,022	$63,961,298	$881,012,920
Capital accounts	2,949,470,801	207,439,895	3,168,016,022

*Includes mergers, consolidations and purchase and sale transactions where the resulting bank is a National bank.
†Includes only those transactions involving 2 or more operating banks.

IV. *Bank Examinations and Related Activities*

The National Bank Act requires that all National banks be examined twice in each calendar year, but the Comptroller, in the exercise of his discretion, may waive one such examination in a 2-year period, or may cause such examinations to be made more frequently, if considered necessary. In addition, the District Code authorizes the Comptroller to examine each non-National bank and trust company in the District of Columbia.

This year was, once again, the most active in the history of the Comptroller's Office. During the year ending December 31, 1970, the Office examined 7,084 banks, 14,777 branches and facilities, 1,590 trust departments and branches, 232 affiliates and subsidiaries, and conducted 402 special examinations and visitations. Investigations were conducted in connection with applications for 1,996 *de novo* branches, four State banks were examined in connection with conversions to National banks, and the Office received 145 applications to establish new National banks. That latter figure includes seven corporate reorganizations.

National bank examinations are designed to determine the condition and performance of banks, the quality of their operations, the capacity of management, and whether the banks are complying with Federal laws. All facets of an examination have, as their end result, the determination of liquidity and solvency, present and prospective, and the determination of whether the bank is operating within the framework of applicable banking laws and regulations. The appraisal of a bank's loans and lending policies, investments and investment policies, and the ability and capacity of its management constitute the most exacting phases of the examination process.

As of December 31, 1970, the Office employed 1,635 examining personnel, 1,537 commercial examiners and 98 trust examiners. During 1970, efforts were conducted to improve the quality and efficiency of examinations. New assistant examiners were provided with monitored on-the-job training, nine sectional schools, and a self-instructional program which was implemented during 1970. The National Bank Examiner's School continues to be of prime importance in the career development program of examining personnel. Those schools are attended by all recently-commissioned National Bank Examiners, and the curriculum covers all aspects of commercial examinations. Loan and investment analysis, determination of asset quality, and evaluation of bank management receive the greatest emphasis. Considerable time is also devoted to diversification of risk, liquidity, capital adequacy, earnings, bank operations, investment in fixed assets, borrowings, future prospects, and review of the various laws and regulations affecting National banks.

The more senior National Bank Examiners began attending 5-day EDP seminars during 1970. Those training sessions are intended to up-date the examiners' knowledge of EDP equipment and examination procedures and techniques. It is anticipated that 750 examiners will have completed such training by the end of 1971. Training and instruction is supplemented by correspondence courses offered by the American Institute of Banking and Dun and Bradstreet. Also, every year, a number of our examining personnel graduate from the various graduate schools of banking.

The comprehensive Comptroller's Handbook of Examination Procedure, an internal manual covering all areas of banking examination, published in 1969, was supplemented during 1970 by a new instructional booklet, EDP Examination Procedures. The booklet standardizes EDP examination procedures and establishes minimum standards of output. The Office will continue its efforts to review and update training programs and examining techniques in the months and years ahead.

V. *Litigation*

The rise in the number of cases filed challenging administrative actions or rulings of the Comptroller that began during calendar 1969, continued virtually unabated through 1970. Twenty new cases were filed during 1970. There were 31 cases pending on January 1, 1970; 23 cases were terminated during the year; and 28 cases were pending at the end of calendar year 1970.

The Comptroller's ruling was overturned by the courts in only two of the 22 cases terminated. The more significant cases involved the following subjects:

A. Incidental Powers Cases

Three cases involving the standing of competitors of National banks who allege that the activities of particular National banks exceed the authority contained in the incidental powers clause of the National Bank Act, 12 U.S.C. §24 (Seventh), were reviewed by the Supreme Court during 1970. The Supreme Court review was prompted when two circuit courts of appeals reached diametrically opposed conclusions in two substantially identical cases, brought by data processing service bureaus, challenging the right of a National bank to offer data processing services to other banks and bank customers, as is permitted by the Comptroller. *ADAPSO* v. *Camp,* 406 F.2d 837 (8th Cir.); *The Wingate Corp.* v. *Industrial National Bank of Rhode Island,* 408 F.2d 1147 (1st Cir.). In a far-reaching opinion, reinterpreting the law of standing as it applied to suits against all federal agencies, the Supreme Court held in *ADAPSO* v. *Camp,* 397 U.S. 150, that data processing service bureaus do have standing to bring suit in federal court to challenge the authority of a National bank to sell data processing services. On the authority of its ruling in *ADAPSO,* the Supreme Court also held that Section 4 of the Bank Service Corporation Act also confers standing upon travel agents to contend, contrary to the Comptroller's ruling, that National banks lack incidental power to operate a travel agency. *Arnold Tours, Inc.* v. *Camp,* 39 L.W. 3226.

Since the Supreme Court decisions did not reach the ultimate issues on the merits, i.e., whether National banks are authorized by the National Bank Act to provide travel agency and data processing services, the cases were returned to the district courts for further proceedings. No further proceedings in the district courts had taken place at year end 1970.

B. Other Banking Powers

1. *Collective Investment Funds.*——A case challenging the authority of National banks possessing trust powers to operate a commingled managing agency account awaited decision by the Supreme Court at the end of 1970. *Camp* v. *Investment Company Institute,* O.T. 1970, No. 61. The Supreme Court review had been requested by ICI after the Court of Appeals for the District of Columbia, in a unanimous opinion, upheld the authority of the bank to operate the account. The case involves a commingled agency fund established by First National City Bank of New York with the specific approval of the Comptroller, the SEC, and the Board of Governors of the Federal Reserve Board. Writing prior to the Supreme Court's reinterpretation of the law of standing in *ADAPSO,* two judges of the court expressed "reservations amounting to virtual disbelief" in the standing of the plaintiff mutual fund industry to bring the suit. Chief Judge Bazelon noted that the commingled managing agency account was "a descendent of the individual managing agency account and the common trust fund, fitting within the traditional authority of banks to manage other people's money in a fiduciary capacity." All three judges concurred in finding that the approval given by each of the involved federal agencies was within its respective statutory authority.

2. *Receiving Interest on Credit Card Transactions.*——Two cases, brought during 1969, by the State of Idaho, against the Comptroller and two National banks headquartered in Boise, Idaho, were scheduled at the end of 1970 for trial in 1971. The district court ruled, in response to several motions, that the State Commissioner of Finance had standing to maintain the actions. *State of Idaho* v. *First Security Bank, N.A. and Camp,* Civil No. 1–69–83; *State of Idaho* v. *Idaho First National Bank & Camp,* Civil No. 1–69–101. The The State Commissioner contends that each of the National banks involved charges, on certain credit card transactions, an interest rate higher than that which State banks could charge on similar transactions. The Comptroller is made a defendant because he has interpreted Section 30 of the National Bank Act, 12 U.S.C. §85, to permit National banks to charge the same interest rate that any competing State institution, e.g., a small loan company, could charge on similar loans.

C. New Banks

1. *Cases Brought by Competitors.*——Three suits against the Comptroller's Office, in which existing banks alleged that the Comptroller's chartering of a new competing National bank was unlawful, were pending at the end of 1970. *Sterling National Bank* v. *Camp,* 431 F.2d 514 (5th Cir. 1970); *Humble State Bank* v. *Camp,* S.D. Texas, Civil No. 69–H–1209; and *Somerset Trust Co.* v. *Camp,* D. N.J., Civil No. 659-70. In *Sterling,* the Fifth Circuit Court of Appeals held that the record developed by the Comptroller's Office in processing the application showed the Comptroller's decision to be rational and lawful, and that the Comptroller's approval was not invalidated either (1) by his receipt of information from the applicant *ex parte* or (2) by the lack of an opinion accompanying the Comptroller's determination. Plaintiff in *Sterling* has requested review of the Fifth Circuit decision by the Supreme Court, but, at year-end 1970, the court had not acted upon plaintiff's petition. The *Humble* case was pending at the end of the year on motions by the Comptroller to dismiss for lack of standing, or, in the alternative, to grant summary judgment for the Comptroller, because the record developed by the Comptroller's Office in processing the application showed the Comptroller's decision to be in accordance with law. At year-end, no proceedings had taken place in the *Somerset Trust* case, other than the filing of an amended complaint by plaintiffs.

2. *Cases Brought by Applicants.*——At the end of 1970, two actions were pending by organizers of proposed National banks, challenging the refusal of the Comptroller to charter the applied for bank. *Klanke* v. *Camp,* S.D. Texas, Civil No. 69–H–1033 and *Pitts* v. *Camp,* D. S.C., Civil No. 69–979. The *Klanke* and *Pitts* cases awaited further proceedings after the district courts had ruled, in response to preliminary motions by the Comptroller, that the courts had jurisdiction to review the Comptroller's exercise of discretion in rejecting a National bank charter application. An additional case, challenging the refusal of the Comptroller to charter a National bank, was voluntarily dismissed by plaintiffs during the year. *Olsen* v. *Camp,* E.D. Mich., Civil No. 31804.

D. Main Office Relocations

1. *Cases Brought by Competitors.*——Four cases, involving challenges, by competitors, of the Comptroller's approval of the relocation of a National bank's main office, resulted in opinions during the year upholding the Comptroller's decision. In *The Ramapo Bank* v. *Camp,* 425 F.2d 333, the Third Circuit Court of Appeals upheld the Comptroller's approval of a New Jersey National bank's simultaneous applications to relocate its main office to a different town 2.3 miles away, and to retain its former main office as a branch. The Supreme Court declined to review that decision, and thus left it standing as final. While the *Ramapo* case was pending, federal district courts granted judgment for the Comptroller in three additional similar cases in New Jersey. *Peoples Trust Co.* v. *Camp and Hackensack Trust Co., N.A.,* D. N.J., Civil No. 1191–69, *Midland Bank & Trust Co.* v. *Camp and Hackensack Trust Co.,* D. N.J., Civil No. 1174–69; and *Peoples Trust of New Jersey* v. *Camp and Edgewater National Bank,* D. N.J., Civil No. 1121–69. In addition to the cases arising in New Jersey, the decision of the Seventh Circuit in *Marion National Bank* v. *Camp,* 418 F.2d 121 (Jan. 1970), which was partially contrary to the later holding of the *Ramapo* court, became final during 1970, when neither party appealed. The *Marion* court held that the Comptroller could not, as part of "a single indissoluable process",

approve simultaneous applications by a State-chartered bank in Indiana to convert to a National Association, to relocate its main office to the county seat 12 miles away, and to retain a branch at the site of its former main office. Subsequent to the Seventh Circuit's decision, the Indiana bank, as permitted by the Court of Appeals' opinion, withdrew the branch portion of its application, converted to a National Association, and moved its main office. The bank then filed a new application for a branch at its former main office site, which application was approved by the Comptroller. The net effect of the *Marion* decision was to leave an Indiana town without a local banking office for a period of approximately 2 weeks.

2. *Cases Brought by Applicants.*——In the first case of its kind, a rejected applicant has filed an action seeking to compel the Comptroller to approve its simultaneous application to relocate its main office to another municipality, and to retain its former main office structure as a branch. *First National Bank of Southaven* v. *Camp*, D. Miss., Civil No. DC 7074–K. At year-end 1970, no proceedings had taken place in this case, other than the filing of a complaint.

E. Branches

The decision of the Supreme Court in *Camp* v. *Dickinson*, 396 U.S. 122, discussed in the 1969 Annual Report, became final in 1970, when the Supreme Court denied a petition for rehearing. The ruling of the Supreme Court, in *Dickinson* to the effect that an armored car, used by a National bank in Florida to pick up and deliver funds from customers of the bank, and an off-premises night depository each constituted a "branch", as that term is defined in the National Bank Act, 12 U.S.C. §36 (f), appears to have raised more questions that it has settled. The Court rejected the argument advanced by the National Association of Supervisors of State Banks, in an amicus curiae brief, that State law defined what was a branch of a National bank, but held that the armored car and receptacle were branches, because "deposits" were received within the meaning of 12 U.S.C. §36 (f). Thus there remains some confusion as to whether similar armored car operations would be branches in States where armored cars may be operated by State banks. Additional problems of interpretation and application may arise under peculiar circumstances in connection with the performance of armored car services by subsidiaries of bank holding companies. In *Jackson* v. *First National Bank of Gainesville*, 430 F.2d 1200, for example, the Fifth Circuit Court of Appeals held, subsequent to the *Dickinson* ruling, that, where a messenger service subsidiary of the holding company controlling the First National Bank of Cornelia, Ga., continued to operate the messenger car service, previously operated by the bank, exactly as it had been operated before, solely on behalf of the bank, and for the benefit of the bank's customers, and where the armored car service charged the bank's customers nothing, and had no visible means of financial support, the performance of the messenger car service by the holding company subsidiary amounted to prohibited branch banking. At year-end 1970, the bank was seeking Supreme Court review of the Fifth Circuit ruling.

In *First Citizens Bank & Trust Co.* v. *Camp*, C.A. No. 13859, the Court of Appeals for the Fourth Circuit reversed a district court which had issued a preliminary injunction temporarily overturning the Comptroller's approval of a branch bank in North Carolina. The appellate court found the district court's order, which had issued even though the district judge had the Comptroller's entire administrative record before him and could have granted final judgment for the Comptroller, to be an abuse of discretion. The court thus returned the case to the district court with instructions to hold a hearing on the damages sustained by the bank by reason of the "improper issuance of the injunction order", and directed that the district court proceed to a final determination of the case on the merits. Subsequent to the issuance of this opinion, the plaintiff voluntarily dismissed the suit. The Comptroller's Office is hopeful that the Fourth Circuit opinion will discourage frivolous litigation commenced by competitors merely for the purpose of delaying the opening of competing branch banks.

Three additional cases, brought by competing banks during 1970, resulted in orders upholding the Comptroller's approval of challenged branch applications. Two of these cases involved challenges to the Comptroller's approval of branch applications for National banks in New Jersey. *Montclair National Bank & Trust Co.* v. *Camp*, D. N.J., Civil No. 1004–69; *Springfield State Bank* v. *National State Bank of Elizabeth*, D. N.J., No. 846–69.

In the third case, a United States District Court in Michigan held that the Comptroller reasonably concluded, upon the basis of information presented to him, administratively, that the contested branch was not within the same unincorporated village as an already existing branch of the plaintiff bank, located approximately 3/4 of a mile away, and that under such circumstances, the branch was permitted by statute and the Comptroller's decision must be upheld. *National Lumberman's Bank & Trust Co.* v. *Camp,* W.D. Mich., Civil No. 6179.

F. Merger Cases

In 1970, the Comptroller was a party to six merger cases. In two that were litigated to judgment, the Court upheld the Comptroller and the defendant banks and found the mergers to be lawful. Both of these cases have been terminated with no appeal to the Supreme Court. In one case, the Supreme Court reversed and remanded it to the district court. In another, a holding company acquisition, the district court, before trial, is considering the Comptroller's motion to lift the statutory stay. In a fifth case, the Comptroller has filed a motion to dismiss the complaint on the ground that the "section of the country" selected by the Antitrust Division is, as a matter of law, too small to be a "section of the country" under §7 of the Clayton Act. In the sixth case, a three-bank consolidation, a consent decree was entered on December 7, 1970, terminating the cause.

In *United States* v. *The First National Bank of Maryland,* 310 F. Supp. 157 (D. Md. 1970), an appeal from the judgment for the Comptroller and the defendant banks was noticed to the Supreme Court by the plaintiff on March 20, 1970, but was dismissed by stipulation on March 30, 1970.

On April 21, 1970, after a lengthy trial, the district court rendered an opinion in favor of the Comptroller and the defendant banks in the market extension, or potential competition, merger case of *United States* v. *The Idaho First National Bank and Fidelity National Bank,* 315 F. Supp. 261 (D. Idaho 1970). The Antitrust Division elected not to appeal. The court found that Twin Falls, Idaho, with four banks already there, would not support a fifth bank entry, and that it was not reasonably probable that Idaho First would enter Twin Falls by branching in the foreseeable future. The court also found that the anticompetitive effects of the merger, if any, would be clearly outweighed in the public interest by improving the quality of bank services to meet the convenience and needs of the Twin Falls community. The court considered it important that the merger would increase the lending limit of Fidelity National and either provide services not now available through Fidelity, or increase services, in the trust area; real estate and construction lending, including FHA and VA loans; consumer and installment loans; purchase of dealers' paper; automobile and mobile home financing; and industrial and municipal loans. The merger would also bring to the area, for the first time, regional computer services, investment advice, commercial counseling, and accounts receivable financing.

United States v. Phillipsburg National Bank & Trust Co., et al., 306 F. Supp. 645 (D. N.J. 1969), was appealed, and reversed, and remanded by the Supreme Court on June 29, 1970, with Mr. Justice Harlan and Chief Justice Berger dissenting in part, 399 U.S. 350 (1970). The majority opinion found that the district court erred in its determination as to the relevant product market and the relevant geographic market, and that these errors invalidated the district court's determination that the merger would have no significant anticompetitive effect. The product market was found to be commercial banking, and the section of the country to be Phillipsburg-Easton and environs which had a 1960 population of almost 90,000. The Court did not examine the convenience and needs advanced by the Comptroller and defendant banks because the district court had examined them in the wrong "section of the country," so that the convenience and needs defense still has not been thoroughly examined by the Supreme Court. The Court did state that the banks contention that they lack personnel and resources to serve their community effectively and to compete vigorously were procompetitive factors, and certainly relevant in determining the convenience and needs of the community under the Bank Merger Act. The Court also held that "the community to be served" is virtually always as large, or larger, than the geographic market or section of the country, and that the convenience and needs cannot be measured in a smaller area.

On February 27, 1970, the Antitrust Division filed suit alleging that the acquisition by United Virginia Bankshares, a registered bank holding company, of controlling interest in Peoples National Bank, Manassas, Va., was violative of §7 of the Clayton Act in that it would eliminate potential competition between them, would eliminate United Virginia Bankshares as a potential entrant into commercial banking in the Manassas and Prince William County area, and would entrench the three dominant banking organizations in these market areas. *United States* v. *United Virginia Bankshares Incorporated, the Peoples National Bank of Manassas, and Manassas Bank, N.A.*, Civil No. 85–70–A, E.D. Va. 1970. The Comptroller, after intervening, filed a motion to lift the statutory stay provided for in the Bank Merger Act (12 U.S.C. §1828 (c) (7) (A)) and in the Bank Holding Company Act (12 U.S.C. §1849). The Comptroller contended that there would be irreparable injury to Peoples National Bank, that the purpose of the stay was to prevent the difficulties of unscrambling of banking assets, and that this problem is not present in the acquisition of majority control of a bank by a holding company. The Court was considering this motion and a plan agreed upon by the defendants, and approved by the Comptroller, to facilitate divestiture, should it become necessary, but no decision had been made as of December 31.

On December 11, 1970, the Antitrust Division filed a §7 Clayton Act case against the merger of County National Bank of Bennington and Catamount National Bank *United States* v. *County National Bank of Bennington and Catamount National Bank,* Civil No. 6088, D. Vt. 1970. The suit alleges the merger may substantially lessen competition in the "Bennington area." The Comptroller, following intervention, and the defendant banks have both filed motions to dismiss the complaint on the grounds that the "Bennington area," which has a population of 23,733, is too small and economically insignificant to be a "section of the country" under §7 of the Clayton Act, and that Bennington appears to be the type of small town that Congress intended would not be covered by the Act when the word "community" was deleted in the 1950 amendment. The motions are pending.

On December 7, 1970, a consent decree was entered in the three bank consolidation case of *United States* v. *National Bank & Trust Co. of Central Pa., et al.,* Civil No. 69–2902, E.D. Pa., which in effect allowed the consolidation but required the banks to sell nine branches. It also prohibits the consolidated bank from further bank mergers in Dauphin, Lancaster, and York counties for 10 years.

VI. *Fiduciary Activities of National Banks*

The number of fiduciary accounts and the market value of assets held by trust departments of National banks continued to grow in 1970. During the year, 45 application for permits to exercise fiduciary powers were received from National banks and 26 were approved. In addition, five State banks with trust departments converted to National charters. Taking into account losses through mergers and consolidations, the number of National banks authorized to exercise fiduciary powers had, by year-end, risen to 1,943.

Against this background, the Comptroller's Office carried out its responsibilities as effectively as possible. Training of personnel continued to have a high priority. In April, a two-week school for Assistants in Trust was held in Washington, D.C.; 32 Assistants, from the various regions, attended. Three members of the F.D.I.C. trust examining force and one representative from each of the bank supervisory staffs of the states of Connecticut, Wisconsin, New Hampshire, New York, North Carolina, Michigan, Illinois, and Maryland also took part. The course was divided into two parts, one giving a greater understanding of the functions and operations of a trust department, and the other dealing with the supervisory policies and procedures through which the responsibilities of this Office are carried out. A number of recognized banking and legal authorities helped conduct the first portion of the course, and the Trust Division staff, assisted by representatives from the field, conducted the second.

A joint seminar with the F.D.I.C. held in November for the Associates in Trusts of the Office. That course was aimed at intermediate level trust examiners who are expected to reach the highest level of qualification, Representative in Trusts, in the near future. Fourteen Associates and eight examiners from the Federal Deposit Insurance Corporation attended. The first part of that course dealt with principles of management supervision, and the second with emerging examination problems.

During the year, the federal banking agencies instructed their trust department examiners to enquire into bank policies relating to the allocation of brokerage business. Later, an opinion was received from the Justice Department holding that the allocation of brokerage business in return for brokers' deposits may violate the antitrust laws. The examiners were instructed to so advise the banks. Based upon initial results it appears that the practice, while perhaps used in years past, is no longer a factor in placing brokerage business.

The banking agencies continued their close scrutiny of securities fails. Banks were counseled to adopt a procedure of payment on delivery when possible. By year-end, it appeared that the instances of failure to deliver securities paid for by trust departments were relatively few. Special attention was given to holdings of restricted stock in trust accounts because of problems of liquidity and valuation.

In December, the case of *Investment Company Institute* v. *Camp* was argued before the Supreme Court. (See "Litigation.") The decision, expected early in 1971, may have broad implications for determining the extent to which the Banking Act of 1933 limits trust department activities. Resolution of those questions should end the uncertainty which has prevailed since the suit was brought, and should enable this Office to draw more definitive boundaries for such activities.

VII. *International Banking and Finance*

During this past decade, National banks displayed a phenomenal rate of international expansion that continued to accelerate during 1970. At the beginning of the 10-year period, on December 31, 1960, only three National banks had foreign branches, and their 85 branches reported total assets of $1,628 million. In the year 1970, 31 National banks opened 72 new foreign branches, and at the close of this decade, 59 National banks were operating 497 foreign branches with total assets of $38.9 billion. The international activities of National banks also continued to expand directly, through ownership of foreign banks, and indirectly, through ownership of Edge and agreement corporations, with financing and investing spreading on a global basis.

There were no major currency devaluations during the year and, in addition to this favorable factor, the increase in international activities of National banks was encouraged by more than average incentives of growth and profits.

Anti-inflationary monetary policies and the related tight money situation in the United States led to a further increase in the supply of Eurodollars in 1970. That supply, tapped most easily by foreign branches in London and Nassau, was used by National banks to serve their customers' need for funds. During the year, 26 new branches of National banks opened in Nassau, and 2 opened in London. By the end of 1970, 56 National Banks had 72 branches in operation in London and Nassau, and 14 applications for branches in those locations were awaiting approval of U.S. or foreign authorities.

The International Division of the Office of the Comptroller of the Currency was formed during the decade to keep pace with these expanding activities. In 1970, examination reports and procedures were revised to improve the examination of foreign assets of National banks through their domestic head offices, and supplemental, direct visitations of foreign branches were more frequent.

By 1970, all of the 14 National bank regions contained banks with international activities, so a related representation was developed for the international examining staff. During the year, 43 examiners conducted branch examination in Europe, South American, and the Far East. In November, the first of a series of Sectional Training Schools on international examination was held in Chicago. Examiners from regions four, seven, and nine attended this school; similar schools will be held for examiners located in other regions.

Continued close cooperation with the Federal Reserve Board and the Department of State proved most beneficial in the supervision and examination of international offices. That cooperation was extended to the authorities in those foreign countries where National banks are represented. During the year, numerous bankers and regulatory officials from various foreign countries visited the International Division for group discussions and training sessions of various lengths. The visitors were primarily interested in the function of banking in the United States. A number described some of the benefits derived by their countries from the international activities of National banks.

The circulation of some instruments drawn on certain foreign banks prompted the issuance of a series of warning bulletins during 1970. This action, in cooperation with foreign central banks and the Department of Justice, served to avert the hazards posed by those activities.

The need for close supervision of foreign banking activities by the directorates of U.S.-based banks was repeatedly dramatized during the year. The closures of banks in secrecy countries, and in countries with changing political situations, emphasized the direct and contingent risks involved in exchange contracts, investments, and other accounts located in foreign correspondents, subsidiaries, and branches.

VIII. *Administrative and Management Developments*

In 1970, the Office of the Comptroller of the Currency achieved further modernization of its administrative practices. The five divisions under the direction of the Administrative Assistant to the Comptroller coordinated activities with rewarding results.

For the Fiscal Management Division, 1970 proved to be an exceptionally challenging year in terms of the demands placed upon the financial management information system. The demands for information arose primarily because of the greater increase in expenditures than in revenue. Also, there was an increase in the number and types of reports on budgetary and financial matters required for submission to the Treasury Department. As a result of the program, initiated in 1967, to produce a financial information system responsive to management needs, information was provided in a timely manner, permitting management decisions to deal effectively with the rising costs of operations. The increased reporting requirements of the Treasury Department were met smoothly because comprehensive financial data was available.

The on-going program of improving and strengthening the financial system of the Comptroller's Office has thus been justified. Additional major improvements during 1970 included further elimination of manual accounting procedures through machine applications and the refinement of existing machine applications. The purpose was to obtain more accurate and useful information under the responsibility-centered cost accounting aspects of the financial system. The most significant achievement there was the preparation of all monthly financial statements on an automated basis. As 1970 came to a close, studies and analyses were underway concerning the feasibility and need for assigning general overhead costs to specific cost-centers.

The review and analysis of cash forecasting and cash flow continued to contribute to record investment income.

The Fiscal Management Division was again able to reduce its staff by one employee through refinement of work procedures. Over a period of 3½ years, the staff has been reduced by 10 employees, resulting in substantial savings in salary costs to the Comptroller's Office.

The Personnel Division gave additional emphasis to programs initiated in 1969, and developed new personnel policies in 1970 to achieve a more progressive and comprehensive personnel management program. The Cooperative Work-Study Program, designed to train and develop college students for future bank examiner positions, was expanded. At the end of 1970, the Office had 72 financial interns in the program including approximately 20 percent from minority groups. That is considered a realistic approach in the continuing effort to achieve a more effective equal employment opportunity program. The merit promotion plan for non-examiner personnel served to make employees more aware of promotion opportunities and permitted selections from among the best qualified. It also resulted in a substantial increase in the number of vacancies filled by grade promotions from within the Office.

The Personnel Division played a key role in the Office-wide training effort for bank examiners. All facets of examination and all levels and categories of National bank examiners were involved in this effort. (See sections on "Bank Examinations," "Fiduciary Activities," and "International Banking.")

A new pay policy was issued in May 1970 which established a more systematic and equitable basis for assigning grade levels and determining pay for all employees. It provides that there shall be equal pay for substantially equal work, and that pay distinctions will be in proportion to difference in responsibility and performance. It also provides that pay rates will be comparable with private enterprise rates for the same levels of work.

As a result of a comprehensive study of the field examination function, a Guide for Determining Grade Levels of National Bank Examiner Positions was issued in December 1970. This included descriptions of the typical responsibilities of National bank examiners. The basic objectives of the guide were to better identify a career ladder for examiners, to provide a common understanding of grade levels, to achieve pay equity, and, to encourage more effective manpower utilization practices.

An Evaluation of Personnel Management report was received by the Comptroller in July 1970, from the Civil Service Commission. This was the result of an inspection made by Commission representatives of the personnel operations of the Office of the Comptroller of the Currency. In Chairman Hampton's letter to Secretary Kennedy, he stated that the "summary accomplishments in bringing modern concepts of personnel management to the operation of his office is indeed impressive."

Several revised personnel procedures were issued to streamline the paperwork requirements and to minimize the efforts of managers in requesting personnel actions. They included certain delegations to regional administrators and the establishment of a more systematic means for expediting personnel actions.

As a part of our continuing efforts to emphasize youth in meeting our organizational objectives, a youth advisory panel was established in Washington on September 16, 1970. Initial goals were established, including an effort to achieve better communications between management and employees. A survey of total staffing revealed approximately 65 percent of all employees are under 35 years of age including a substantial percentage of those in executive positions.

In June 1970, all employees were notified of their rights under Executive Order 11491, Labor Management Relations in the Federal Service. The initiation of that program included the establishment of a labor-management relations policy within the Office of the Comptroller. Other provisions involved the recognition of the supervisory status of commissioned bank examiners, the forms of recognition which will be accorded to labor organizations, and implementing instructions essential to the new program.

During the calendar year 1970, a total of $76,251 was awarded to employees for their participation in the incentive awards program, and $1,850, in the suggestion program. In addition, a total of $2,136 was granted to five individual employees representing special achievement awards. High quality increase awards were approved for 215 employees in recognition of their superior performance.

At the request of management, the Personnel Division developed appropriate materials to permit division chiefs and other key managers in Washington to analyze their workload in terms of their current and future manpower needs. Organization and staffing charts, questionnaires, and related materials were coordinated and summarized in order to facilitate minimum staffing for each organizational segment. Proposals were also submitted to top management for consideration in setting personnel ceilings for the Washington Office departments and divisions, and such ceilings were established.

As in past years, many employees enrolled in a variety of courses to increase their knowledge and skill. For example, several of our management level personnel participated in the Federal Executive Institute Management seminars and Harvard Graduate School of Business management programs.

A number of studies were conducted and proposals presented for management consideration at the end of the year. Those included a comprehensive personnel management evaluation program to be initiated in 1971. It also included proposed statements of significant personnel management and training goals to be achieved during 1971. Those goals contained specific plans for accomplishment and interim target dates.

In 1970, the Administrative Services Division underwent a limited reorganization. Based on operational experience and the results of an internal audit, publication control functions were assumed at the division level, and the Publications and Issuance Branch was eliminated as a branch. Both functions and their personnel were transferred to the Office of the Director. The division began publication of an employee newsletter and continued its program of improving the appearance of Office publications.

Space management activity consisted of completing the relocation of two regional offices, Philadelphia and Portland, to more adequate quarters; the closing or consolidating of two sub-regional offices; and the establishing of five new sub-regional offices. Several offices were relocated in the Washington headquarters, resulting in greater control, increased efficiency, and better space utilization. Records disposition schedules were approved for regional offices. Classification and disposal of remaining records, stored locally, were completed. The initial phase of microfilming vital records was largely completed and the up-dating phase was initiated.

In the area of supply and procurement, the issuance of policy and procedural directives for both Washington and the field resulted in a noticeable improvement in requisitioning practices and internal operations.

The Internal Audit Division extended its review of internal operations to include management audits relating to the activities of operational divisions; previously, the scope of activity had centered primarily on financial audits. During this period the division also initiated a program whereby management, both in Washington and in the field offices, were solicited for ideas on audit areas to be included in the annual audit plan. The response was stimulating and the annual audit plan was adjusted to increase the extent of audit coverage of field activities.

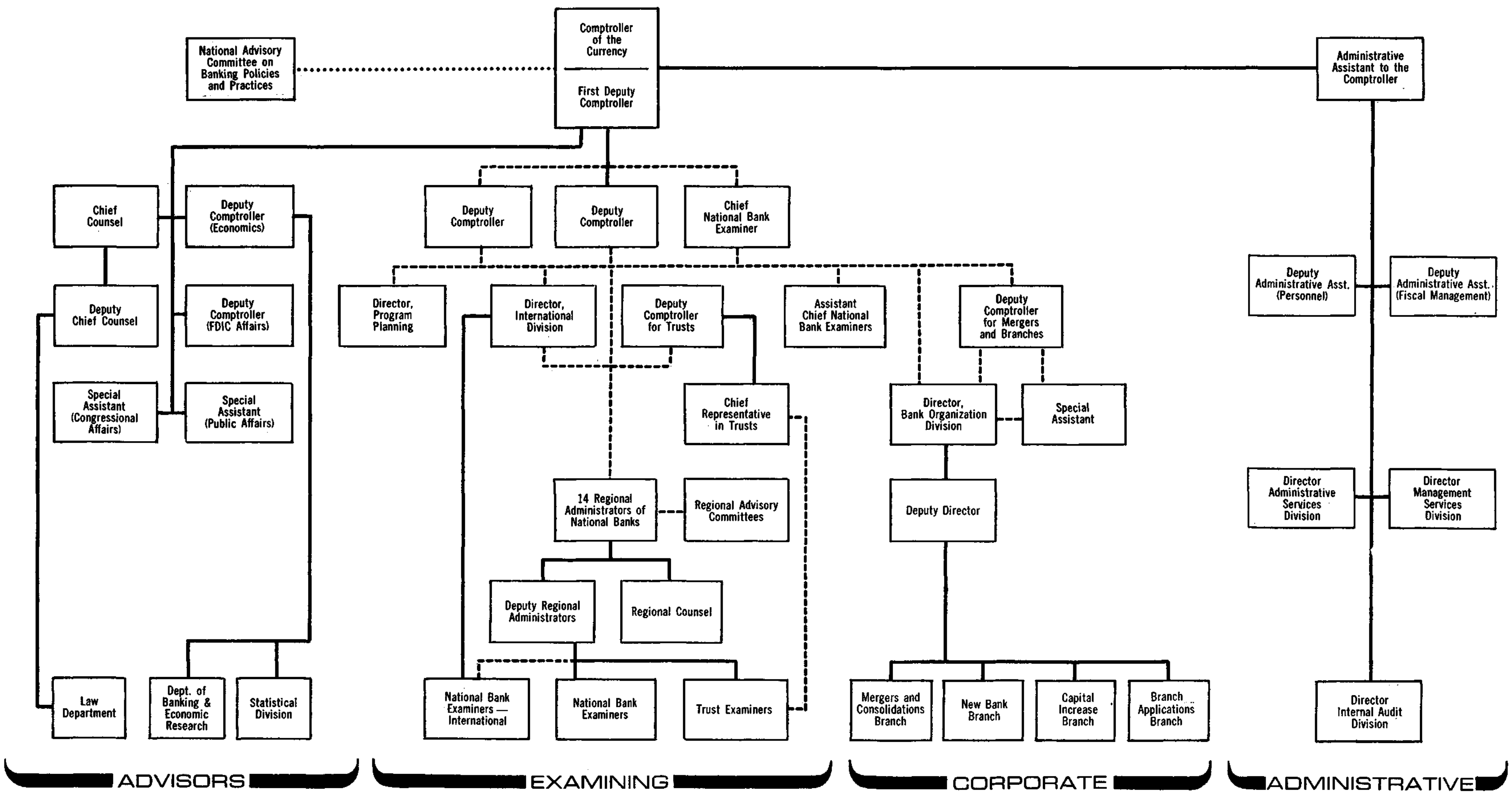
In 1970, the Management Services Division provided staff support in several areas. A more effective management improvement program was established and expanded to include views and contributions of the field offices. Initial results enhanced better communications within the office and produced a refinement of procedures at the field level.

This past year saw a continued effort to improve and stimulate interest in the emergency preparedness program. The Comptroller's Office took part in a Treasury-wide alerting test which was extended beyond the regional offices to include, for the first time, sub-regional offices. Highlighting the program for 1970 was a visit, by Washington staff members who have emergency preparedness assignments, to the Treasury alternate relocation site. That visit provided a more realistic understanding of emergency duties and more insight into the total program.

Data processing services continued to provide divisions with timely, accurate information and, further, aided economists in various research projects, among them the recently published monograph, "Bank Trusts: Investments and Performance."

OFFICE OF THE COMPTROLLER OF THE CURRENCY

Chart of Organization



IX. *Financial Operations of the Office of the Comptroller of the Currency*

During 1970, the Office of the Comptroller of the Currency, as well as many other government agencies and private businesses, experienced rapidly rising costs while at the same time sustaining a slower rate of income growth. Consequently, various cost control measures were instituted to offset this condition and, I am pleased to report another successful year in our financial operations.

Total income for the year was $36.8 million, an increase of 12.9 percent over 1969. This increase is principally due to the $3.4 million rise in assessment income, resulting from a full year under the higher assessment rates effected in July 1969, and a $17.4 billion rise in National bank assets. Disregarding the assessment rate increase, the growth rate for assessment income is substantially lower than in previous years because of the decline in the rate of growth in National bank assets. National bank assets affecting 1970 assessment income increased only 5.88 percent, compared to an increase of 12.61 percent the prior year.

Interest on investments continues to be a significant factor in the overall income picture. This income category shows a 33.6 percent rise, to $1.8 million, representing almost 70 percent of the excess of revenue over expenses for the year. Calendar year 1970 represents the third consecutive year that the annual percentage increase has exceeded 25 percent. This increase reflects the record high interest rates experienced during the year and the continuing effort to keep funds fully invested.

Revenue from trust examinations for the year increased $305,000, to $2.0 million, primarily due to a full year under the revised rates effective in mid-1969. Branch investigation income was up by $71,000 reflecting a continued high rate of activity in this area.

Income from new charter applications increased $34,000, while merger and consolidation fees decreased by $59,000. All other income categories remained fairly constant with 1969 levels.

Total expenses amounted to $34.2 million compared to $28.8 million in the previous year, an increase of $5.4 million. This amounts to an 18.8 percent increase, 5.9 percent greater than the increase in revenue. This significant increase in expenses occurred mainly during the last six months of the calendar year, and generally reflects the necessary increase in total employment. In order to combat these rapidly rising costs, which were also being experienced by other government agencies and private businesses, it was necessary to institute reduced personnel ceilings and certain other cost control measures to maintain a proper balance between income and expense.

Salaries, personnel benefits, and travel expenses amounted to $32.2 million, representing 94.2 percent of the total expenses for the year, and a rise of 19.2 percent over the previous year. Significant factors causing this rise were: (1) the 6 percent congressional pay raise effective January 1, 1970, (2) an 8 percent increase in the total number of employees, and (3) a full year under higher per diem and other travel costs.

The remaining expenses totaled $2.0 million, an increase of $227,000 which represented higher costs for education, rent, and communications. These expenses also include a contribution of $50,000 to provide financial assistance to the Presidential Commission on Financial Structure and Regulation.

The equity account is in reality a reserve for contingencies. Transfers of $2.6 million increased the equity to $19.9 million at year-end. This represents a 6 ⅔ months' reserve for operating expenses, based on the level of expenses over the last six months of 1970.

Table 11

OFFICE OF THE COMPTROLLER OF THE CURRENCY

BALANCE SHEET

Assets	December 31 1970	December 31 1969
Current assets:		
Cash	$67,875	$196,540
Obligations of U.S. Government, at cost (approximates market value)	7,243,415	8,419,153
Accounts receivable	280,439	77,015
Accrued interest	455,070	321,764
Travel advances	408,152	375,598
Prepaid expenses and other assets	70,036	53,494
Total current assets	8,524,987	9,443,564
Obligations of U.S. Government, at cost (approximates market value)	17,284,418	13,115,282
Fixed assets, at cost:		
Furniture and fixtures	872,788	779,966
Office machinery and equipment	398,784	389,679
	1,271,572	1,169,645
Less accumulated depreciation	581,368	481,757
Total assets	$26,499,609	$23,246,734
Liabilities and Comptroller's Equity		
Current liabilities:		
Accounts payable and other accruals	$211,623	$201,387
Salary deductions and withholdings	71,615	78,139
Accrued travel and salary	1,724,656	1,393,328
Total current liabilities	2,007,894	1,672,854
Accumulated annual leave	1,840,243	1,577,011
Closed receivership funds	2,706,683	2,708,387
Total liabilities	6,554,820	5,958,252
Comptroller's equity	19,944,789	17,288,482
Total liabilities and Comptroller's equity	$26,499,609	$23,246,734

Table 12

OFFICE OF THE COMPTROLLER OF THE CURRENCY

STATEMENT OF REVENUE, EXPENSES AND COMPTROLLER'S EQUITY

	Year ended December 31	
	1970	1969
Revenue:		
Semi-annual assessments	$31,336,670	$27,939,249
Examinations and investigations	2,927,733	2,525,087
Examination reports sold	500,520	497,560
Revenue from investments	1,836,908	1,374,760
Other	238,041	288,224
	36,839,872	32,624,880
Expenses:		
Salary	24,781,477	21,133,705
Retirement and other contributions	1,949,486	1,568,850
Per diem	3,604,529	2,838,279
Travel	1,868,782	1,470,600
Rent and maintenance	509,129	366,699
Supplies	89,347	69,551
Printing, reproduction, and subscriptions	194,533	333,246
Depreciation	125,280	115,328
Remodeling	68,963	94,375
Office machine repairs and rentals	96,939	90,246
Communications	369,040	306,600
Moving and shipping	98,136	123,334
Employees education and training	243,631	135,007
Other	184,293	117,824
	34,183,565	28,763,644
Excess revenue over expenses	2,656,307	3,861,236
Comptroller's equity at beginning of year	17,288,482	13,427,246
Comptroller's equity at end of year	$19,944,789	$17,288,482

TABLE 13

OFFICE OF THE COMPTROLLER OF THE CURRENCY

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	Year ended December 31 1970	1969
Funds were provided by:		
Excess revenue over expenses	$2,656,307	$3,861,236
Add charges not requiring current outlay of funds:		
Depreciation	125,280	115,328
Net increase in accumulated annual leave	263,232	218,583
Net loss on sales of fixed assets	10,148	12,679
Total funds provided	3,054,967	4,207,826
Funds were applied to:		
Net increase in investment in long term U.S. Government obligations	4,169,136	727,159
Purchases of furniture and fixtures	100,039	92,483
Purchases of machinery and equipment	37,705	25,639
Changes in closed receivership funds	1,704	(121)
Total funds applied	4,308,584	845,160
Increase (decrease) in working capital	(1,253,617)	3,362,666
Current assets	8,524,987	9,443,564
Current liabilities	2,007,894	1,672,854
Working capital at end of year	6,517,093	7,770,710
Working capital at beginning of year	7,770,710	4,408,044
Working capital increase (decrease)	$(1,253,617)	$3,362,666

OPINION OF INDEPENDENT ACCOUNTANT

To the Comptroller of the Currency
Office of the Comptroller of the Currency

In our opinion, the accompanying balance sheets, the related statements of revenue, expenses and Comptroller's equity and the statements of source and application of funds present fairly the financial position of the Office of the Comptroller of the Currency at December 31, 1970 and 1969, the results of its operations and the supplementary information on funds for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

WASHINGTON, D.C.
January 29, 1971

APPENDIX A

Merger Decisions, 1970

Merger* Decisions, 1970

*I. Mergers consumated, involving two or more operating banks**

*Includes mergers, consolidations, and purchase and sale transactions where the emerging bank is a National bank. Decisions are arranged chronologically by effective date.

*II. Mergers consummated pursuant to corporate reorganization, involving a single operating bank**

*Includes mergers and consolidations where the emerging bank is a National bank.

III. Additional Approvals

NOTE: The 1967 *Annual Report* carried the Comptroller's decision approving the proposed merger of the Phillipsburg National Bank and Trust Company and the Second National Bank of Phillipsburg, both of Phillipsburg, N.J., under the heading "Approved, but in litigation." Plans for the merger were abandoned after the Supreme Court remanded the case to the District Court for further findings in 1970.

The 1969 *Annual Report* carried the Comptroller's decision approving the proposed merger of The First National Bank of Sunbury, Sunbury, Pa., and Snyder County Trust Company, Selinsgrove, Pa., under the "Approved, but in litigation" heading. After the filing of an action against the merger by the Antitrust Division in 1969, the banks abandoned their merger plans on April 22, 1970.

I. *Mergers consummated, involving two or more operating banks*

THE DELAWARE COUNTY NATIONAL BANK, CHESTER, PA., AND NATIONAL BANK OF CHESTER COUNTY AND TRUST COMPANY, WEST CHESTER, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
National Bank of Chester County and Trust Company, West Chester, Pa. (552), with	$103,691,564	8	
and The Delaware County National Bank, Chester, Pa. (355), which had	161,059,614	12	
consolidated Jan. 1, 1970, under charter of the latter bank (355) and title "Southeast National Bank of Pennsylvania." The consolidated bank at date of consolidation had	264,751,178		20

COMPTROLLER'S DECISION

On August 12, 1969, The Delaware County National Bank, Chester, Pa., and National Bank of Chester County and Trust Company, West Chester, Pa., applied to the Comptroller of the Currency for permission to consolidate under the charter of the former and with the title "Southeast National Bank of Pennsylvania."

The Delaware County National Bank, the charter bank, was organized in 1814 as the Bank of Delaware County. In 1864 it became a National bank and adopted its present name. This bank operates 11 offices and has total resources of $161 million.

The charter bank is headquartered in the city of Chester and serves the southern portion of Delaware County. This county, which has an estimated population of 553,000, is one of the three counties bordering on Philadelphia County. Delaware County is considerably smaller in area than the other two, Bucks and Montgomery. Its farthest reach extends only 20 miles from the city of Philadelphia, and it is the most urbanized of the three counties. Its principal city, Chester, is located between Wilmington, 12 miles to the south, and Philadelphia, 6 miles to the north.

Delaware County is mostly urban and industrial. In 1960, 96 percent of the county's population was characterized by the Census Bureau as urban, with the rest rural. Of the total countywide payroll in 1967, $800 million, or 57 percent, was derived from employment in manufacturing, 17 percent from wholesale and retail trading, and 11 percent from other types of services. Agricultural employment contributed not more than 0.2 percent.

The charter bank operates all of its 11 branches in Delaware County. Two of these branches are actually extensions of the main office as they are located across the street from it. Three branches have been established within the last four years in an effort to keep pace with branching inroads being made by out-of-county banks. Additional branching at that pace can only be undertaken by significantly increasing the pressure on the bank's earnings and capital position.

The National Bank of Chester County, the consolidating bank, was first organized as the Bank of Chester County in 1814. In 1864 it became a National bank and adopted its present name.

The consolidating bank, with resources of $92 million, is headquartered in West Chester, Pa., the county seat of Chester County. This bank serves a major portion of the county through a network of nine branch offices. Chester County and the surrounding area were, until a dozen years ago, primarily dependent upon an agricultural economy. However, the population movement from Philadelphia, approximately 27 miles east, has resulted in a heavy demand for housing and the conversion of farmland into residential communities.

Eight of the nine offices operated by the consolidating bank are located in Chester County. The branch located outside of the county is just across the line in Delaware County. It is estimated that 95 percent of the consolidating bank's total deposits are derived from Chester County.

The charter bank faces strong competition in its service area. Under Pennsylvania law, a bank may branch within the county of its head office, and counties contiguous thereto. As Delaware County, the service area of the charter bank, is contiguous to Philadelphia, the large metropolitan banks are permitted to branch into Delaware County. There are presently six Philadelphia banks conducting branch operations in Delaware County. All of these competing banks are larger in overall terms than the charter bank. Two of the six have more offices in Delaware County than does the charter bank.

Three Montgomery County banks also conduct branch operations in Delaware County. Two of these are former Philadelphia banks which have moved their main offices, and both are substantially larger than the charter bank. At present, the charter bank, which was once the county's leading bank, is the third largest bank in terms of total offices, and ninth largest in total resources.

The consolidating bank also faces strong competition in its market area and anticipates increasing competitive pressure in the near future. While Chester County is not contiguous to Philadelphia, and banks headquartered in Philadelphia are not permitted to branch into Chester County, three Philadelphia banks have moved their head offices to Montgomery County, and two of these have followed with branches into Chester County. It is anticipated that other Philadelphia banks will take this route into Chester County. As these city banks expand into Chester County by merger, or otherwise, the consolidating bank will be under increasing pressure to change its circumstances or lose customers.

At present there is little evidence of competition between the charter bank and consolidating bank. Their head offices are approximately 17 miles apart, and all but one of the offices of each of the banks is at least 10 miles from the office of the other. The one exception is the office of the consolidating bank which is in Delaware County, 1 mile from the Brandywine office of the charter bank. This office of the applicant accounts for only 0.6 percent of its total deposits, and the office of the consolidating bank in Delaware County, which has been in existence for 10 years, accounts for 4.5 percent of its deposits.

Consummation of the proposed consolidation will make available to all customers at Chester County, the services presently available at Delaware County National Bank. Consummation of the consolidation of these two banks will insure a responsiveness to the needs of individual customers in the resulting service area that is not always provided by the larger Philadelphia-based banks. It will ensure continued local control of a larger bank designed to serve local needs.

Applying the statutory criteria, it is concluded that the proposed consolidation is in the public interest and the application is, therefore, approved.

October 24, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the merging banks are approximately 1 mile apart, near Painters Crossroads, in Delaware County. While one of the largest banks in the Philadelphia area has approval to locate a branch in this immediate area, it seems clear that the proposed merger would eliminate some existing competition between the merging banks in this localized market. Substantial distances and numerous offices of other commercial banks, including offices of large Philadelphia-based banks, separate the remainder of the merging banks' offices.

Both of the merging banks face substantial competition from very large banks which operate offices throughout the Greater Philadelphia Area.

Under Pennsylvania law, both merging banks could be permitted to branch *de novo* into the service areas of one another. Both appear to possess the resources necessary to open new offices in attractive areas.

DCNB is the ninth largest of 11 commercial banks operating offices in Delaware County. As the only locally headquartered bank, however, it holds approximately 21 percent of the IPC demand deposits located therein. Delaware County is adjacent to Philadelphia and Montgomery counties, a fact which permits the operation of branch offices in Delaware County by all of the very large banks headquartered in and around Philadelphia. Most of these large banks already enjoy substantial and growing shares of the Delaware County market. While NBC's entry into Delaware County through merger with DCNB would result in its affiliation with a bank with a leading share of the Delaware County market, the presence of existing and increased competition from a substantial number of large Philadelphia banks indicates that the proposed merger would be unlikely to have a substantially adverse effect on potential competition in Delaware County.

* * *

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Bank of Sussex County, Franklin, N.J., with	$55,387,215	6	....
and National Community Bank of Rutherford, Rutherford, N.J. (5005), which had	374,309,033	23	....
merged Jan. 2, 1970, under charter and title of the latter bank (5005). The merged bank at date of merger had	430,173,045	....	29

COMPTROLLER'S DECISION

On August 11, 1969, the National Community Bank of Rutherford, Rutherford, N. J., and The Bank of Sussex County, Franklin, N.J., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

National Community Bank of Rutherford, the charter bank, was organized as a National bank in 1895. This bank has total assets of $357 million, and currently operates 21 offices throughout Bergen County.

Bergen County is located in the northeastern corner of New Jersey and is bordered on the north by New York State, on the east by the Hudson River, and on the south and west by Passaic, Essex, and Hudson counties. The population of the county was 913,520 in 1968, a growth of 17.1 percent over the 1960 figure. Because of its proximity to New York City, 45 percent of its wage earners commute there daily. The county's economy is well diversified with numerous sizeable industrial, wholesale, and retail centers providing a varied base. The continuing influx of commerce and industry assures a favorable economic outlook.

The Bank of Sussex County, the merging bank, has total assets of $51 million, and currently operates six banking offices scattered throughout Sussex County. The merging bank was organized in 1919 as the Sussex County Trust Company, and operated as such until June 1963 when it merged with The Farmers National Bank, Sussex, N. J., and assumed its present title. Although the last examination of the merging bank indicates satisfactory condition, growth of capital funds has not kept pace with the steady increases in deposits resulting from the rapid economic growth of the county. Also, provisions for the succession of senior management personnel, some of whom have attained retirement age, have not been adequate.

Sussex County, located in the northwestern corner of the State, has an estimated population of 68,120, with an influx of summer residents of between 130,000 and 200,000, most of whom are attracted by the numerous lakes and resorts in the area. There are presently no major industries in the county. Approximately one-third of the area is farm land. An estimated 40 percent of the working population travels outside the county for employment. Future industrial development can be expected as a result of two Federal conservation projects, currently under construction along the Delaware River, which will provide an economical source of electrical energy and extensive recreational facilities.

There is virtually no competition between the merging banks. The participants' head offices are located approximately 40 miles apart. The charter bank's Oakland office is 28 miles from the closest office of the merging bank. Between those two offices are many offices of major competing banks. The proposed merger would not tend to reduce competition.

Consummation of the proposed merger will serve the convenience and needs of Sussex County. The economic growth of this county has resulted in increased demands upon local banks to provide adequate credit and specialized services. The Bank of Sussex County has not been able to keep pace with those demands. Through this merger, the charter bank will able to extend its broad range of specialized services into the Sussex County area. Consummation of this merger will not only solve a management succession problem of the merging bank, but it will also enable the resulting bank to compete more effectively with the large banks in the area.

Applying the statutory criteria to the proposed merger, we conclude that it is in the public interest and the application is, therefore, approved.

NOVEMBER 21, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the merging banks are approximately 28 miles apart. Many offices of competing banks, including some of the largest banks in northern New Jersey, are located in the intervening area. Therefore it would appear that the proposed merger would not eliminate any substantial amount of existing competition between the merging banks.

Recent legislation in New Jersey has greatly broadened the sphere of permissible branch office operation for commercial banks, which may now operate offices anywhere in the newly created banking district in which they are located. However, this legislation retains community-wide home office protection against *de novo* branching and provides branch office protection in communities of less than 7,500 population. The merging banks are both located in the First Banking District; therefore the proposed merger would permanently eliminate any possibility of future competition between them in areas presently served by either, or in other areas of the district.

National Community clearly has the capability to open *de novo* offices wherever legally permissible and financially attractive. However, while Sussex County has a bright economic future, present opportunities for the establishment of *de novo* branches within the county are somewhat limited by New Jersey's home and branch office protection laws.

The above-mentioned legislation has induced substantial market extension activity by many of the State's larger banks, both through *de novo* branching and through merger. Major merger activity by the largest banks in a district could result in undue domination of commercial banking in the district by a few very large banking institutions. We therefore consider it important from a competitive standpoint that the larger banks in a given banking district enter new market areas through *de novo* branching, or in the alternative through merger with a small bank in the local area.

In this manner, leading local banks may be preserved to offer effective competition to new large entrants in the local markets. Such banks are also sources of potential competition, on a district-wide basis, to the large district banks, through affiliation with one another in new banking institutions, including bank holding companies.

Through acquisition of Sussex Bank, National Community, one of the larger banks in the First District will immediately acquire about 34 percent of total Sussex County commercial bank deposits, eliminating the leading local bank, and the one most capable of offering competition to it should it enter Sussex County through merger with a smaller bank. We conclude that the proposed merger would have an adverse effect on competition.

* * *

NEW JERSEY BANK (N.A.), CLIFTON, N.J., AND PEOPLES NATIONAL BANK OF SUSSEX COUNTY, SPARTA, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Peoples National Bank of Sussex County, Sparta, N.J. (15375), with	$8,599,317	2	
New Jersey Bank (National Association), Clifton, N.J. (15709), which had	506,883,752	21	
merged Jan. 9, 1970, under charter and title of the latter bank (15709). The merged bank at date of merger had	515,199,963		23

COMPTROLLER'S DECISION

On September 4, 1969, Peoples National Bank of Sussex County, Sparta, N. J., and New Jersey Bank (N. A.), Clifton, N. J., applied to the Office of the Comptroller of the Currency for permission to merge, under the charter and with the title of the latter.

New Jersey Bank (N. A.), with IPC deposits of $370.5 million, was originally chartered in 1869, and currently operates 19 branch offices, all in the southern portion of Passaic County. The charter bank is a well-managed and progressive institution offering a full range of banking services to its widely diversified customers.

Passaic County, located in the northeastern section of New Jersey, contains 16 municipalities with an estimated population of 464,000. The three most populated municipalities in the county are Paterson, Clifton, and Passaic, which together comprise the southern end of the county and contain an aggregate population of 294,000. As a result of Passaic County's proximity to New York City, it has been able to attract numerous manufacturing, wholesaling, and retailing facilities. The favorable commuting situation existing between Passaic County and the major commercial centers of New York and northern New Jersey, coupled with a generally favorable tax situation, has caused housing in the county to become extremely desirable with new home construction continuing at a steady pace and the number of new households increasing by 4,000 during 1968 alone. Population in the county has increased more than 14 percent since 1960, and the population of every municipality has also grown.

New Jersey Bank (N. A.) is one of eight commercial banks which together operate a total of 52 offices, and hold resources of $1.3 billion in Passaic County. While New Jersey Bank is the largest commercial bank in the county, First National Bank of Passaic County ranks second, with total assets of $419 million and 19 offices. Because of the proximity of Passaic County to New York, and the fact that many county residents commute to New York for employment, the large banks operating in New York City also compete on a substantial basis in Passaic County.

The Peoples National Bank of Sussex County, with IPC deposits of $6.2 million, commenced operations in 1964 and currently operates one branch in Sussex County, located 11.8 miles north of the main office. The merging bank is essentially a country bank, generally not considered sufficiently equipped to deal with the anticipated growth of the area in which it operates. It has a capital deficiency problem, an imminent management succession problem, and a lending limit that is inadequate for existing and future needs.

Sussex County N.J., has an estimated population of 70,000 and is located in the northwestern corner of the State. The county encompasses an area of 526.3 square miles and is divided into 24 municipalities, the largest of which are Sparta Township, with a population of about 10,000, and Newton Town, with a population of about 8,200. All other municipalities in the county have estimated population of less than 5,000. The area is generally rural and agricultural, containing approximately 500 farms which utilize about one-third of the available land area. The topography, generally hilly woodland dotted with numerous lakes and miles of streams and rivers, makes the area ideal for recreational and resort purposes. Sussex County is almost completely devoid of major industrial facilities at the present time, and approximately 40 percent of the working population travel outside of the county, mainly to Morris and Passaic counties, for employment. Economic growth has been proceeding rapidly during the past decade, and it is expected that industry will move into the area in the not too distant future.

Banking competition within Sussex County is currently provided by six commercial banks, three savings and loan associations, and one building and loan association. The Bank of Sussex County, Franklin, is the largest commercial bank in the county, with total resources of $52 million and six offices. Peoples National Bank of Sussex County is the smallest commercial bank in the county, with only half the resources of the next largest bank. Additional competition within the county is provided by branch offices of several Morris County, Passaic County, Orange County (N. Y.), and Pike County (Pa.) banks, many of which are much larger than any of the banks headquartered in Sussex County. The competitive effect of these banks becomes even more significant in view of the large percentage of the working population which leaves the county for employment.

Consummation of this proposal will greatly benefit the Sussex County area where Peoples National Bank of Sussex County now operates. By substituting two offices of the much larger, more sophisticated and aggressive New Jersey Bank (N.A.) for much smaller, less aggressive, rurally-oriented Peoples Bank, the merger will introduce, to that area, a breadth of banking services that it has not hitherto experienced. It will also benefit the area by introducing a bank more able to meet the county's present needs and contribute to its future economic growth and expansion. Among the advantages to be derived are a lending limit larger than that of any bank in the county and a commercial finance department specializing in making accounts receivable, inventory, direct and indirect equipment, Small Business Administration, and other loans, thus offering new financing alternatives to local businesses. Because of the tremendous increase in resources, there will be a greater availability of construction money, Small Business Administration loans, F.H.A. mortgages, mortgage warehousing loans, and higher education loans. Other services to be made available to Peoples National Bank's customers include a full range of corporate and trust services, computer services to aid local businessmen with payroll and recordkeeping problems, and international services which, to date, have been handled by the merging bank through correspondent banks. The usual economies of scale which can be passed on to customers in better service at lower cost will be supplemented by savings due to the fact that the resulting bank itself will be able to provide most of the services needed by its customers without relying on correspondent banks. Finally, the Peoples Bank, which has a management succession problem, will have available to it the sufficient depth of experienced, knowledgeable, and capable management which the charter bank now possesses, ensuring sound operations in the present and for the future.

Competition will not be adversely affected by this merger. Because the nearest offices of the merging banks are 29 miles apart and their main offices 38.5 miles apart, there is virtually no competition between them to be eliminated. In Passaic County, the addition of the smaller merging bank to the charter bank would have little effect on the competitive position of the charter bank, which is already the largest in that area. Because of the urbanized, industrialized, and highly developed nature of that area's economy, all banks, large and small, should continue to prosper and show good results. In addition, the merger should heighten competition with the large New York banks that compete in Passaic County. In Sussex County, replacing the smallest bank operating there with a large, aggressive, and competitive out-of-county institution would stimulate competition among all banks, without unbalancing the competitive structure in the resulting bank's favor. In addition, potential competition will not be adversely affected since most of the municipalities in Sussex County are closed to *de novo* branching due to State statutory home office protection or population requirements. In fact, the subject merger will open Sparta, the largest municipality in the county, to *de novo* branching.

Considered in the light of the statutory criteria, this merger is judged to be in the public interest and is, therefore, approved.

December 5, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the merging banks are approximately 30 miles apart, with several offices of other commercial banks in the intervening area. Neither bank draws appreciable deposits or loans from the service area of the other. Therefore, it would appear that the proposed merger would not eliminate any significant amount of existing competition between the merging banks.

Under New Jersey law, either bank could be permitted to open *de novo* branches in the service area of the other, although not in communities subject to home or branch office protection. As one of the largest banks in New Jersey, New Jersey Bank has the resources to open *de novo* branches where legally permitted. Its opportunities for *de novo* entry into Sussex County are, however, somewhat limited by home and branch office protection laws. For example, the town of Sparta, largest community in Sussex County, is protected by the home office of Peoples itself.

The recent changes in New Jersey law have induced substantial merger activity by the larger banks in the State as part of their market extension programs. We believe that the largest of these banks, such as New Jersey Bank, should expand into new areas either through *de novo* branching or through acquisition of a smaller bank in the area that they wish to enter. Such methods of expansion are desirable from a competitive standpoint as they preserve leading local banks most capable of providing competition to the largest banks, and most likely, through affiliation with one another or in bank holding companies, to be able to provide new competition to the large banks on a broad scale.

While New Jersey Bank is one of the largest banks in the State, Peoples is one of the smaller banks in Sussex County, and in those areas of the county which it primarily serves. Accordingly, we conclude that the proposed merger is unlikely to have a significantly adverse effect on potential competition.

* * *

NORTHWESTERN NATIONAL BANK OF SIOUX FALLS, SIOUX FALLS, S. DAK., AND COMMUNITY STATE BANK OF LAKE PRESTON, LAKE PRESTON, S. DAK.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Community State Bank of Lake Preston, Lake Preston, S. Dak., with	$6,502,795	1	
and Northwestern National Bank of Sioux Falls, Sioux Falls, S. Dak. (10592), which had	129,971,893	12	
merged Jan. 9, 1970, under charter and title of the latter bank (10592). The merged bank at date of merger had	136,325,911		13

COMPTROLLER'S DECISION

On October 10, 1969, the Northwestern National Bank of Sioux Falls, Sioux Falls, S. Dak., and the Community State Bank of Lake Preston, Lake Preston, S. Dak., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The Northwestern National Bank of Sioux Falls, the charter bank, is located in Sioux Falls, and has IPC deposits of $95 million. The bank is a subsidiary of Northwest Bank Corporation which is headquartered in Minneapolis, Minn. The merging bank, the Community State Bank of Lake Preston, is located in Lake Preston, Kingsbury County, and has IPC deposits of $5.2 million.

The primary effects of the merger will be felt in Kingsbury County which has a population of 9,227 and contains five banks. The merger will merely replace a small, locally-owned bank with a branch of a much larger banking system. The Kingsbury County area is almost exclusively an agricultural one, and the recent trend toward consolidation of farms has left its banking facilities inadequate to meet heavier loan demands. The merger will bring a bank with a lending limit of $900,000, rather than $70,000 as is available from the merging bank, to the residents of Kingsbury County. In addition, modern services such as computer services, a staff of agricultural credit experts, and a diversified trust department will be made available in the county.

The merger will have no adverse effects on competition. The banks presently compete with each other only to a very minimal degree. The closest branches of the charter bank to Lake Preston are 33, 32, and 37 miles from Lake Preston. Six other banks are located closer to Lake Preston than any branch of the charter bank. Since the area is rural and towns are widely separated, all banks and bank branches draw business primarily from the areas immediately surrounding the banking offices. The merging bank draws over 89 percent of its deposits and 95 percent of its loans from Kingsbury County. The three closest Northwestern National Bank branches, located in three different counties, draw comparable percentages of business from the counties in which they are situated. There is an insignificant amount of overlap in the number of customers common to both banks.

The merger will have little effect of the banking structure in the State. The resulting bank will gain less than one-half of 1 percent of total statewide deposits and loans. However, it will greatly benefit the banking customers of Kingsbury County whose requirements far exceed the present capabilities of any of the five local banks.

Applying the statutory criteria to the proposal, it is concluded that the merger is in the public interest. It is, therefore, approved.

DECEMBER 8, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The nearest branch of Sioux Falls Bank to Lake Preston is located in Brookings (Brookings County), 33 miles to the east. Other Sioux Falls Bank branches are located 37 miles southeast of Lake Preston in Madison (Lake County) and 42 miles west in Huron (Beadle County). In each case, there are banks intervening between Lake Preston Bank and the existing Sioux Falls Bank branch offices. Nevertheless some of Lake Preston Bank's customers also maintain accounts at one of the three closest Sioux Falls Bank branches. It appears therefore that a little existing competition will be lost as a result of this merger.

South Dakota law prohibits the establishment of a *de novo* branch in a community in which any State or National bank previously has been authorized to operate. The only method of obtaining a branch in Lake Preston is through the acquisition of, or the consolidation with Lake Preston Bank. However, Sioux Falls Bank could enter other communities in Kingsbury County, or Sioux Falls Bank's parent, Northwest Bancorporation, could have sought a charter for a new bank in Lake Preston.

In the light of the size and economic outlook of Lake Preston and Kingsbury County, they are not very attractive for the establishment of an additional bank. Thus, it cannot be said that any substantial meaningful potential competition will be lost as a result of the proposed merger.

* * *

THE CITIZENS NATIONAL BANK OF BRYAN, BRYAN, OHIO, AND THE WEST UNITY BANKING COMPANY, WEST UNITY, OHIO

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The West Unity Banking Company, West Unity, Ohio, with	$7,476,663	1	
and The Citizens National Bank of Bryan, Bryan, Ohio (13740), which had	18,416,311	2	
merged Jan. 19, 1970, under charter of the latter bank (13740) and title "The Citizens National Bank." The merged bank at date of merger had	25,976,478		3

COMPTROLLER'S DECISION

On July 16, 1969, the Citizen's National Bank of Bryan, Bryan, Ohio, and The West Unity Banking Company, West Unity, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title "The Citizens National Bank." A public hearing on the application was held on October 15, 1969, in Cleveland, Ohio.

Both the applicant bank and the merging bank are located in Williams County in the northwesternmost portion of Ohio, bordering on Michigan on the north and Indiana on the west. Although the county as a whole is rural in nature, manufacturing workers comprise 40 percent of the labor force. In 1964, the approximately 215,000 acres of farm land were divided into 1,600 farms whose average value exceeded $40,000. Farm size in the county has steadily increased since that time, and presently the average farm size is estimated at 150 acres, with a value of about $600 per acre. There been a concomitant increase in mechanized farming.

Bryan, the home of the applicant bank and the county seat, is the largest community in Williams County, and has a population of 8,000. There are 26 manufacturing plants in or around Bryan and these companies employ approximately 3,800 persons. Major firms include Aro Corporation which produces tools, power motors, and self-feed drills, employing over 1,100 persons; Ohio Art Company, employing over 600 persons; Spangler Candy Company, employing over 300 persons; and, Vistron Corporation, employing 355 persons.

The Citizens National Bank of Bryan, with IPC deposits of $14.7 million, was established in 1933, and presently operates through its main office and one in-town branch.

West Unity, home of the merging bank, is a small rural community with a population of 1,600 persons. Within the immediate vicinity of the town are seven industrial firms employing 530 persons. The largest employer is the Fifty-plus-Five Corporation which employs 385 persons. Farming is the major contributor to the economy of West Unity, and has been since the town came into existence.

The West Unity Banking Company, with IPC deposits of $6.3 million, was established in 1913, and presently operates as a unit bank. Although the bank showed substantial deposit growth between 1964 and 1968, deposits during that period increasing by some 85 percent, there was a marked slowdown in the bank's growth during the first 6 months of 1969, with deposits down more than $300,000, or 4 percent.

Although substantial evidence relating to the relevant market was submitted by both parties at the public hearing, it is concluded that it would not be unreasonable to include within that area portions of Defiance and Fulton counties. Within that market area there are 13 banks and one savings and loan association. Those 14 institutions have total deposits of $116.7 million. Although the relevant market area includes more than Williams

County, when that county itself is compared to other similar Ohio counties, it ranks 17th among the 24 counties in terms of absolute deposit size of its leading bank. The county ranks 23rd in terms of market share of the lead bank and people per banking office. It ranks last in concentration of its largest bank, both in terms of loans and of deposits. The county, with nine banks, ranks first of those 24 counties in terms of number of banks.

Although some direct competition between the constituent banks will be eliminated as a result of this merger, the public should be better served. The resulting bank will be large enough to meet the expanding needs of its customers, particularly those of the farmer with his ever increasing scale of operations and his need for improved farm credit expertise. With the average size of a farm in Williams County now being 150 acres, and the average capital requirement for land alone at $90,000, it is apparent that a need exists for available working capital loans. The resulting institution will be better able to compete for certain commercial loans and deposits that are now being placed with out-of-territory banks. A number of corporate borrowers who now seek financing from out-of-territory banks, particularly in Toledo, Fort Wayne, Detroit, Cleveland, and Chicago, would benefit from this merger since a greater portion of their credit needs could be met locally. Finally, lack of competent successor management at The West Unity Banking Company will be resolved by the merger. Although the resulting bank will be the largest bank in its service area, its size should stimulate more extensive competition from the remaining banks.

It is concluded that this proposal is in the public interest and meets the relevant statutory criteria. The merger is, therefore, approved.

DECEMBER 18, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposal would merge the largest and fifth largest commercial banks operating in Williams County, Ohio.

Head offices of the participating banks are about 10 miles apart, and there are no banking offices in the intervening area. Both banks have accounts from most areas of the county. Hence, competition exists between the two banks. This competition will be permanently eliminated by the proposed merger.

Commercial banking in Williams County is concentrated. As of June 29, 1968, there were a total of nine banks, including the applicants, with total deposits of $65.3 million. Of that total, Citizens Bank, the largest, held about 22.2 percent, West Unity Bank, the fifth largest, held about 9.2 percent, and the four largest banks held 68.3 percent. If the proposed merger were consummated, the resulting bank would hold about 31.4 percent, and the four largest banks about 77.5 percent, of these deposits. Hence, the merger would substantially increase concentration in an already concentrated banking market.

Consummation of the proposed merger will eliminate existing competition between the participants and will increase banking concentration. Consequently, it is our view that the proposed transaction will have an adverse effect upon competition.

* * *

WACHOVIA BANK AND TRUST COMPANY, N.A., WINSTON-SALEM, N.C., AND CITIZENS BANK & TRUST COMPANY OF ANDREWS, ANDREWS, N.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Citizens Bank & Trust Company of Andrews, Andrews, N.C., with	$33,025,897	8	
and Wachovia Bank and Trust Company, N.A., Winston-Salem, N.C. (15673), which had	1,596,594,516	133	
merged Jan. 23, 1970, under charter and title of the latter bank (15673). The merged bank at date of merger had	1,629,620,413		141

COMPTROLLER'S DECISION

On September 5, 1969, Wachovia Bank and Trust Company, N.A., Winston-Salem, N.C., and Citizens Bank & Trust Company of Andrews, Andrews, N.C., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

Wachovia Bank and Trust Company, N.A., is a statewide banking system operating 119 offices in 43 communities of North Carolina. North Carolina ranks among the states showing the greatest economic development. On the eastern seaboard, the port facilities are being expanded, recreational and beach resort development has increased, truck farming and poultry plants have grown, and there has been an influx of light industry. In the mid-eastern and central sections, light industry has been replacing tobacco production. In the Piedmont area, industrialization and distribution facilities have been expanding. Although North Carolina leads the country in furniture and tobacco manufacture, its leading industry is textiles, particularly yarn and hosiery manufacturing. The western, or mountain, region provides strong economic support for the furniture, wood products, and textile industries of the Piedmont area. Four statewide branch bank systems and five sizable regional branch systems have played a significant role in the economic development of the State.

Communities with offices of Wachovia extend from Elizabeth City in the east to Asheville in the west. Although it is a statewide bank, it operates no branches west of Asheville. It generates the majority of its business from the Piedmont Crescent, the area beginning with Charlotte on the west, going through the Piedmont Corridor to Winston-Salem, and east to the Raleigh-Durham area. The charter bank, which presently has IPC deposits of $1.1 billion, was organized in 1879, and has been a leading bank in the southeastern United States for many years.

The charter bank, with assets of $1.6 billion, competes with every major bank in the southeastern part of the country. Its primary competitors in North Carolina are the $1.3 billion North Carolina National Bank, the $1 billion First Union National Bank, the $660 million First Citizens Bank and Trust Company, and the $450 million Northwestern Bank of North Wilkesboro. While Wachovia is still the largest bank in North Carolina, its competitors' growth rates have been much greater in the past 8 years. Wachovia's share of the North Carolina banking market declined from 24.1 percent, in 1960, to 22.3 percent, in 1968.

Citizens Bank & Trust Company of Andrews serves a 5-county area in the westernmost part of the State, the heart of economically-depressed Appalachia. Those five counties are Cherokee, Clay, Graham, Jackson and Macon. While the average annual employment in the entire State rose 15 percent between 1960 and 1967, the economy in all of those counties except Cherokee has been relatively static. Cherokee County had sizable industrialization in recent years. The economy of the five counties is supported only by marginal agriculture and a small amount of textile, apparel, and furniture manufacturing. At present, the five counties combined do not equal the average North Carolina county in bank deposits, retail sales, personal income, value added by manufacturing, or new capital expenditures. The towns where the bank has branches are generally small and are experiencing a population decrease. In 1960, those towns had populations ranging from 342 to 2,235. As the area is highly isolated and inaccessible because of mountainous terrain, businesses and residences are clustered around towns and communities in the valleys. The area, however, presents a challenge for expanding enterprise for the labor supply is abundant, water resources are plentiful, electric power is economical through TVA facilities, and a variety of mineral and forest products are available.

The Citizens Bank & Trust Company of Andrews, which has IPC deposits of $23 million, was established in 1924. It opened its first branch in Murphy, in Cherokee County, in 1933. In 1943, a second branch was opened in Robbinsville, in Graham County. A third branch was established in Hayesville, in Clay County, in 1945. The three other branches are in Jackson County; one in Sylva opened in 1962, one in Cullowhee opened in 1963, and one in Cashiers opened in 1966.

The merging bank, primarily through its Andrews, Murphy, and Robbinsville offices, has grown substantially, from deposits of $12.6 million in 1963, to $26.4 million in 1968. The bank has been generally conservative in its policies however; its ownership and management has been the same since 1926. The senior officers are in their seventies and no provision has been made for succession in its lending officers. Although the bank has met the limited credit needs of the counties' residents, the larger credit needs of the area's industries have had to be met by large regional or statewide banks. The merging institution does not provide trust services, automation, or sophisticated credit services. Most of the bank's business is of personal nature, such as loans to individuals, real estate mortgages, and direct installment lending.

In three of its five counties, Cherokee, Clay, and Graham, the merging bank was the only bank with established facilities until, in April 1969, a branch of the Bank of Franklin was established in Murphy, Cherokee County. The Bank of Franklin merged into First Union National Bank of North Carolina on September 15, 1969. Head office competition for the merging bank is offered by a local branch of the $1 billion First Union National Bank, and a Bryson City office of the $450 million Northwestern Bank. In the town of Cashiers, competition comes from a nearby office of First Union National Bank in Highland, from an office of First Citizens Bank & Trust Company in Brevard, and from an office of First Union National Bank in Sylva. In Franklin, competition comes from an office of First Union National Bank; in Hayesville, from the Bank of Hiawassee; and, in Murphy, from a First Union National Bank office. In Sylva and Cullowhee, there are competing offices of First Union National Bank. Some competition for the Sylva and Cullowhee offices derives from the Bryson City and Hazelwood offices of Northwestern Bank.

There is not significant competition between the applicant banks. The head office of Wachovia Bank is 237 miles northeast of the head office of Citizens Bank. The nearest office of the charter bank is the Asheville branch, 50 miles northeast of the Citizens office in Sylva. There are several offices of competitors in communities lying between. Although Wachovia Bank services several large corporate accounts in the merging bank's service area, it has never bid for the type of business handled by the merging bank. The merger will not eliminate a potential competitor as there is little economic incentive for Wachovia Bank to enter Citizens Bank's market area through *de novo* branching.

There is considerable competition from various non-bank financial institutions. Savings and loan associations offer Wachovia Bank increasing competition in 75 percent of the cities in which it operates. There are five savings and loan associations in the merging bank's market area. A substantial number of insurance companies do business in Wachovia's service area. There are 30 insurance companies operating in the five counties served by the merging bank. Between 1955 and 1967, the number of credit unions in the State increased 23.1 percent, an indication of their increasing competition for savings deposits and loan business. There are three credit unions in Citizens Bank's service area, and eight more in the three counties between it and Asheville. The growth in the number of consumer finance agencies in the State was 347.3 percent between 1950 and 1968. There are four such institutions in the five counties served by the merging bank. In the less developed regions of the State, particularly the extreme western section, U.S. Government agencies lend substantial amounts of money.

This merger will benefit the communities in the far western part of the State through the specialized services and trained management which will be offered by the resulting bank but are not available. As the resources and policies of the larger bank will aid in the economic development of the area, the merger is in the public interest.

It is concluded that the proposal is in the public interest and meets the relevant statutory criteria. The merger is, therefore, approved.

DECEMBER 24, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of Wachovia to any of those of Citizens Bank are in Asheville, about 47 miles from Citizens Bank's Sylva office and approximately 86 miles from the head office of Citizens Bank in Andrews and there are intervening offices in Waynesville operated by the State's third and fourth largest banks. The proposed merger, therefore, would not appear to eliminate any significant amount of direct competition between the two banks.

Since North Carolina law permits statewide *de novo* branching, the proposed merger would eliminate the potential for increased competition that would result if Wachovia were to establish *de novo* offices in any of the five counties in which Citizens Bank presently operates offices. Wachovia has the resources to establish *de novo* offices in new markets and is clearly the largest potential entrant into the 5-county area. Four of the State's five largest banks, including Wachovia, presently have offices in Asheville; of these four, however, only Wachovia does not now operate offices in any of the eight counties west of Asheville.

As of June 29, 1968, Citizens Bank had offices in four counties (its Franklin office was opened in March, 1969); it was the only bank at that time in three counties and in the fourth, Jackson County, it held 28 percent of total county deposits while First Union held 72 percent. In the 5-county area, on the basis of June 29, 1968 data, Citizens Bank would account for approximately 54 percent of total area deposits and First Union the remainder.

* * *

UNITED STATES NATIONAL BANK, SAN DIEGO, CALIF., AND SOUTHLAND NATIONAL BANK, YUCAIPA, CALIF.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Southland National Bank, Yucaipa, Calif. (15488), with	$17,378,384	3	
was purchased Jan. 30, 1970, by United States National Bank, San Diego, Calif. (10391), which had	535,762,328	56	
After the purchase was effected, the receiving bank had	553,140,712		59

COMPTROLLER'S DECISION

On January 29, 1970, application was made to the Comptroller of the Currency for permission for the United States National Bank, San Diego, Calif. to purchase assets and assume the deposit liabilities of the Southland National Bank, Yucaipa, Calif.

In accordance with the provisions of 12 U.S.C. 181 and 12 U.S.C. 1828(c), it is found that an emergency exists and that this Office must act immediately to prevent the probable failure of the Southland National Bank and to protect its depositors, creditors, and shareholders.

Accordingly, approval by the shareholders of the Southland National Bank of the purchase and sale agreement is waived and the United States National Bank is authorized to proceed with the purchase and assumption transaction.

JANUARY 30, 1970.

NOTE: Due to the emergency nature of the situation, a report on the competitive factors was not requested.

* * *

NORTH CAROLINA NATIONAL BANK, CHARLOTTE, N.C., AND MARION BANK AND TRUST COMPANY, MARION, N.C.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Marion Bank and Trust Company, Marion, N.C., with	$4,638,685	2	
and North Carolina National Bank, Charlotte, N.C. (13761), which had	1,223,694,661	93	
merged Feb. 20, 1970, under charter and title of the latter bank (13761). The merged bank at date of merger had	1,228,333,346		95

COMPTROLLER'S DECISION

On October 15, 1969, North Carolina National Bank, Charlotte, N.C., and the Marion Bank and Trust Company, Marion, N.C., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

North Carolina National Bank, Charlotte, N.C., with IPC deposits of nearly $800 million, operates 90 branches scattered widely across the State. The bank's main service area coincides with the principal economic growth area in the State, extending in a crescent from Raleigh, in the north-central section, to Charlotte, in the southwestern portion.

Marion Bank and Trust Company, Marion, N.C., with IPC deposits of $3.6 million, was organized in 1929 as an industrial bank. It became a commercial bank in 1961. The bank's main office and its one branch are located in Marion, which, with a population estimated at 3,300, is the county seat of McDowell County, and lies about 90 miles northwest of Charlotte on the slopes of the Blue Ridge Mountains in west-central North Carolina. Manufacturing is the most important source of employment in the county; the textile and furniture industries, both of which are characterized by low wage scales, are of primary importance. McDowell County lags behind the rest of the State in income and population growth, and little improvement is predicted.

There is no significant competition between the merging banks. The nearest office of the charter bank to the merging bank is in Morganton, approximately 20 miles east of Marion in Burke County. Neither bank draws a significant amount of business from the service area of the other. Furthermore, an analysis of the merging bank's loan portfolio, with its heavy concentration of installment credit, indicates that this bank is not primarity in competition for the other types of credits and services offered by commercial banks. Nor does it appear that the charter bank is a likely potential entrant into the service area of the merging bank because that area is presently served by branches of two of North Carolina's largest banks which have statewide branching systems, and because of the slow economic growth predicted for McDowell County. Due to its limited size and resources, and the distances involved, it does not appear probable that the merging bank would establish branch operations in any area now served by the charter bank. Consummation of this proposal will not significantly increase banking concentration in North Carolina as the charter bank's percentage of total bank deposits in the State will increase by less than 0.1 percent of its present share. Approval of this proposal will result in increased competition between the resulting bank and both the First Union National Bank of North Carolina, Charlotte, N.C., which has system deposits of nearly $850 million and operates two branches in Marion, and the Northwestern Bank, North Wilkesboro, N.C., which has system deposits in excess of $400 million and operates a branch in Old Fort, about 9 miles east of Marion.

When the merger is completed, the banking public in the service area of the merging bank will benefit from the availability of the banking services and resources of another bank with the financial expertise and resources to aid in the development of McDowell County. In addition, it is anticipated that the increased competition resulting from approval of this merger will result in benefits to the public in the form of improved banking services by the existing banks in this area.

Applying the statutory criteria, we conclude that the proposal is in the public interest, and the application is, therefore, approved.

JANUARY 3, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

NCNB has no offices in McDowell County; its closest offices to those of Marion Bank are located in Morganton, in adjoining Burke County, about 19 miles east of Marion, and in Tryon and Columbus, in adjoining Rutherford County, about 30 to 35 miles south of Marion. According to the application, neither of the merging banks draws significant amounts of deposits or loans from the areas served by the other. The proposed merger therefore would not appear to eliminate any substantial amount of direct competition.

Since North Carolina law permits statewide *de novo* branching, the proposed merger would eliminate the potential for increased competition that would result if NCNB were to establish *de novo* offices in McDowell County. NCNB has the resources to establish *de novo* offices in new markets and could be considered a potential entrant into McDowell County. NCNB is the second largest commercial bank eligible to enter McDowell County. Wachovia Bank and Trust Company, N.A., the State's largest bank, and First Citizens Bank & Trust Company, the State's fourth largest bank, also maintain offices in counties contiguous to McDowell County; Wachovia's closest office to McDowell County is in Morganton.

In addition to Marion Bank, two other banks operate offices in McDowell County: First Union National Bank of North Carolina, the State's third largest bank, operates two offices in Marion; and, The Northwestern Bank, the State's fifth largest bank, operates an office in Old Fort. As of June 29, 1968, Marion Bank held approximately 21.4 percent of total deposits in the county, First Union held 64.4 percent, and Northwestern Bank held 14.2 percent.

It should be noted, however, that the proposed merger is part of a continuing trend of mergers and acquisitions by North Carolina's largest commercial banks, which has the effect of retarding the development of a more competitive banking structure in North Carolina and results in the same limited group of competitors facing each other in an increasing number of the State's banking markets. If the proposed merger is approved, commercial banking in McDowell County will be entirely distributed among three of the State's five largest banks.

* * *

County National Bank, Middletown, N.Y., and Rockland National Bank, Suffern, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Rockland National Bank, Suffern, N.Y. (5846), with	$149,118,970	14	
and County National Bank, Middletown, N.Y. (13956), which had	171,844,047	28	
merged Feb. 27, 1970, under charter of the latter bank (13956) and title "Empire National Bank." The merged bank at date of merger had	320,963,017		42

COMPTROLLER'S DECISION

On October 9, 1969, the Rockland National Bank, Suffern, N.Y., with deposits of $136 million, and the County National Bank, Middletown, N.Y., with deposits of $147 million, applied to the Office of the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of "Empire National Bank."

County National Bank, organized in 1934, and headquartered in Middletown, N.Y., is a full-service institution with IPC deposits of $115.9 million. Since 1959, the charter bank has established eight *de novo* branch offices in Orange and Sullivan counties. The bank presently operates 28 offices, 15 of which are in Orange County, 10 in Dutchess County, and three in Sullivan County. As of June 30, 1969, the bank had assets of $172.7 million and deposits totaling $146.5 million.

Rockland National Bank, formed in 1901 under the name "The Suffern National Bank and Trust Company," assumed its present name in 1967. The bank is headquartered in Rockland County and operates 13 offices therein. Seven *de novo* branches have been opened in the county since 1960 and a branch location in the Blue Hill Complex, Pearl River, Rockland County, is approved but unopened. As of June 30, 1969, total assets of Rockland National Bank were $151.3 million, and total deposits were $135.7 million.

The service area of both participating banks lies in the Third Banking District of New York. The charter bank operates in an area which includes the whole of Orange County, the southern portion of Dutchess County between the Hudson River and the Taconic Parkway, and the eastern tip of Sullivan County contiguous to Orange County. The merging bank serves Rockland County and a small portion of Orange County on Route 17 in Tuxedo Park.

Sullivan County, with a population of 48,000, lies in the northwest section of the proposed service area. Much of the 663,040 acres of the county is very hilly and dotted with lakes. A large resort industry has developed for the 2 million tourists and vacationers who visit the lakes and luxury hotels in the area every year. Much of the county remains rural in character and devoted to poultry and dairy farming.

Commercial banking in Sullivan County is represented by the main offices of four commercial banks and their six branch offices. The largest of these banks is the $37 million Sullivan County National Bank of Liberty, Liberty N.Y. The other banks include the $31 million National Union Bank, Monticello, N.Y., the $14.5 million United National Bank, Callicoon, N.Y.; and the $11.4 million single-unit First National Bank of Jeffersonville, N.Y. In addition to the aforementioned banks, 10 branch offices of banks headquartered in other counties operate in Sullivan County. One savings and loan association branch operates in Sullivan County at Monticello, N.Y.

Orange County, with a present population estimated at 213,000, has shown a steady growth over the years due to its proximity to New York City. Principle cities in the county include Middletown, home of the charter bank, with 22,000 people; Newburgh, with 32,000 people; and Port Lewis, with approximately 10,000 people. The economy of the area is based primarily on dairy and truck farming which has a volume in excess of $30 million each year. There is evidence of a growing manufacturing and industrial base utilizing the skilled, and semiskilled, manpower and the excellent transportation facilities that the area affords. The leading industries in the county, as measured by the number of persons employed, include the following: apparel, 3,600; textiles, 2,200; chemicals, 1,400; and, food, 1,200. Nationally known concerns include the Arrow Corporation, International Nickel Co., Rubberoid Corporation, and DuPont Company. Manufacturing activities are largely confined to Middletown and Newburgh.

In addition to the charter bank, 11 commercial banks, with 37 branch offices, are headquartered in Orange County. These include the $49 million Highland National Bank of Newburgh, the $46 million First National Bank of Highland, the $33 million Chester National Bank, the $29 million Columbus Trust Company, the $27 million Orange County Trust Company, and the $23 million National Bank of Orange and Ulster Counties. Six branch offices of banks headquartered outside the county also serve the county. Fourteen savings institutions with 18 branch offices operate throughout the area and are active competitors for the savings dollar and residential loans.

Dutchess County, with a present population of approximately 220,000, is in the northwest section of the proposed service area. The economy of the county is mixed industry and agriculture, with industry largely centered around Poughkeepsie, the county's largest city. The remainder of the county reflects its agricultural heritage. The largest employers are International Business Machines, employing over 5,000, and Shatz Manufacturing Co., Federal Bearing Co., and Texas Research Center, each having at least 1,000 employees.

The banking needs of Dutchess County are served by 11 commercial banking institutions with 21 branch offices. These include the $161 million Marine National Bank of Southeastern New York, the $39 million Dutchess Bank and Trust Company, and the $23 million First State National Bank. In addition, the county is served by six savings banks and four savings and loan associations.

Rockland County, headquarters for the merging bank, is situated immediately west of Westchester County, southeast of Orange County, and contiguous to metropolitan New York City, which is immediately south. It is one of the fastest growing regions in the State, recording a population growth from 136,000, in 1960, to 220,000, today, a 60 percent increase. Rockland has 110,355 acres of land, of which 38,017 acres, or 34 percent, is used by institutions, parks, and public facilities. Almost three-fourths of the county parkland is in the Palisades Interstate Park, which forms a natural barrier between Rockland County and Orange, and stretches from the Hudson River to the New Jersey border. Geographically, the center of Rockland County is 33 miles from the center of Manhattan. Since transportation facilities are well developed between the city and the communities located in the county, many people find it attractive and convenient to live in the suburban atmosphere of the county and commute to jobs in the city. It is estimated that in 1960, 27 percent of the county work force commuted to jobs outside the county. The county is undergoing rapid urbanization which is reflected in large numbers of new single family subdivisions, modern apartment houses, shopping centers, and industrial plants. Rockland County has the third highest household income, $13,363, in New York State. As of 1963, there were 196 manufacturing firms in the county, employing 12,127 persons on a payroll of $74.2 million. In 1963, Rockland County has 1,256 retail establishments with sales of $198.3 million, and total payrolls of $20.2 million; by 1968, retail trade had increased to $292.4 million. Rockland County also had 145 wholesale trade establishments with sales of $79.3 million in 1963. Those firms employed 1,204 people, and had a total annual payroll of $7.5 million. The largest employers in the county include Avon Products, Inc.; Lederle Laboratories; Continental Can Co., Inc.; Geigy Chemical Corporation; Kay-Fries Chemical, Inc.; and Flintkote Co.

Rockland County is presently serviced by five commercial banks and 48 branch offices. They include, in addition to the merging institution, the $84 million Marine Midland Trust Company of Rockland County, the $48 million Tappan Zee National Bank, and the $43 million Nanuet National Bank. Moreover, six savings banks and savings and loan associations service the area.

There is no significant competition between the applicant banks. Their head offices are 40 miles apart, and County National Bank has no branches in Rockland County. Although Rockland National Bank has a single branch in Orange County, at Tuxedo Park, which is but 1 mile away from County National Bank's Sterling Forest office, there is negligible competition between them because of the terrain of the area, expressways and a railroad line separate the countryside, and the present population distribution, which polarizes Sterling Forest and Tuxedo Park into two separate residential areas. Further competition between the two banks is prevented by Palisades Interstate Park which effectively divides the remaining portions of the respective service areas from the New Jersey border to the Hudson River. No convenient road to link Rockland County with the County National Bank's service area to the north has been established through this park.

The geographic distribution of deposits of the two banks reveals that 89 percent of Rockland National Bank's IPC demand deposits are derived from Rockland County, and 93.4 percent of County National Bank's IPC deposits come from Orange, Dutchess, and Sullivan counties. By contrast, only 3.5 percent of Rockland National Bank's IPC deposits and only 0.7 percent of County National's IPC deposits are derived from the other's service area. The respective ratio of commercial loans for those same areas indicates that only 8.9 percent of Rockland National's loans originate in County National Bank's service area, and 1 percent of County National Bank loans are derived from Rockland National Bank's trade area.

There is little potential for future development of competition between the merging banks. Although *de novo* branching by one applicant into the other's service area is possible, two factors mitigate against this possibility. First, the New York home office protection law closes the most economically attractive cities to branching. Secondly, both service areas appear to be adequately serviced by commercial banking institutions; the population to office ratio is markedly lower than the State average. New York State on the whole has an office for every 7,339 people, while Rockland County has an office for every 4,639 persons; Orange County has an office for every 4,536 persons; and Sullivan County, has one office for every 2,415 people. Although Dutchess County has only one office for every 6,000 people, its geographical isolation from Rockland County makes unfeasible *de novo* entry by the Rockland National Bank.

The proposed merger will not adversely affect the banking structure in the resulting bank's service area which resembles the Third Banking District with the exception of Westchester, Putnam, and Ulster counties. However, a sound analysis of the applicant's competiton must include most large banks in the Third District because of two important factors: first, the potential for branching in the Third District by any bank headquartered in that district; and, second, the existence, in the district, of the five largest New York State registered bank holding company systems, which have seven affiliated banks and operate 52 offices directly competitive with the applicants in the four counties where the applicants' offices are located. The district's two largest banks, the $827 million County Trust Company, White Plains, N. Y., with 59 offices, and the $402 million National Bank of Westchester, with 34 offices, are affiliated with the $2.5 billion Bank of New York Company, Inc., and the $1.5 billion Lincoln First Banks, Inc., respectively. In addition, the Dutchess Bank and Trust Company, with 5 offices, is affiliated with the $5 billion Charter New York Corporation; the Marine Midland Bank of Southeastern New York, with 12 offices, and the Marine Midland Trust Company of Rockland County, with 11 offices, are affiliated with the $5.5 billion Marine Midland Banks, Inc.; and the First State Bank of Rockland County, with 12 offices, and the State of New York National Bank, with 9 offices, are affiliated with the $7.4 billion Bankers Trust New York Corporation. The combined resources of the resulting bank, $324 million, represent only 1.4 percent of the resources of these registered bank holding companies which, through their affiliated subsidaries, furnish extremely keen competition to the applicant banks through steadily accessible lines of credit, a wide range of services, and aggressive management.

Among the commercial banks headquartered in the Third District, County National Bank and Rockland National Bank ranked third and sixth, respectively. After the merger the resulting bank will continue to rank third behind County Trust Company and National Bank of Westchester, holding approximately 10 percent of the district's $2.8 billion in total commercial deposits.

The mutual savings banks and savings and loan associations also offer strong competition for deposit and loan business. The 31 savings banks and 30 savings and loan associations headquartered in the Third Banking District have total deposits of $2.4 billion, and loan accounts of $2.1 billion. Since both types of savings institutions are permitted by law to pay a higher rate of interest for savings deposits, the competitive position of these thrift institutions will be largely unaffected by the proposed merger, and they will continue to be a strong financial influence on the commercial banks.

Another significant deterrent to any adverse impact by the resulting bank on the banking structure in the service area is the proximity of New York City to Rockland, Orange, Sullivan, and Dutchess counties. Since Rockland and Orange counties are prime residential regions, dotted with "bedroom" communities for residents who work in New York City, many of these people who commute to work fulfill their banking needs with the large New York City banks. This permits the city banks, to compete in the Third District without actually entering physically.

The resulting bank will provide its customers with a broader range of services than either of the two banks can now provide alone. The lending limit will be increased to $1.9 million, thereby doubling the present lending limit of both applicant institutions. This will permit the large industrial and manufacturing firms which, in the last few years, have had to seek assistance from New York City banks, to reestablish credit relationships with the applicant. Not only will the larger lending limit better the resulting bank's competitive position, but it will also ensure the retention of deposits that might otherwise have been withdrawn and then deposited in the New York City banks, in order to acquire lines of credit. The merger will provide the area with a trust department with an adequate staff, having sufficient capability to compete directly with other area banks and with the large New York City banks for the corporate and personal trust business that presently exists and that is predicted for the future. The resulting bank intends to develop an international services department. With many manufacturing companies in the service area who export a large portion of their output, it is believed that an international department would benefit the firms and individuals requiring such services. Additional benefits to the customers and communities served by the resulting bank are apparent from the bank's intent to enter the field of municipal financing. Expanded and improved computer services will be made available, and management depth, especially in County National Bank, will be increased by a recruitment and training program that neither applicant bank can presently afford.

Applying the statutory criteria to the proposed merger, we find that it is in the public interest. The application is, therefore, approved.

JANUARY 23, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the merging banks are about 40 miles apart, but RNB's Orange County branch in Tuxedo is only about 2 miles from CNB's Sterling Forest branch. There would appear to be significant competition between these two branches.

While CNB does not draw substantial deposits from Rockland County, RNB's competitive influence in Orange County is not insubstantial. RNB draws about 3.4 percent of its total IPC demand deposits, or about $1.3 million, and about 4.2 percent of its total savings deposits, or about $2.5 million, from Orange County. We conclude, therefore, that the proposed merger would eliminate some amount of direct competition between the merging banks.

New York State law limits *de novo* branching by a commercial bank to the banking district within which it is headquartered. In addition, New York has a home office protection law prohibiting *de novo* branching into cities or villages where the head office of another bank is located. Both CNB and RNB are located in the Third Banking District, which consists of the counties of Westchester, Putnam and Ulster, as well as, Orange, Rockland, Dutchess and Sullivan. Thus, each bank may legally open *de novo* branches in the areas where the other bank derives most of its business.

CNB is one of the largest and most capable potential entrants into Rockland County, where RNB maintains its leading market position. Although several of the county's major population centers are closed at present to *de novo* branching by State home office protection laws, Rockland County has been one of New York's fastest growing areas with an estimated 60 percent increase in population in 1960's. This growth is expected to continue at a rate of 6 percent annually to 1975, and 3 percent annually from 1975 to 1990. It would appear that desirable possible alternatives for *de novo* entry by new banking institutions will attend such growth.

Although there are other banks with comparable legal and financial ability to enter Rockland County, and although New York's developing pattern of holding company formation and entry may bring new competitive influences into Rockland County, CNB's status as one of the district's largest and most widely distributed banks renders it one of the more likely potential entrants; accordingly, its merger with the county's largest bank, in terms of local deposits, would have an adverse effect on potential competition.

In like manner, RNB is one of the largest banks legally permitted to open new branches in Orange, Dutchess and Sullivan counties, where CNB presently competes. The most serious effect on potential competition presented by the proposed merger along this line would appear to be in Orange County, where CNB maintains by far the leading competitive position. While some of Orange County's major population centers are closed by home office protection, prospects for future growth and development of new attractive banking sites are bright.

Although there are other large and capable potential entrants into Orange County, RNB's leading position in adjacent Rockland County indicates that the proposed merger would have an adverse effect on potential competition in Orange County.

In addition to the possibility of *de novo* entry into the service areas of one another, both banks could expand throughout the district, and come into competition with one another, through merger with smaller banks in areas in which they do not now effectively compete.

We conclude that the overall effect of the proposed merger on potential competition in various sections of the Third Bank District of New York would be adverse.

* * *

NEW JERSEY BANK (N.A.), CLIFTON, N.J., AND JERSEY STATE BANK, RIVER EDGE, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Jersey State Bank, River Edge, N.J., with	$20,516,992	3	
and New Jersey Bank (National Association), Clifton, N.J. (15709), which had	506,259,053	23	
merged Feb. 27, 1970, under charter and title of the latter bank (15709). The merged bank at date of merger had	526,776,046		26

COMPTROLLER'S DECISION

On November 5, 1969, Jersey State Bank, River Edge, N.J., and New Jersey Bank (N.A.), Clifton, N.J. applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

New Jersey Bank (N.A.), with IPC deposits of $376.7 million, was organized in 1869. It operates all its 21 offices in the southern section of Passaic County. The bank also has one approved but unopened branch, and one branch application pending. In addition, it has a pending application to merge with The Peoples National Bank of Sussex County, Sparta, N.J. The bank is in generally good condition, having adequate capital, a favorable earnings record, and highly regarded management.

Passaic County is located in the northeastern section of the State, near New York City. It contains 16 municipalities with an estimated population of 464,000, making it the sixth most populated of the 21 counties in the State. It ranks as the fourth smallest county in the State in terms of land area, with only 192 square miles. The three most populated municipalities in the county are Paterson, Clifton, and Passaic, which together comprise the entire southern end of the county, and contain an aggregate population of 294,000. The economy of the area is based upon manufacturing, wholesaling, and retailing, much of the area is residential because of the favorable commuting to New York and northern New Jersey commercial centers.

Jersey State Bank, with IPC deposits of $16.8 million, was chartered in 1957, and presently operates a branch office in Emerson, N.J., and another in River Edge, N.J. The bank, besides having operational problems in recent years, has a small lending limit that has inhibited its ability to service local businesses' need for larger loans.

The merging Jersey State Bank is located in Bergen County, directly across the Hudson River from New York City. Bergen County has a total land area of 235 square miles, contains 70 municipalities, and has an estimated population of 914,000. The construction of the George Washington Bridge in the 1930's opened up the county as a place of residence for many New York City workers. Bergen County is part of the New York-New Jersey metropolitan area which domiciles many of the largest industrial corporations in the United States. Within Bergen County there are a number of industrial parks containing many manufacturing and other industrial-type plants.

The overall trade area contains 38 commercial banks, operating 172 offices, with resources of approximately \$3.4 billion, deposits of approximately \$3 billion, and loans of approximately \$1.8 billion. The numerous commercial banks and other financial institutions located in New York City also compete actively for deposits and loans in the Bergen County trade area. The overall trade area contains 93 savings and loan offices with deposits of about \$1.3 billion and loans of \$1.2 billion. There are also numerous mortgage companies, finance companies, credit unions, and insurance companies which compete for deposits and loans within the area.

This merger would be of particular benefit to the customers of and the communities in which the merging bank operates. It will be the solution to the successor management problem, and the many operational difficulties which that bank experiences. In addition, the merged institution will be better able to serve the needs of the customers of the Jersey State Bank; the lending limit will increase from the present \$128,000 for the Jersey State Bank to a \$3.9 million limit for the resulting institution. New and expanded services will be made available in the Jersey State Bank service area, and will include complete trust services, computer services, 5 percent 5- and 8-year savings bonds, payroll services, a complete international department, participation with the Small Business Administration in loans, and highly sophisticated commercial finance and installment loan departments.

Competition will not be adversely affected by consummation of this transaction. Because the service areas of the merging banks are about 7 miles apart, and the intervening area is presently densely banked, there is little competition between them. Although in the overall service area one banking alternative will be eliminated, adequate alternative sources remain. The resulting bank will be better able to compete with the largest Bergen County and New York City banks than can the merging bank. In Passaic County, the resulting bank will remain as the largest, but will increase its lead only by a slight amount. In the newly formed First Banking District of New Jersey, the resulting bank will rank fifth in size, and will be smaller than 12 of the 37 commercial banks located in New York City.

It is concluded in the light of the statutory criteria, that the merger is in the public interest and it is, therefore, approved.

JANUARY 21, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the merging banks are about 10 miles apart, and there are numerous intervening banking alternatives. Each bank, however, draws a small amount of deposits from areas served by the other. It would appear that the proposed merger would eliminate only a limited amount of direct competition.

Under New Jersey law, either bank could open *de novo* branch offices in the service area of the other, although not in communities subject to home or branch office protection. As one of the largest banks in the newly created First Banking District, Clifton Bank has the resources to open *de novo* offices where legally permissible. While Paramus and River Edge would appear to be closed, Clifton Bank could be permitted to open *de novo* branch offices in other municipalities served by Jersey State. There are a number of other likely potential entrants into this area including the larger banks headquartered in Bergen County itself.

The recent changes in New Jersey law have induced substantial merger activity by the larger banks in the State as part of their market extension programs. We believe that the largest of these banks, such as Clifton Bank, should expand into new areas either through *de novo* branching or, in the alternative, through merger with a smaller bank in the area they wish to serve. Such methods of expansion are desirable from a competitive standpoint as they preserve leading local banks most capable of providing competition and most likely, through affiliation with one another or in bank holding companies, to be able to provide new competition to the large banks on a broad scale.

While Clifton Bank is one of the largest banks in the State, Jersey State is among the smallest banks operating offices in central Bergen County, and one of the smallest banks in northeastern New Jersey. Accordingly, we conclude that the proposed merger is unlikely to have a significantly adverse effect on potential competition.

* * *

FIRST NATIONAL BANK, BOWLING GREEN, OHIO, AND HARDY BANKING COMPANY, NORTH BALTIMORE, OHIO

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Hardy Banking Company, North Baltimore, Ohio, with	$4,281,052	1	....
and First National Bank, Bowling Green, Ohio (15416), which had	30,728,502	5	....
merged Feb. 28, 1970, under charter and title of the latter bank (15416). The merged bank at date of merger had	34,864,742	....	6

COMPTROLLER'S DECISION

On November 4, 1969, the First National Bank, Bowling Green, Ohio, and the Hardy Banking Company, North Baltimore, Ohio, applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The First National Bank, the charter bank, was organized in 1952 as a State institution and converted to a National charter in 1964. This bank, which now has IPC deposits of $22 million, operates its main office in Bowling Green and a branch in each of the towns of Rossford and Northwood, both of which are in the northern part of Wood County, near Toledo.

Bowling Green, with a population of 19,000, lies 23 miles south of Toledo, and is the county seat of Wood County. This county, together with adjacent portions of Lucas County, constitutes the charter bank's primary service area. This area not only encompasses some of the most productive farm land in the State of Ohio, but also includes substantial industrial activity centered around the production of stone, clay, and glass products, transportation, electrical equipment, and metal and rubber products. Bowling Green State University, with an enrollment of 13,000, makes a substantial contribution to the local economy.

The Hardy Banking Company was organized in 1896 and continues to operate from a single office. This bank, with IPC deposits of only $3.4 million, has not been an aggressive competitor in the area's banking structure. Its size has limited the services it has been able to render to its customers.

North Baltimore, a town of 3,000, is also located in Wood County, 15 miles south of Bowling Green. Although this is principally an agriculturally oriented community, many of its residents commute to industrial jobs in Finlay, 9 miles south.

There is little existing competition between the participating banks whose offices are 15 miles apart. Not only does the distance factor minimize the development of competition between them, but the conservative policies of the merging bank also militate against it. The size of North Baltimore precludes the receiving bank from seeking a *de novo* branch in the town; the competitive impact of such an entry on the merging bank would be severe.

The operation of the North Baltimore bank as a branch of the receiving bank following the merger will offer more effective competition with other banks now serving the area. These other banks include The Bank of Wood County Company, Bowling Green, with deposits of $41 million and a branch in North Baltimore; The Cygnet Savings Company, Cygnet, Ohio, with deposits of $11 million; and, the Custar State Bank Co., Custar, Ohio. Several other banks located in Hancock County, just south of North Baltimore, also compete for business in this general area.

When the merger is approved, the banking public in the service area of the merging bank will benefit from the expanded range of banking services made available by the charter bank. Trust services, a bank credit card, and a greatly expanded lending limit will be made available through the charter bank. The increased competition with banks now operating in this area will result in further benefits to the public. In addition, approval of this application will provide management continuity for the merging bank.

Applying the statutory criteria, we find that the proposal is in the public interest and the application is, therefore, approved.

JANUARY 22, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest branch of FNB is 14 miles from Hardy Bank, the distance from Bowling Green to North Baltimore. There are presently two banks operating in North Baltimore (population 3,500): Hardy Bank, and a branch of Wood County Bank. There is one intervening bank between Bowling Green and North Baltimore located in Cygnet, about 4 miles north of North Baltimore, and 10 miles south of Bowling Green. The application states that about 5 percent of FNB's business originates in the North Baltimore service area. The proposed merger would eliminate some direct competition between FNB and Hardy Bank.

Furthermore, since State law permits *de novo* branching within the county in which the bank is located, FNB can increase its activity in the southern part of the county. It has the resources to do this, and the fact that it has no branches in the southern half of the county means that *de novo* entry could increase competition in the area. The merger, therefore, will foreclose the potential for the development of greater competition between the two banks.

Eleven commercial banks operate in Wood County. The four largest banks hold 65 percent of the total deposits. As of June 30, 1968, FNB was the second largest bank in the county, with about 14 percent of total deposits. Hardy Bank, the 10th largest bank, has about 2.2 percent of total deposits, and the effect of this merger would be to increase countywide concentration by this amount.

Since the proposed acquisition would eliminate some direct competition, and the potential for increased competition, the proposed merger is likely to have an adverse effect on banking competition in Wood County.

* * *

CENTRAL PENN NATIONAL BANK, BALA-CYNWYD, PA., AND COMMUNITY BANK & TRUST COMPANY, PAOLI, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Community Bank & Trust Company, Paoli, Pa., with	$48,912,682	7	
and Central Penn National Bank, Bala-Cynwyd, Pa. (723), which had	444,909,782	25	
merged Mar. 13, 1970, under charter and title of the latter bank (723). The merged bank at date of merger had	488,940,101		32

COMPTROLLER'S DECISION

On October 20, 1969, Community Bank & Trust Company, Paoli, Pa., and Central Penn National Bank, Bala-Cynwyd, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Central Penn National Bank, with IPC deposits of $336.7 million, was chartered originally in 1828. In 1968, the bank relocated its office to Bala-Cynwyd, just across the western county line from Philadelphia. Relocation of its head office enables the bank to branch into three additional counties, Berks, Chester, and Lehigh. Presently, through a branch system of 24 operating offices, the charter bank serves the city of Philadelphia, lower Bucks County, and portions of eastern Montgomery County. Three additional branches are in the process of construction, and one branch application is pending. While the condition of this bank is generally good, its growth has not kept pace with that of its seven major competitors in the Philadelphia area.

The primary service area of the charter bank includes, Philadelphia, Bucks County, and Montgomery County. Philadelphia has a population of 2 million, and the 7-county area in which the charter bank can legally branch has a population of 4.4 million people. The economy of this area is mixed, with Philadelphia as the nucleus of a major industrial complex. The metropolitan area has, in recent years, been spreading; overcrowded conditions in the city have caused many businesses to move into the outlying suburbs. Much of the 7-county area outside the bank's present service area is agriculturally oriented.

Since Central Penn is a Philadelphia-oriented bank, it competes with seven major banks, four of which each have resources of well over $1 billion. Philadelphia and its adjacent counties are serviced by 430 banking offices. In Philadelphia, and the 7-county area, there are 645 banking facilities, operated by 59 commercial banks. In 1969, Philadelphia area deposits increased by an average of 10 percent while those of Central Penn increased only 1 percent. Numerous other financial institutions operate in the area.

Community Bank & Trust Company, with IPC deposits of $38.6 million, was originally organized as the Paoli Bank and Trust Company in 1927. It operates its six branches, including a drive-in facility, and its main office in Chester County. The lending limit and services of this bank are not sufficient to attract the business of large industries located in Chester County. Its senior management lacks successors, and its capital is inadequate to permit the establishment of additional branches.

The service area of the merging bank is primarily Chester County which has a population 255,000, and an area of 486,400 acres, mostly farms or undeveloped land. While agriculture is of declining importance, industrial growth has been strong over the last decade. Some 350 manufacturing firms now employ over 30,000 persons. The entire work force in the county is in excess of 63,000 persons. Mushroom production is most important to the county's economy, with 80 million pounds produced annually.

Substantial competition is derived from large out-of-county based banks, including Continental Bank and Trust Company, with IPC deposits of $460 million, and four branches in the county; Industrial Valley Bank & Trust Company, with IPC deposits of $323 million, and six in-county branches; and American Bank and Trust Company, with IPC deposits of $405 million, and one in-county branch. The first two of those banks are headquartered in Montgomery County, while the third is headquartered in Reading, in Berks County. The largest bank headquartered in Chester County is the National Bank of Chester County and Trust Company, West Chester, Pa., with IPC deposits of $78 million. This bank was recently granted approval to merge with The Delaware County National Bank, Chester, Pa., which has IPC deposits of $19 million.

This merger will create a larger institution capable of better serving the combined service area's needs for expanded banking services, particularly trust services and a larger lending limit. In addition, management succession problems in the merging bank will be resolved. The lack of capital that inhibits the merging bank's growth will be solved.

Actual competition will not be adversely affected. Since both banks serve separate and distinct areas, there is no competition between them to be eliminated. The service area of the charter bank will not be affected since the merger will make a ½ billion dollar bank only slightly larger. In the service area of the merging bank, the merger will enable the resulting institution to compete more effectively with the several large banks operating in the area.

Potential competition will not be affected. Because of the relatively high cost of establishing *de novo* branches in an area about 15 miles from where it does business, it is very unlikely that the applicant would branch into Chester County in competition with the merging bank. The merging bank cannot branch *de novo* without increasing its capital and, in any event, would be unlikely to branch into the highly banked areas where the applicant operates.

Applying the statutory criteria, it is concluded that this merger is in the public interest. The application is therefore approved.

FEBRUARY 9, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

All but two of Central Penn's 24 offices are more than 15 miles from a Community office. There is probably limited competition between one Central Penn office, in Montgomery County, and the nearest office of Community, about 3 miles away.

Community, now the second largest commercial bank headquartered in Chester County, holds about 13 percent of the total deposits held by all commercial banking offices in the county. The largest bank headquartered in the county, holding about 25 percent of total county deposits has recently merged with Delaware County National Bank, headquartered in Delaware County. A total of 13 banks now operate 41 offices in the county. Three of these are large banks headquartered outside Chester County.

Central Penn is the largest bank not now operating in Chester County which could branch *de novo* into that county. Only seven other Philadelphia area banks not now operating in Chester County can branch into the county, and the largest of these holds total deposits of about $62 million. Central Penn recently moved its head office from downtown Philadelphia to Montgomery County for the express purpose of expanding throughout a wider area. Since 1958, Central Penn has established eight *de novo* offices and has received approval to open five more. These facts indicate that Central Penn is a likely *de novo* entrant into Chester County.

There are two banks in neighboring Reading, and two in Lancaster, each with total deposits in excess of $100 million, that could be considered potential *de novo* entrants into Chester County. Given the strong economic ties between Chester County and the Philadelphia area, however, these Reading and Lancaster banks cannot be considered as likely to enter Chester County *de novo* as Central Penn.

Thus, the merger would combine the most likely *de novo* entrant into Chester County with the largest independent bank in the county. The effect on potential competition would be adverse.

* * *

VIRGINIA NATIONAL BANK, NORFOLK, VA., AND THE FIRST NATIONAL BANK OF HARRISONBURG, HARRISONBURG, VA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Harrisonburg, Harrisonburg, Va. (1572), with	$39,328,751	4	
and Virginia National Bank, Norfolk, Va. (9885), which had	915,449,691	97	
merged Mar. 13, 1970, under charter and title of the latter bank (9885). The merged bank at date of merger had	954,254,957		101

COMPTROLLER'S DECISION

On November 20, 1969, The First National Bank of Harrisonburg, Harrisonburg, Va., and the Virginia National Bank, Norfolk, Va., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Virginia National Bank, with IPC deposits of $656.5 million, presently operates 95 branches and two military facilities in communities widely scattered throughout the State, and has, in addition, two approved but unopened branches and one branch application pending. This bank is in sound condition, well-managed, and profitable.

Although the charter bank competes with other large banking organizations in the State on a statewide basis, its operations are considerably concentrated in the central and southeastern sections of Virginia and the tidewater area surrounding Hampton Roads. It has recently entered the Washington suburban area in northern Virginia through merger with two smaller banks, one in Arlington County, and the other in Prince William County. Areas served by the charter bank are widely diversified economically, and include shipping, manufacturing, agriculture, and trade.

The charter bank competes at various places with every other banking organization of statewide market significance, as well as with a number of other banking, and non-bank financial institutions in the areas it serves. Its nearest office to the merging bank is in Elkton, some 18 miles east of Harrisonburg, its only Rockingham County office.

The First National Bank of Harrisonburg, with IPC deposits of $30.4 million, was established in 1864. In addition to its head office, it operates two branches within the city of Harrisonburg. Financial General Corporation of Washington, D.C., controls 25.7 percent of the outstanding stock of the merging bank. This bank has experienced a decreasing share of total local banking deposits in recent years, from a 47.2 percent share, in 1960, to a 30 percent share as of December 1968. It now ranks as the second largest Harrisonburg bank, whereas it had previously ranked number one.

Harrisonburg, with a population of 13,800, is the economic hub of the county, and is the largest retail trading center in the Shenandoah Valley between Staunton and Front Royal. Harrisonburg and Rockingham County derive diversified economic support from agriculture, manufacturing, and wholesale and retail trade. Major farm products include apples and poultry, and the largest single employer in the county is the poultry processing industry.

The merging bank competes in Harrisonburg with the $23.9 million deposit United Virginia Bank/Spotswood, the $17.4 million deposit Valley National Bank, and the $40.9 million deposit Rockingham National Bank, the town's largest. Other banks located in Rockingham County include the $9.4 million deposit The Planters Bank of Bridgewater, the $8.3 million deposit Farmers and Merchants Bank of Timberville, and the $6.8 million deposit The First National Bank of Broadway. In addition to Financial General Corporation, which also owns a controlling interest in Valley National Bank, Harrisonburg, two other bank holding companies are represented in the county. These are United Virginia Bankshares, Inc., which controls United Virginia Bank/Spotswood, and First Virginia Bankshares Corporation which controls Planters Bank of Bridgewater.

This merger will benefit the community of Harrisonburg by introducing an office of a statewide institution capable of providing more varied and sophisticated financial services. It will replace the conservative, less aggressive merging bank with a forward-looking institution which should stimulate the local economy and enable the local office of the resulting institution to retain its proportionate share of the local banking market.

This merger will have little adverse competitive effect. Because the nearest offices of the two institutions are 18 miles apart, there is little significant competition between them. In Harrisonburg, the actual or potential adverse effect on competition that the common ownership of the merging bank and Valley National Bank by Financial General Corporation might have will be eliminated. The entry of the charter bank into Harrisonburg should stimulate competition, particularly with respect to the large banking organizations now represented there, and will bring a choice of a broad range of banking services to the Harrisonburg area on a more substantially equal competitive basis than is possible for the merging bank. Potential competition will not be eliminated since the charter bank is prohibited by State law from branching *de novo* into Harrisonburg.

Applying the statutory criteria, it is concluded that the merger is in the public interest. The application is, therefore, approved.

FEBRUARY 5, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

All of Harrisonburg Bank's offices are in Harrisonburg. VNB's closest offices is in Elkton, also Rockingham County, about 18 miles east of Harrisonburg. VNB also operates a branch in Shenandoah, some 5 miles north of Elkton. Three other commercial banks operate offices in Harrisonburg, but there are no banking alternatives between Harrisonburg and Elkton. However, there appears to be only limited competition existing between VNB's Elkton branch and Harrisonburg Bank. The Massanutten Mountains lie between the two cities, and the merging banks derive little business from one another's service area.

VNB's Elkton office holds about 4 percent of the deposits in commercial banks in Rockingham County, while Harrisonburg Bank holds about 25 percent of such deposits. After the merger, VNB would hold the largest share of deposits in Rockingham County.

Under Virginia law VNB cannot open *de novo* branch offices in Rockingham County. Of the four banks that operate offices in Harrisonburg, the two smallest are presently controlled by registered bank holding companies. The two independent banks, Harrisonburg Bank and Rockingham National Bank, are comparable in size and market position. Thus, there is no present merger path by which VNB could enter Harrisonburg without acquiring such a substantial market position.

The proposed merger would, however, eliminate the possibility of VNB's entry through establishment of a holding company, and acquisition of a newly chartered bank in the area.

* * *

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Armada State Bank, Armada, Mich., with	$5,983,449	1	....
and First National Bank in Mount Clemens, Mount Clemens, Mich. (12971), which had	75,588,838	3	....
merged Mar. 18, 1970, under charter and title of the latter bank (12971). The merged bank at date of merger had	81,827,802	....	4

COMPTROLLER'S DECISION

On December 2, 1969, the First National Bank in Mount Clemens, Mount Clemens, Mich., applied to the Comptroller of the Currency for permission to merge with The Armada State Bank, Armada, Mich., under the charter and with the title of the former.

First National Bank in Mount Clements, the charter bank, was organized in 1926, and has total assets of $65 million. This bank operates its main office and two branches in the city of Mount Clemens, and an additional banking facility at nearby Selfridge Field Air Force Base.

The Armada State Bank, the merging bank, was organized in 1933, and has total assets of $5.4 million. The merging bank is a unit bank with its only office located in the village of Armada, in Macomb County.

Macomb County, which is the site of all offices of the participating banks, has been designated by the United States Bureau of Census as being a part of the Detroit Standard Metropolitan Statistical Area. Macomb County, located in the southeastern part of the State, in the lower half of the triangle formed by the cities of Detroit, Flint, and Port Huron, has an area of 481 square miles, and a population of approximately 600,000.

Mount Clemens, the location of the charter bank, is 20 miles north of Detroit and has a population of about 20,000. The city, which was once considered primarily residential, is currently experiencing a trend towards industrialization. Coexistent with this trend has been the development of service-oriented businesses such as shopping centers, restaurants, and motels.

The village of Armada, the site of the merging bank, is located in the north-central section of Macomb County, 37 miles north of Detroit, and 17 miles north of Mount Clemens. The economy of this community, which has a population of approximately 1,000, is primarily dependent upon agriculture. The merging bank, which upon consummation of the proposed merger will operate as a branch of the charter bank, is currently the only financial institution in Armada.

Consummation of the proposed merger will not have an adverse effect on competition. In Mount Clemens, the charter bank competes with the aggressive Mount Clemens Savings Bank which has total assets of approximately $47 million. Competition is also furnished by Macomb County branches of the larger Detroit-based banks located close to Mount Clemens. Existing competition between the participating banks is minimal, both in view of the distance separating their offices and their relative size. Potential future competition is effectively precluded by virtue of Michigan's home office protection law.

Consummation of the proposed merger will serve the convenience and needs of the community of Armada. This merger will increase the local lending limit available to residents of Armada by nearly tenfold. A potential management succession problem developing at the merging bank will be averted by this proposal.

Applying the statutory criteria to the proposed merger, we conclude that it is in the public interest and the application is, therefore, approved.

FEBRUARY 9, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The merger would eliminate some direct competition as no banks are located on the road linking Mount Clemens and Armada; there are, however, alternative banks located closer to Armada than is First National. Also four large Detroit banks have offices in the southern part of Macomb County near Mount Clemens.

Michigan law allows banks to branch anywhere within the county in which the home office is located, and also into all counties adjacent to the one in which the home office is located, but only within a 25-mile radius of the home office. However, there is branch and home office protection but it is possible for banks to branch into areas adjacent to the protected area and become actual competitors. This would eliminate the potential that First National would be such an entrant into the Armada area.

* * *

First National Bank in Mansfield, Mansfield, Pa., and The Citizens National Bank, Blossburg, Pa.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Citizens National Bank, Blossburg, Pa. (13381), with	$5,409,069	1	
and First National Bank in Mansfield, Mansfield, Pa. (13618), which had	11,901,611	1	
merged Mar. 31, 1970, under charter of the latter bank (13618) and title "First Citizens National Bank." The merged bank at date of merger had	17,320,680		2

COMPTROLLER'S DECISION

On October 22, 1969, The Citizens National Bank, Blossburg, Pa., and the First National Bank in Mansfield, Mansfield, Pa., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of "First Citizens National Bank."

The Citizens National Bank, Blossburg, Pa., the merging bank, is a unit bank with IPC deposits of $4.5 million. It was chartered in 1929, and has never been involved in a merger or similar transaction. The bank's primary service area includes the borough of Blossburg, and an area 5 miles north of Blossburg.

Blossburg, situs of the merging bank, is a town of 1,956 persons, located 10 miles south of Mansfield, Pa., in southwestern Tioga County. The town lies in a small valley completely surrounded by hills and dense forests. The primary industries are the Blossburg State Hospital, two casting foundaries, and a wooden pallet manufacturer. Area businesses employ about 700 persons, with the foundries alone employing 450 persons and having an annual payroll of $2.75 million. A significant number of people commute to Elmira, Painted Post, and Corning, N.Y. for work. Mining and coal transportation are also important to the Blossburg economy, contributing $4 million annually to the payrolls.

The First National Bank in Mansfield, organized in 1932, has IPC deposits of $8.4 million. It operates a single office and has never been involved in a merger or similar transaction. The service area of the applicant includes the borough of Mansfield and an area 5 miles south of Mansfield, as far as the township of Covington.

Mansfield is located in the eastern portion of Tioga County at the intersections of U.S. Routes 6 and 15. The terrain is mountainous and densely forested. As industry is nonexistant, the economy of the area is dominated by dairy farming. Mansfield is the site of Mansfield State College, which has a faculty numbering 230, and an administrative and service staff of 244. Its budget for 1969 was in excess of $7 million.

The merger will eliminate an insignificant amount of competition between the applicant banks. Their service areas overlap only around Covington Township. Approximately 300 depositors of the participating banks come from the Covington Township area, but only 60 of these have accounts in both banks. While the banks are only 10 miles apart, and have a potential for increased competition, this is not expected due to the small population to be served and the existence of other area bank offices between and around the two subject institutions.

There are two other banks operating in Tioga County: The Commonwealth Bank and Trust Company, Muncy, Pa., with deposits of $26.8 million; and the Northern National Bank and Trust Company, Wellsboro, Pa., with deposits of $22.9

million. The Commonwealth Bank and Trust is a very aggressive institution with three branches in Tioga County, and the Northern National Bank and Trust has four branches in addition to its head office at Wellsboro. These two banks, respectively, hold 42 and 36 percent of Tioga County's total deposits of $63 million. Presently, the charter bank is the third largest of the four county banks, holding 14.3 percent of the deposits, while the merging bank is the smallest of the four county banks, holding 7.6 percent of the deposits. When this merger is consummated, the resulting bank will still be third in size, with 21.9 percent of the deposits. Although this places the resulting bank short of the deposits of the other two banks, it should create a stronger, more viable institution, capable of effectively competing with the two larger banks.

Additional competition is experienced from banks in neighboring cities around Tioga County: The First National Bank of Troy, Troy, Pa.; The First National Bank of Ralston, Ralston, Pa.; and the First National Bank of Canton, Canton, Pa. Although Elmira, N.Y. lies 30 miles northeast of Mansfield several commercial and savings banks from that city advertise in the local newspaper delivered in Mansfield and Blossburg. There are no savings and loan associations or mutual banks in the resulting bank's trade area.

The union of these two institutions will provide several beneficial results to the merging bank and its customers. The statutory lending limit of the resulting bank will be $100,000, which will allow it to meet the expanding credit needs of local businessmen. Off-premise computer services will be initiated, and a full-time trust department will be instituted. The merger is expected to solve the personnel problems that beleaguer all small banks, because increased salary scales, medical services, and pension programs can be offered to attract prospective and present personnel.

Applying the statutory criteria to the proposed merger, we find it is in the public interest and the application is therefore approved.

JANUARY 14, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The merging banks are located in small communities approximately 10 miles apart. There are no other banks in either community nor in the intervening area. It would appear that the proposed merger would eliminate some direct competition between the merging banks.

Seven commercial banks operate a total of 10 banking offices in the service area of the resulting bank, which encompasses the eastern half of Tioga County, a western portion of Bradford County, and part of northern Lycoming County. First National and Citizens hold about 12 percent and 6 percent, respectively, of the total deposits in these banking offices. These figures may understate the competitive effects of the proposed merger as First National and Citizens both lie near the center of the area in question.

We conclude that the proposed merger may have an adverse effect on competition.

* * *

WELLS FARGO BANK, N.A., SAN FRANCISCO, CALIF., AND LOS PADRES NATIONAL BANK, SANTA MARIA, CALIF.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Los Padres National Bank, Santa Maria, Calif. (15271), with	$12,438,566	2	
and Wells Fargo Bank, National Association, San Francisco, Calif. (15660), which had	5,436,787,409	268	
merged Apr. 10, 1970, under charter and title of the latter bank (15660). The merged bank at date of merger had	5,449,225,975		270

COMPTROLLER'S DECISION

On December 29, 1969, the Los Padres National Bank, Santa Maria, Calif., and the Wells Fargo Bank, N.A., San Francisco, Calif., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Wells Fargo Bank, N.A., with resources of $5.5

billion, is headquartered in San Francisco. This bank, which operates most of its 267 branches in Northern California, has recently started to expand into Southern California through *de novo* offices, and by mergers.

The merging Los Padres National Bank opened its main office in Santa Maria in 1964. It now operates one branch 6 miles south of the main office. Through both offices, this bank has generated deposits of $9.8 million.

The economy of the area served by Wells Fargo Bank is fully diversified in agriculture, industry, finance, lumbering, fishing, tourism, mining, oil production, military establishments, and many commercial and service activities. The merging bank serves the city of Santa Maria, Calif., which has a population of approximately 34,000, and the surrounding area, encompassing the northern section of Santa Barbara County. The economy of this area is based on agriculture, with emphasis on the growing of vegetables, berries, and flowers, as well as dairy farming, and poultry and livestock raising. Oil production also comprises an important segment of the economy.

Although Wells Fargo Bank, as the third largest bank in the State, competes with numerous offices of statewide, regional, and local banks, it does not compete with the merging bank. The offices of the charter bank nearest to the merging bank are located in Ventura, 104 miles southeast; in Bakersfield, 127 miles east; and in King City, 109 miles north.

The merging bank presently competes with four of the five largest banks in the State of California. Within its service area, the Bank of America, with deposits of $21.9 billion, operates two offices; Security Pacific National Bank, with deposits of $5.7 billion, operates two offices; and United California Bank, with deposits of $4.3 billion, and Crocker Citizens National Bank, with deposits of $4.3 billion, operate one office each. Consummation of this merger will not put undue competitive pressure upon any of these competing banks serving the area. It will, in fact, introduce the third largest bank in the State into an area already being served by four of the five largest banks in the State. Competition is also offered in the service area by several savings and loan associations, credit unions, sales finance companies, personal loan companies, and mortgage companies.

The merger will provide the customers of the merging bank with another alternate source of extended customer service in Santa Maria and northern Santa Barbara County. The increased competition of these large banks will redound to the benefit of area residents.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

MARCH 4, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Wells Fargo has no offices in the Santa Maria area; its nearest branches are over 100 miles from Los Padres' offices. The applicants derive a few deposit accounts from each other's areas. The amounts, however, are minor and the areas are also served by a number of other large California banking institutions. The direct competition that will be eliminated by the proposed merger is insignificant.

Wells Fargo is the only one of the five large banks that dominate California banking that does not serve the Santa Maria area. Given the significant growth record of this area, Wells Fargo's interest in expanding into growing markets in southern California, and its capacity to expand by *de novo* branching through opening multiple branches at one time, it follows that Wells Fargo is the most likely *de novo* entrant into the Santa Maria area.

Santa Maria is a highly concentrated banking area. It is served by only five banks; four of these are major statewide banking organizations while the fifth is Los Padres, the only independent bank in the market. In spite of being a new independent bank in a market dominated by the largest banks in the State, Los Padres had, as of June 29, 1968, 15 percent of commercial bank deposits, and 10 percent of IPC demand deposits held in banking offices in the Santa Maria area. It ranked as the third largest in terms of both total deposits and IPC demand deposits in bank offices in Santa Maria.

This merger will eliminate the only independent bank in this market, give the third largest bank in the State the third largest market position in the Santa Maria area, and eliminate permanently its ability to enter this area *de novo* and increase competition. The result will be elimination of potential competition, entrenchment of a concentrated banking structure, and the elimination of the diversity that comes from having banks of varied size serving a particular market.

The effect of this merger on competition will be adverse.

* * *

FIRST NATIONAL BANK IN MANSFIELD, MANSFIELD, LA., AND BANK OF GRAND CANE, GRAND CANE, LA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bank of Grand Cane, Grand Cane, La., with	$423,758	1	....
was purchased Apr. 11, 1970, by First National Bank in Mansfield, Mansfield, La. (11669), which had	15,574,130	1	....
After the purchase was effected, the receiving bank had	15,997,888	....	2

COMPTROLLER'S DECISION

On November 19, 1969, the First National Bank in Mansfield, Mansfield, La., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the Bank of Grand Cane, Grand Cane, La., under the charter and with the title of the former.

The First National Bank in Mansfield is headquartered in Mansfield, La., and operates as a unit bank. This bank, with total resources of $14.8 million, and IPC deposits of $11.5 million, was established in 1920. The Bank of Grand Cane, the selling bank, headquartered in Grand Cane, La., has total resources of $511,000, and IPC deposits of $444,000, only $1,000 of which are in savings and time deposits.

Both banks are located in DeSoto Parish, which has an economy dependent on agriculture with oil production and timber processing offering some diversification. Since Mansfield is near the geographic center of the parish and serves it as a trade center, the applicant has customers from throughout the parish. The population of Mansfield, 6,000 persons, constitutes approximately one-quarter of the total population of the parish. Grand Cane, 8 miles north of Mansfield, has a population of approximately 400 persons. The selling bank draws most of its customers from the town and the surrounding farm area.

Primary competition for the applicant comes from the Mansfield Bank and Trust Company, Mansfield La., with total assets of $8.2 million, and the DeSoto Federal Savings and Loan Association, Mansfield, La., with total assets of $10 million. There are two other banks located in the parish, the Bank of Logansport, Logansport, La., with total assets of $4.6 million, and the Pelican State Bank, some 16 miles southeast of Mansfield in an unincorporated community, with total assets of approximately $1.5 million. The latter bank has applied for permission to move its main office to Mansfield. The offices of three finance companies are also located in Mansfield, each with outstanding loans of approximately $100,000. There should be no significant change in the relative competitive positions of these institutions and the applicant upon consummation of the proposed transaction.

The selling bank and the buying bank do not compete to any significant extent since the management of the selling bank has followed a conservative policy concerning loans, savings deposits, and bank services in general, thereby offering little if any competition to other financial institutions. It is obvious from the fact that there are only $1,000 in time and savings deposits in the selling bank that this bank offers no competition for such funds. Also, a lending limit of only $6,000 limits any competition in the lending area. The purchase of this small and unaggressive bank by the larger, more aggressive, and growing bank would be of material benefit to the banking public of Grand Cane. All significant banking services would be available at a local branch, including a much larger lending limit to satisfy the needs of the larger farming operations in the area.

Applying the statutory criteria it is concluded that the proposed purchase and assumption is in the public interest and the application is, therefore, approved.

JANUARY 30, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Grand Cane Bank and First National each operates a single office, one in the town of Grand Cane (population 400) and the other in the town of Mansfield (population 6,000), 6 miles apart, in mid-DeSoto Parish, in the northeastern part of Louisiana.

Since First National regards the entire parish as its service area, it is clear that this merger will eliminate direct competition between the merging banks; however the limited activity of the Grand Cane Bank at present suggests that the loss of competition may not be as substantial as might otherwise appear. First National, on the other hand, is the largest of the five banks presently serving the parish, and has nearly 50 percent of all commercial bank deposits. While this acquisition will not substantially increase that share, it will eliminate the possibility that Grand Cane Bank would combine with one of the smaller banks in the county to create a more substantial competitor better able to compete with First National.

* * *

THE CONNECTICUT NATIONAL BANK, BRIDGEPORT, CONN., AND ATLANTIC NATIONAL BANK, STAMFORD, CONN.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Atlantic National Bank, Stamford, Conn. (15584), with	$19,569,744	4	....
and The Connecticut National Bank, Bridgeport, Conn. (335), which had	360,808,344	44	....
merged Apr. 17, 1970, under charter and title of the latter bank (335). The merged bank at date of merger had	380,378,088	....	48

COMPTROLLER'S DECISION

On December 8, 1969, The Connecticut National Bank, Bridgeport, Conn., applied to the Comptroller of the Currency for permission to merge with Atlantic National Bank, Stamford, Conn., under the charter and with the title of the former.

Connecticut National Bank, the charter bank, was organized in 1806 as the Bridgeport Bank, a State-chartered bank and trust company. In 1865, it converted into a National bank, and, in 1955, assumed its present name. As of January 30, 1969, it was the fourth largest commercial bank in the State, with total assets of $356.8 million.

The charter bank operates 42 branches located in the southern and western parts of Connecticut including several branches in Bridgeport, the Waterbury area, and northern Fairfield County. Of the branches located outside of Bridgeport, 12 are within 10 miles of the city, and 13 are over 20 miles away, the farthest located in Wolcott, 36 miles distant.

The economies of the towns served by the charter bank vary. Bridgeport is Connecticut's leading manufacturing center, with transportation equipment, electrical equipment, and fabricated metals as the principal industries. It is also an important retail and wholesale trade center. Although Bridgeport's present population of 154,000 has decreased slightly since 1960, population in the outlying suburbs has increased during the same period.

The charter bank has offices in Danbury and Waterbury, north of Bridgeport. These towns, like Bridgeport, have economies dependent on manufacturing industries. To the south of Bridgeport, the charter bank has offices in the towns of Darien and New Canaan. These towns, which border on Stamford, are affluent commuter towns for New York City.

Atlantic National Bank, the merging bank, was organized on December 30, 1919, as the Italian Loan and Brokerage Association. In 1926, it became a State-chartered industrial bank known as the Italian Loan Association. That name was changed in 1940 to the Atlantic Industrial Bank of Stamford. On April 29, 1966, it converted to a National charter and assumed its present name. As of June 30, 1969, the charter bank, which is the smallest commercial bank in Stamford, had total assets of $18 million and operated three branches all within the city of Stamford.

Stamford is located 36 miles east of New York City and 22 miles west of Bridgeport. With a population of approximately 112,000, it is the second largest city in Fairfield County, and the fourth largest in Connecticut. Of the four largest cities, Stamford alone experienced a population increase in the period 1950-1967, increasing 46 percent. Growth in recent years is attributable to the influx of major corporate research laboratories and the reorganization of several major corporate headquarters in the Stamford area. The economy of the area is diversified. Presently 36 percent of the workers in the Stamford labor market are employed in manufacturing industries, as compared to 51 percent in the Bridgeport market. The largest industry groups are heavy machinery, electrical equipment, chemicals, and printing. The average weekly manufacturing wage in early 1969 was $142. The Stamford area also serves as a major regional shopping center. Three large branches of major New York department stores are located there: Bloomingdale's, Gimbels, and Lord & Taylor.

Competition between the charter and the merging banks is minimal. The closest branches of the charter bank are the Darien and New Canaan branches which are located 5 and 6 miles respectively from the head office of the merging bank. Notwithstanding their proximity to Stamford, only 5.4 percent of their total demand and savings balances are attributable to customers with Stamford addresses.

Consummation of the proposed merger should enhance future banking competition in the Stamford area. Under Connecticut's home office protection statute the charter bank could not establish a *de novo* bank in Stamford. The effect of the proposed merger will be to substitute branches of a large aggressive bank for a bank with limited competitive capacity.

Consummation of the proposed merger will serve the convenience and needs of the Stamford community. Present customers of the merging bank will be benefited by having their checking accounts computerized. Additionally, the charter bank will provide a qualified and experienced trust department, the services of a well-developed commercial credit department, a vastly increased lending limit, and other services not now available to customers of the merging bank.

Applying the statutory criteria to the proposed merger, we conclude that it is in the public interest and the application is, therefore, approved.

MARCH 3, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposal would merge Atlantic Bank (total deposits $16.1 million) into CNB, Connecticut's fourth largest bank.

A distance of about 22 miles separates the head offices of the merging banks. However, CNB has branch offices in New Canaan and Darien 6 and 5 miles, respectively, from Atlantic Bank's head office. It appears that substantial numbers of New Canaan and Darien residents work in Stamford; although several banks operate offices in the intervening areas, Atlantic Bank and the New Canaan and Darien offices of CNB derive some amount of business from the areas immediately served by each other. At least some direct competition exists; this competition will, of course, be permanently eliminated by consummation of the proposed merger.

Connecticut law does not permit commercial banks to branch *de novo* into townships in which there are already located the home offices of other banks. Under this law, Stamford is closed to *de novo* branching by CNB. However, Atlantic Bank might be permitted to establish *de novo* branches in New Canaan and Darien.

Commercial banking in the Stamford-New Canaan-Darien market is highly concentrated. As of June 30, 1968, six banks operated offices in this area with total deposits of about $335 million. The top three banks held about 87 percent of these deposits. Atlantic Bank had about 3.4 percent, and CNB had less than 1 percent of these deposits.

* * *

FIRST NATIONAL BANK OF LINCOLNTON, LINCOLNTON, N.C., AND THE FIRST NATIONAL BANK OF MOORESVILLE, MOORESVILLE, N.C.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Mooresville, Mooresville, N.C. (9531), with	$11,138,427	3	
and First National Bank of Lincolnton, Lincolnton, N.C. (6744), which had	21,496,891	4	
merged Apr. 30, 1970, under charter of the latter bank (6744) and title "Carolina First National Bank." The merged bank at date of merger had	32,635,318		7

COMPTROLLER'S DECISION

On January 13, 1970, The First National Bank of Mooresville, Mooresville, N.C., and First National Bank of Lincolnton, Lincolnton, N.C., applied to the Comptroller of the Currency for permission to merge under the charter of the latter bank and with the title "Carolina First National Bank."

The First National Bank of Lincolnton, with IPC deposits, of $14.8 million, was chartered in 1903, and presently operates through its head office in Lincolnton, and branch offices in Lincolnton, Denver, and Cherryville. Competition in Lincolnton derives primarily from a branch of the $600 million First Citizens Bank and Trust Company, the fourth largest bank in the State. In Cherryville, the bank competes with the $7 million Cherryville National Bank. Lincolnton is located only 35 miles northwest of Charlotte, bringing the charter bank under the competitive influence of the five largest banks in the State, each of which has offices there.

Lincolnton, with a population of approximately 5,900, is the largest community in, and the county seat of, Lincoln County. Textile manufacturing is the most significant contributor to the local economy with practically 50 percent of all manufacturing jobs available in that one industry. Other major employers include paper manufacturing, apple processing, wood products production, and furniture manufacturing.

The First National Bank of Mooresville, with IPC deposits of $7.9 million, was organized in 1900. In addition to its main office, it operates two branches within the city limits of Mooresville. This bank is not a full-service institution as it has no trust department. In addition, it has a serious management succession problem. Competition for the bank is derived from a local office of the $15 million Piedmont Bank and Trust Company, headquartered in nearby Davidson. It is also in direct competition with the $14 million Mooresville Federal Savings and Loan Association and the $6 million Citizens Savings and Loan Association. The Mooresville Bank, like the Lincolnton Bank, is also under the competitive influence of larger Charlotte-based banks. In addition to their offices in Charlotte, the North Carolina National Bank, First Union National Bank, and the Northwestern Bank all have offices in Statesville, about 15 miles north of Mooresville.

Mooresville, home of the merging bank, with a population of approximately 9,200, is located in Iredell County which adjoins Lincoln County along its eastern boundary. The county population has shown a steady increase and future expansion is predicted. Mooresville is in the southern portion of the county, approximately 25 miles from Charlotte. Lake Norman, the largest lake in North Carolina, borders the town on the west and acts as a natural barrier between Iredell and Lincoln counties. The economy of Mooresville is primarily based on the textile industry.

This merger will make available in the Mooresville area a broader range of banking services than the merging institution presently possesses. In addition, the merger will be the solution to the merging bank's management succession problem. A larger limit should be of benefit to the customers of both banks, particularly customers in the Mooresville area where future economic and population growth are forecast.

Competition will not be adversely affected as a result of this merger. The service areas of the two banks do not overlap, the head offices being 25 miles apart, and their closest offices some 15 miles apart, with Lake Norman lying between them. There is, therefore, little if any competition to be eliminated. In the Lincolnton area, the merger will have little if any affect other than to enable the resulting bank to be a slightly more effective competitor to the much larger First Citizens Bank and Trust Company. In Mooresville, the merger, rather than adversely affecting competition, will enhance competition for available trust business. In the overall service area of the resulting bank, the merger will create an institution more capable of resisting the incursions of the large Charlotte-based statewide banks. Although both participating banks can legally branch *de novo* into the service area of the other, this method of growth does not appear to be feasible for them.

Applying the statutory criteria to this application, it is concluded that the merger is in the public interest. The application is, therefore, approved.

MARCH 12, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Lincolnton Bank's Denver office, the office nearest to Mooresville, is about 12 miles west of Mooresville across Lake Norman, the State's largest lake. There is one competing banking office in Mooresville, but none in Denver. Neither merging bank derives significant business from the area served by the other. Therefore, the proposed merger would not appear to have an adverse effect upon any actual competition.

Either merging bank could legally branch *de novo* into the area served by the other. However, several of the largest banks in North Carolina have offices nearby and appear more likely potential entrants. Therefore, the proposed merger would not appear to eliminate a significant potential competitor.

* * *

OLD NATIONAL BANK OF WASHINGTON, SPOKANE, WASH., AND COMMERCIAL BANK OF WASHINGTON, TWISP, WASH.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Commercial Bank of Washington, Twisp, Wash., with	$5,495,805	2	
and Old National Bank of Washington, Spokane, Spokane, Wash., (4668), which had	291,760,801	38	
merged Apr. 30, 1970, under charter of the latter bank (4668) and title "Old National Bank of Washington." The merged bank at date of merger had	298,144,823		40

COMPTROLLER'S DECISION

On December 5, 1969, the Old National Bank of Washington, Spokane, Wash., with deposits of $262.7 million, and the Commercial Bank of Washington, Twisp, Wash., with deposits of $5.2 million applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

Old National Bank of Washington, organized in 1891, and headquartered in Spokane, Wash., has IPC deposits of $242.8 million, and offers its customers full commercial banking services including a trust department. The charter bank has 38 offices operating in nine counties in eastern Washington; it has received permission to open three additional offices. It is a subsidiary of Washington Bancshares, Inc., a registered bank holding company which controls the $35 million First National Bank in Spokane and owns 5 percent or less of the stocks of Security Bank of Washington, Ephrata, Wash.; Valley Commercial Bank, Clarkston, Wash.; Bank of Yakima, Yakima, Wash.; and the Northeast Bank, Seattle, Wash.

Spokane, with a population approximating 188,500, is the second largest city in Washington, and is situated 285 miles east of Seattle and 17 miles west of the Idaho State line. For reasons of size and location, it is considered the capital of the "Inland Empire", a region that includes a large part of eastern Washington, northern Idaho, and western Montana. The economy of the region is largely dependent on agriculture, lumbering, and mining, with manufacturing, transportation, and military businesses registering a significant secondary impact on the income of the area. Manufacturing has increased in the last decade; at the time of application the Spokane area had approximately 350 manufacturing plants which employed approximately 13,000 people.

The Commercial Bank of Washington, organized

1909, is the only commercial financial institution headquartered in Twisp, Wash. The bank records IPC deposits of $3.7 million in its main office and single branch at Pateros, Wash.

Twisp is a rural town of 766 people in Okanogan County. Lumbering is the primary industry of the county, with apples, farming, and tourism having considerable impact on the economy. While tourism and recreation are seasonal industries, their importance has been increasing with the completion of the North Cross Highway and the extension of North Cascades National Park southward to within a few miles of the merging bank's service area. Tourism is expected to increase to the benefit of the area's economy.

No competition exists between the applicant institutions. The Pateros branch of the merging bank and the Davenport branch of the charter bank are the closest facilities of the applicants and they are approximately 100 miles apart. In addition, five offices of competitor banks intervene between the two service areas. The potential for competition between the applicants is remote, State statutes restrict *de novo* branching of a bank across county lines to those incorporated communities that have no banking offices. There are only four incorporated, non-banked, communities in Okanogan County, and each has a population of less than 400. Consequently, none are sufficiently large to be considered as potential branch locations at this time. While there are a number of larger towns, they are already adequately serviced by branch banks or main offices of competitive institutions.

The banking structure of the merging bank's trade area is adequate and it will not be adversely affected by consummation of the merger. In addition to the merging bank, Twisp and Pateros are served by four banks including the $1.9 billion Seattle-First National Bank and the $1.2 billion National Bank of Commerce, two of the State's largest. Seattle-First National Bank has branches at Chelan, Okanogan, and Omak, which together have deposits of $25 million. The National Bank of Commerce of Seattle retains $6.5 million in deposits at its Brewster branch. The other two banks, Central Washington Bank in Chelan, and Farmers State Bank in Winthrop, aggregately have deposits of less than $2 million. In relation to these institutions, the resulting bank will have combined deposits of $5.2 million at the Twisp and Pateros branches. The merger will introduce the full services of the Old National Bank of Washington which can be expected to intensify competition for the deposit business which now gravitates to the market area's two largest banks, *viz.* Seattle-First National and the National Bank of Commerce of Seattle.

The convenience of the proposed merger to the public will be substantial. The management succession dilemma that is imminent in the merging institution will be solved through the present staff of the charter bank and the management training program which the charter bank presently maintains to meet its needs. The charter bank will provide trust and agricultural services, neither of which are available to the merging bank's customers, but which are offered by branches of the two large Seattle banks. The merger will greatly increase the lending limit of the merging institution which at the time of application was $67,000. The larger lending limit, plus the ability to transfer funds from the charter bank to the Twisp-Pateros service area without seeking participations, will benefit the merging bank's trade area.

Applying the statutory criteria to the proposed merger, we find that it is in the public interest. The application is, therefore, approved.

MARCH 23, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Old National, the largest bank in eastern Washington, is the fifth largest bank in the State. Its nearest branches to Twisp and Pateros are located more than 80 miles away in other counties.

The merger will not eliminate any significant competition between the two banks. The merger will bring about direct competition between Old National and two big Seattle-based banks that now have branches in Okanogan County.

Under Washington law, the entry of another bank into either Twisp or Pateros by *de novo* branching is prohibited. Remington Rev. Wash. Stat. 30.40.020. Hence, a bank not presently serving this area can enter only by acquiring an existing bank or opening an office in a community which presently has no bank office. Old National has the size and interest to use the latter method. The merger will, therefore, make entry by other smaller banks not presently serving the Twisp and Pateros areas more difficult.

Of the six banks which serve Okanogan County, Commercial Bank is the fifth largest in terms of deposits in banking offices in Okanogan County. It is also the third largest of four independent, local banks in that county. This merger will, therefore, not foreclose the possibility of entry by other banks into the county, as a whole, through acquisition.

* * *

SOUTH JERSEY NATIONAL BANK, CAMDEN, N.J., AND UNION NATIONAL BANK AND TRUST COMPANY, MOUNT HOLLY, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Union National Bank and Trust Company, Mount Holly, N.J. (2343), with	$34,499,979	4	
and South Jersey National Bank, Camden, N.J. (1209), which had	305,339,193	27	
merged Apr. 30, 1970, under charter and title of the latter bank (1209). The merged bank at date of merger had	339,637,141		31

COMPTROLLER'S DECISION

On October 27, 1969, the South Jersey National Bank, Camden, N.J., applied to the Office of the Comptroller of the Currency for permission to merge with the Union National Bank and Trust Company, Mount Holly, N.J., under the charter and with the title of the former.

The South Jersey National Bank was chartered as a State institution in 1812, and converted to National bank status in 1865. An aggressive competitor in the Philadelphia-Camden area, the bank reports IPC deposits of $211.5 million, and operates 21 branch offices. It has seven approved but unopened branches, and one application pending. It is one of the two banks in the United States which is permitted to maintain a branch facility in a State other than the one in which it is headquartered; it has had an office in Philadelphia, Pa., since 1813. The applicant has become a recognized specialist in construction loan services, which it offers in addition to the other normal activities of a full-service commercial bank.

The Union National Bank and Trust Company, with IPC deposits of $25.3 million, is headquartered in Mount Holly, N.J. Chartered in 1871 as a State bank, it converted to National bank status in 1876, and has retained its National charter since that time. This bank operates three branch offices; in addition, it has an application pending for a branch in Hainesport Township, several miles west of Mount Holly. While the bank is now managed by knowledgeable and competent personnel, it has a management succession problem which is expected to become acute in the next 5 years. The president is of retirement age, and the executive vice president-cashier has announced plans to retire within the next 2 or 3 years.

Camden, headquarters for the applicant bank, is the county seat and hub city for Camden County, a populous county in southern New Jersey. The city has a population of 116,000, supported by retail, manufacturing, and commercial facilities both in the city and in nearby Philadelphia. The banking structure in Camden and western Camden County is well developed, with several large banks and numerous branch facilities.

Mount Holly, situs of the merging bank, is located in Burlington County, approximately 20 miles northeast of Camden. The city, which now has approximately 15,000 residents, is expected to increase greatly with the continuing development of Burlington County. In the last 5 years, Union National Bank and Trust's service area population has increased from 35,000 to about 68,000 people, and, in the same period, Burlington County's population has increased from 250,000 to 355,000. Much of the county is yet undeveloped owing to its agricultural heritage. It is that abundance of open land that is attracting new industry and stimulating the growth of the county, particularly in the merging bank's trade area. Further economic stimulation in western Burlington County is derived from the proximity of Fort Dix and McGuire Air Force Base, and the large numbers of military and civilian personnel associated with these facilities. The Mount Holly area is served by two commercial banks other than the merging bank: The Burlington County Trust Company of Moorestown, the largest bank in Burlington County, which has assets in excess of $73 million, has a branch in Mount Holly and two branches within 4 miles; and the $57 million

Mechanics National Bank of Burlington County which has three branches within 6 miles of the merging bank's offices.

The entire western portion of southern New Jersey, which includes Camden, Gloucester, and Burlington counties, is now undergoing a vast transformation from a predominantly agricultural environment to a highly developed industrial and residential area situated in the megalopolis that stretches from Boston, Mass., to Washington, D.C. Transportation facilities are excellent as all major mediums—highway, air, rail, and water—now serve the area. Business interests are attracted because of the availability of land and labor, and the strategic location of the area in the center of the eastern markets. The area also affords relatively easy access to the midwest and south-central States. Among the largest employers are R.C.A., Owens Corning Fiberglass, New Jersey Telephone Company, C.F.&.I. Steel Corporation, Colorado Fuel and Iron Company, plus numerous electronic, chemical, and machinery producing plants.

Competition between the applicant institutions is insignificant. Prior to July 17, 1969, New Jersey banking law forbade a bank from branching in any county other than the one in which it maintained its head office. Since each applicant bank resided in a different county, each was effectively isolated from the other's market area. Distance also works to reduce competition; the main offices of the banks are 20 miles apart, and South Jersey's nearest branch is 12 miles from Mount Holly. Competitor banks located between the two banks effectively separate them. No less than 11 of Burlington County's 14 banks have 30 offices closer to, and between, Mount Holly and South Jersey National Bank's nearest offices. In addition, competitor institutions in Camden County operate some six branches between the applicants. As a result, the amount of overlapping deposit and loan business between these banks is minute.

The revision of the New Jersey branch laws on July 17, 1969, now permits all banks in a designated district to branch *de novo* under limited circumstances, throughout the district. Both applicants are in the Third Banking District; however, *de novo* branching into the other's trade area by either institution is unlikely. Suitable sites are hard to find because of the "home office" protection rule and the pending applications of competitor institutions for branches into presently unbanked or underserviced areas. For Union National Bank, the expense of *de novo* branching into South Jersey's market area is prohibitive because its capital resources are already thin in relation to its deposit size, and it does not have the depth in management to staff new offices.

Approval of the proposed merger will not adversely affect area competition nor significantly concentrate assets in the resulting bank. The Third Banking District has 74 commercial institutions with total deposits of $2.2 billion. A realistic assessment of area competition must include consideration of the large, competitive Philadelphia banks among which are the $2.5 billion First Pennsylvania Bank; the $2 billion Philadelphia National Bank; the $1.7 billion Girard Trust Bank; the $1.3 billion Fidelity Bank; and the $971 million Provident National Bank. Although these banks can not physically locate in New Jersey, it has been comparatively easy for them to become substantial competitors. A number of residents of Camden and Burlington counties work in Philadelphia and satisfy their banking needs through Philadelphia banks. Also, since the Burlington County banks are not able to meet large money needs, many individual and corporate loan requests must be handled by Camden or Philadelphia institutions. In return, the individual or business usually will maintain a deposit account with the bank. If a small bank manages to serve its customers' needs, it usually is on a participation basis with larger area banks, often contingent on the availability of funds at the correspondent level.

Approval of the merger will introduce into Burlington County an institution that can accommodate its rapidly expanding individual and commercial needs. South Jersey National Bank will bring a wide variety of services found in all the large Philadelphia banks. The lending limit of South Jersey National Bank is slightly in excess of $2 million to any one borrower on an unsecured basis, while Union National Bank's is only $300,000. However, the resulting bank, with a limit of $2.5 million, will ensure the merging bank's customers of a greatly increased credit source without having to go to the Philadelphia banks. For construction loans, the major type of business for the South Jersey National Bank, the lending limit of South Jersey National Bank will increase from $22 million to $25 million, a very desirable increase in view of growing Camden-Burlington construction demands. The resulting bank will introduce a number of banking services that are not presently available to customers of the merging bank such as an investment advisory service, an estate planning department, full trust services, EDP services, an armored car service, payroll preparation, lock box services, check guarantee cards, and overdraft lines of credit. The present services operated by the merging bank will be updated and expanded.

Applying the statutory criteria to the proposed merger, we find it is in the public interest and the application is, therefore, approved.

JANUARY 21, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest office of Camden Bank is about 12 miles from Mount Holly, with several other banks in the intervening area. The proposed merger, therefore, would not appear to eliminate any significant amount of direct competition between the two banks.

Recent legislation in New Jersey broadens geographic areas for bank expansion beyond the former limits of county lines by dividing the State into three banking districts. Under this law, banks may operate branch offices within an entire district. However, the law retains community-wide home office protection against *de novo* branching and provides branch office protection in communities of less than 7,500 persons. Thus, while Camden Bank is presently precluded from branching *de novo* into communities now served by offices of Union Bank, it could establish branches elsewhere in Burlington County, possibly coming into competition with Union Bank. The proposed merger would eliminate this possibility.

Camden Bank is the second largest bank in the Third District, and has evidenced an intent to become a regional competitor through entry into new areas of the district. Union National is one of the more substantial banks headquartered in Burlington County, holding about 9 percent of the total commercial bank deposits therein. However, the two largest banks in Burlington County, each substantially larger than Union National, operate offices in the vicinity of Mount Holly.

Although the proposed merger would open Mount Holly, the county seat of Burlington County, to *de novo* branching by other commercial banks in the district, it would eliminate a substantial bank in a growing area, and may have some adverse effect upon the development of a more competitive commercial banking structure in the Third District.

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THE FIRST NATIONAL BANK OF MARYLAND, BALTIMORE, MD., AND FIRST NATIONAL BANK OF HARFORD COUNTY, BEL AIR, MD.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
First National Bank of Harford County, Bel Air, Md. (13680), with	$38,156,284	5	
and The First National Bank of Maryland, Baltimore, Md. (1413), which had	727,720,018	48	
merged May 1, 1970, under charter and title of the latter bank (1413). The merged bank at date of merger had	761,510,201		53

The "Comptroller's Decision" and the "Summary of Report by Attorney General" for this case appeared in the 1968 Annual Report under the heading "Approved, but in litigation."

* * *

FIRST TRENTON NATIONAL BANK, TRENTON, N.J., AND NEW JERSEY NATIONAL BANK AND TRUST COMPANY, NEPTUNE, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
New Jersey National Bank and Trust Company, Neptune, N.J. (15297), with	$134,280,383	11	
and First Trenton National Bank, Trenton, N.J. (1327), which had	508,284,242	14	
merged May 11, 1970, under charter of the latter bank (1327) and title "New Jersey National Bank." The merged bank at date of merger had	642,564,625		25

COMPTROLLER'S DECISION

On January 14, 1970, the First Trenton National Bank, Trenton, N.J., and the New Jersey National Bank and Trust Company, Neptune, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title "New Jersey National Bank."

The charter bank, with IPC deposits of $265 million, operates 12 offices in Mercer County, 1 in Hunterdon County, and has permission to open 3 more branches which are not yet in operation. The New Jersey National Bank and Trust Company, the merging bank, has IPC deposits of $110 million, operates 10 offices in Monmouth County, and has permission to open 3 more branches.

Both banks are located in the newly formed Second Banking District of New Jersey. However, the areas they serve are completely separate. The charter bank serves Mercer County, parts of the Second Banking District adjoining Mercer County, that part of the Third Banking District south of Trenton, and a significant portion of Bucks County, Pa., which lies directly across the Delaware River to the west. The service area of charter bank contains 32 commercial banks with 101 operating or approved branches, holding $8.5 billion in deposits as of December 31, 1968. The charter bank holds 3.8 percent of these deposits and ranks sixth in size. Its competition includes the large Philadelphia banks, several of which maintain offices within 1 mile of the main office of the charter bank.

The New Jersey National Bank and Trust Company is the fifth largest bank in Monmouth County. The county is coextensive with the bank's service area and contains 11 commercial banks with 89 offices and deposits of $784 million as of December 1968. The merging bank held 14.8 percent of those deposits. Its main competitors are the Central Jersey Bank and Trust Company, the Monmouth County National Bank, and First Merchants National Bank. A new bank charter has been approved for the county, and another is pending before the State banking officials.

The Second Banking District of New Jersey is comprised of six central New Jersey counties lying in a corridor between New York City and Philadelphia. The district contains a population of approximately 2.2 million. The southwestern portion of the district, which includes charter bank's service area, is oriented economically and commercially toward Philadelphia, while the northern and eastern portions, including merging bank, are oriented toward New York City. There are 67 banks in the district holding total deposits of $3.7 billion. The charter bank has 9.9 percent of those deposits, and the resulting bank will hold 13.1 percent.

The banks in New Jersey are grossly undersized in view of the State's highly urban and industrial economy and its dense population. Although the per capita income in New Jersey is very high, it has a very low ratio of bank deposits per capita. New Jersey has no "city banks" as the term is used in Federal Reserve Board Regulations. Banking is strictly retail and local.

The reasons for New Jersey's lack of banking dynamism are both legal and geographical. Its extremely limited branching and merging law has limited internal growth and expansion, and this problem has been compounded by the plethora of major banking services available in nearby New York City and Philadelphia. New Jersey's large and diverse industries require specialized skills and sums of capital available in adequate amounts only in these two metropolitan areas. As the quest for services extends beyond State lines, the deposits generated in New Jersey also flow toward the larger banks. Consequently, New Jersey banks grow very slowly even though the local economy has been most dynamic.

The recent changes in New Jersey's branching and merger law divide the State into three districts, and permit branching anywhere within the district, although this permission is restricted by a home office protection clause. It also permits bank mergers within each district. The major effect of the new law is the expanded merger privilege inasmuch as there are very few sites open to *de novo* branching. The instant proposal is the first attempt in the Second Banking District to carry out the intent of the new banking laws. It will provide a large, district-wide institution, capable of competing to some extent with the large, metropolitan, out-of-state banks. Monmouth County, especially, needs a large bank since its economy is growing rapidly and its future prospects are very encouraging. Mercer County, although it houses the State capital, has a declining industrial base, urban renewal problems, and much slower growth.

The resulting bank will attempt to provide correspondent services in order to keep district deposits within the State. In addition, the resulting bank will bring to Monmouth County the following services presently unavailable in the county: electronic data processing services, international banking services, credit card services, and a municipal bond department. In addition, the merger will eliminate home office protection in Neptune, thereby opening it for further expansion by other banks.

The proposal will have no adverse competitive effects. Since most banks in New Jersey are small and localized, they will be largely unaffected by the proposal. The applicant banks do not compete with each other. Their home offices are 39 miles apart, and their closest branches are 23 miles apart. A proposed branch of New Jersey National Bank is 15 miles from charter bank's closest branch. The service areas of the two banks are independent of each other, separated by years of legal barriers and by rural areas having little banking potential. Only 0.4 percent of the charter bank's deposits are derived from Monmouth County, and an even smaller percentage of New Jersey National Bank's deposits are generated from charter bank's service area.

The proposal appears to be in the public interest in light of statutory criteria, and is designed to carry out the intent of the citizens of New Jersey as reflected in the 1969 banking amendments. It further appears to be without adverse competitive effects. The application, therefore, is approved.

APRIL 9, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

First Trenton serves a large area surrounding the city of Trenton in the southeastern section of New Jersey's Second Banking District, including all of Mercer County and adjacent sections of surrounding New Jersey counties, as well as portions of Bucks County, Pa. Its recently approved office in Middlesex County will broaden its service area to some extent.

Neptune Bank's existing offices lie in eastern Monmouth County, east of the Garden State Parkway. Its two approved, but as yet unopened, offices in Howell Township and Freehold Borough will afford entry into the central part of the county.

The nearest offices of the merging banks, open or approved, are about 15 miles apart, with several intervening banking alternatives. It would appear the proposed merger will not eliminate substantial existing competition.

Recent banking legislation in New Jersey divides the State into three banking districts; cross-county branching is now permitted, either *de novo* or by merger, within an entire district. However, *de novo* branches may not be opened in communities where a bank has its head office, or where a branch office exists if the population is less than 7,500.

These recent amendments to New Jersey law have induced substantial market expansion efforts by the State's larger banks, both through application for *de novo* offices and through mergers. A number of the larger banks in the State have also announced plans to expand through formation of registered bank holding companies, which may control banking subsidiaries throughout the State. We believe that large banks should expand either *de novo*, or through acquisition of smaller banks in new markets they wish to serve. In this manner, leading banks in the new areas will be preserved to offer effective competition to entering banks, and may themselves be the nuclei of developing institutions capable of competing with the largest banks on a broad geographic scale.

In view of its position as the largest commercial bank in the Second Banking District, and its admitted interest in broadening its service area, First Trenton is clearly one of the most likely entrants into banking competition in Monmouth County. Other sources of potential competition include newly forming registered bank holding companies, primarily led by major banks in the First Banking District.

Neptune Bank is one of the four large banks in Monmouth County which together hold about 78 percent of the county's total deposits. Merger with one of the smaller banks in Monmouth County could afford First Trenton the entry it seeks, and introduce another strong competitor into this highly concentrated market. Monmouth County is an attractive market for entry because of its rapid economic expansion.

In view of the alternative means of entry by First Trenton into Monmouth County, it would appear that the proposed merger, which would eliminate one of the county's larger banks and most capable competitors, would have an adverse effect on competition.

* * *

The Cassia National Bank of Burley, Burley, Idaho, and Lava Hot Springs State Bank, Lava Hot Springs, Idaho

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Lava Hot Springs State Bank, Lava Hot Springs, Idaho, with	$739,857	1	
and The Cassia National Bank of Burley, Burley, Idaho (12256), which had	13,081,949	2	
merged May 18, 1970, under charter of the latter bank (12256) and title "Cassia National Bank." The merged bank at date of merger had	13,821,806		3

COMPTROLLER'S DECISION

On December 10, 1969, the Lava Hot Springs State Bank, Lava Hot Springs, Idaho, and The Cassia National Bank of Burley, Burley, Idaho, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of "Cassia National Bank."

The Cassia National Bank of Burley, with IPC deposits of $10.6 million, was organized in 1922. It operates through its main office and one branch office.

Burley, located in the south-central section of the State, has a population of 8,700, and serves a trade area population of 30,000. The economy of the area is heavily dependent on agriculture, particularly potato growing, and, to a lesser extent, upon livestock raising. Several large processing plants which furnish year-round employment also contribute to the economy.

Banking competition in Burley is very keen. In addition to the charter bank, which ranks 10th in size of the 26 banks operating in the State, branches of the much larger First Security Bank, and Bank of Idaho serve the Burley area. The Production Credit Association, Farm Home Administration, 10 credit unions, and several savings and loan associations also serve the area.

Lava Hot Springs State Bank was organized in 1917, and today, with total deposits of $335 thousand, ranks as the smallest bank in the State. Prior to the acquisition of the stock of this bank by eight persons who own 85 percent of the Cassia National Bank, it paid only 1 percent on savings accounts. As a result, 90 percent of its deposits are in the demand category. The loan to deposit ratio is only 14 percent, with over 70 percent of the total assets invested in United States Government obligations.

Lava Hot Springs, situated in Bannock County, 33 miles southeast of Pocatello and 111 miles east of Burley, has a population of 600. Although Lava Hot Springs lies in an agricultural area, its principal activity, as its name would indicate, is as a health resort and recreational center. During the summer months the population of the town doubles.

This merger will have no competitive impact in either the Lava Hot Springs or Burley areas. Since the closest bank to Lava Hot Springs is 28 miles distant, it will not be affected. In the Burley area, this merger will not alter the banking structure. Clearly, this merger will not eliminate any competition between the participants.

This merger will be of benefit to the customers in the Lava Hot Springs area by increasing the interest rate on savings accounts, thus making them more attractive to the Lava Hot Springs customers. Not only will it increase the lending limit at the Lava Hot Springs office of the resulting bank, but it will make credit available to develop service type businesses to match the new recreational developments. Real estate financing will also become available.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest. The application is, therefore, approved.

March 25, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Cassia National, with total deposits of $11.6 million, operates its main office and its only branch in Burley. Lava State, with total deposits of $361,000, is the only bank in Lava Hot Springs (approximate population 600).

Since the applicant banks are located about 113 miles apart, the proposed merger will not eliminate any direct competition. Considering the size of the merging banks, it is not likely that either of the banks can be considered likely potential competitors in the other's market. Therefore, this merger will have no anticompetitive effect.

* * *

PEOPLES NATIONAL BANK OF NEW JERSEY, WESTMONT, HADDON TOWNSHIP, N.J., AND THE VINELAND NATIONAL BANK AND TRUST COMPANY, VINELAND, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Vineland National Bank and Trust Company, Vineland, N.J. (2918), with..	$29,709,165	5	....
and Peoples National Bank of New Jersey, Westmont, Haddon Township, N.J. (12022), which had..........	131,715,508	10	....
merged May 22, 1970, under charter and title of the latter bank (12022). The merged bank at date of merger had..........	166,461,909	....	15

COMPTROLLER'S DECISION

On October 16, 1969, The Vineland National Bank and Trust Company, Vineland, N.J., and Peoples National Bank of New Jersey, Westmont, Haddon Township, N.J., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Peoples National Bank of New Jersey, with IPC deposits of $98 million, was chartered as a National bank in 1918. It presently operates seven offices throughout Camden County and, in addition, has received approval for seven new offices, five in Camden County and one each in Atlantic and Gloucester counties. Three offices will be added when the merger with Farmers and Mechanics National Bank, Woodbury, N.J., which was approved October 10, 1969, is consummated. Peoples National Bank is affiliated through common ownership and voting control with the $12 million The First National Bank of Riverside, Riverside, N.J., in Burlington County.

Camden County, home of the charter bank, is in the southwestern part of New Jersey, and is bordered by the Delaware River on the west and by Burlington, Atlantic, and Gloucester counties on the remaining three sides. The county's population, 471,310 in 1968, has grown more than 20 percent since 1960. Due to its location adjacent to Philadelphia and within the Delaware Port complex, its economy is well diversified with numerous sizeable industries and retail centers providing a varied economic base. The continued influx of commerce and industry into the area available for development assures a favorable economic outlook.

Peoples National Bank is the fourth largest of the eight commercial banks in Camden County, and sixth largest of the 74 commercial banks in the Third Banking District. It faces intense competition within its trade area from the three larger Camden County banks, namely: the $282 million Camden Trust Company; the $270 million South Jersey National Bank, Camden; and the $125 million Colonial National Bank, Haddonfield. Additional competition is generated by 15 commerical banks located in Philadelphia, Pa., 9 of which are larger than the resulting bank. The competing Philadelphia banks include the $2.5 billion First Pennsylvania Bank; the $2.1 billion Philadelphia National Bank; the $1.7 billion Girard Trust Bank; the $1.4 billion Fidelity Bank; and the $971 million Provident National Bank. Competition is also furnished by 64 savings and loan associations operating throughout the county, and the numerous other non-bank financial institutions operating in the area.

Vineland National Bank and Trust Company, the merging bank, with IPC deposits of $22.9 million, was organized in 1883 and presently operates three offices, all within the city of Vineland.

Cumberland County, home of the merging bank, had an estimated population of 127,770 in 1968, representing a 20 percent population increase over the last 8 years. It is well situated geographically, with the most populated areas of the county only 40 miles from Philadelphia and 35 miles from the Jersey shore. Agriculture is an important economic factor in the county, and industrial activity is agriculturally oriented through food processing and packaging, and glass container manufacturing. Industrial and residential growth is expected to continue as planned expressways are completed and access to this area from Philadelphia and Camden is facilitated.

Competition within the county is furnished by eight commercial banks, five savings and loan associations, and one building and loan association. Vineland National Bank and Trust Company, the merging bank, holds 15 percent of the county's commercial bank deposits. The largest bank in the county is the $41 million Millville National Bank, Millville, holding 22 percent of the country's deposits, while the second largest bank, the $36 million The Tradesmen's Bank and Trust Company, Vineland, holds 19 percent. The latter bank is the subject of a pending merger with the $282 million Camden Trust Company, Camden, the largest bank in the Third Banking District.

The proposed merger, if approved, will make a broader range of banking services available to the residents in the south-central part of New Jersey. An increased lending limit will be available to provide for the borrowing needs of the larger companies in the Vineland area. Through this merger Peoples National Bank would substitute its progressive and aggressive management for that of the conservative Vineland National Bank.

This merger will not adversely affect competition. As the closest existing offices of the two banks are 20 miles apart, there is no present competition between them and no elimination of any alternative banking source will result from this merger. The resulting bank will be the fourth largest commercial bank of the 74 existing banks in the newly formed Third Banking District of New Jersey, but will hold only 6 percent of the total banking deposits in the district. The merger will enable the resulting bank to compete more effectively with the large Philadelphia-based banks operating in the Camden area. Competition should be stimulated in both Camden County and the Third Banking District as a whole, because the resulting bank will be a more effective competitor without disadvantaging the smaller banks in the district. In Cumberland County, all banks should continue their present competitive position while competition among the larger banks will be stimulated without reducing the number of available alternatives.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest. The application is, therefore, approved.

DECEMBER 30, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the merging banks are about 25 miles apart; numerous competitive alternatives lie in the intervening area. According to the application, there is no overlap in the geographic sources of deposit and loan accounts of the merging banks. Thus, the merger would not appear to eliminate any significant amount of existing competition between the two banks.

Under recent changes in New Jersey law, commercial banks may now operate branches anywhere throughout the newly created banking district in which they are located. *De novo* branching, however, is limited by complete home office protection and branch office protection in communities of less than 7,500 population. Peoples and Vineland National are both located in the Third Banking District, comprised of eight counties in southern New Jersey.

Peoples is one of the largest banks in the Third District, and has sufficient resources to open *de novo* branch offices where attractive. Peoples has demonstrated the intent to expand its service area, and markets in Cumberland County, including Vineland, present attractive areas for bank expansion. However, the three major population centers of Cumberland County, Vineland, Millville, and Bridgeton, each have home offices of commercial banks and are thus insulated from *de novo* branching by outsiders. In like manner, many of the other communities in Cumberland County are protected by branch offices of other commercial banks. Peoples' opportunities for *de novo* entry into Cumberland County are accordingly limited.

We note, however, that Peoples has chosen to enter Cumberland County through merger with one of the more substantial county banks. We believe it important, from a competitive standpoint, that the largest banks in the district enter new areas through *de novo* branching, or in the alternative, through merger with small banks. In this manner, the larger local banks, most capable of competing with large new entrants will be preserved. These larger local banks, through affiliation with one another or in bank holding companies, are also sources of possible competition to the largest district banks on a broader scale.

We believe that systematic acquisition of the larger local banks in many areas by the largest banks in the district may result in undue concentration of commercial banking services in a limited number of giant banking institutions. Therefore, it would appear that Peoples' entry into Cumberland County through merger with one of the smaller banks located in the county would have a more positive effect on competition than its entry through merger with Vineland National.

* * *

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bank of Commerce, Magna, Utah, with	$2,147,844	1	
was purchased May 29, 1970, by Zions First National Bank, Salt Lake City, Utah (4341), which had	257,221,284	17	
After the purchase was effected, the receiving bank had	259,369,128		18

COMPTROLLER'S DECISION

On January 26, 1970, Zions First National Bank, Salt Lake City, Utah, applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the Bank of St. George, St. George, Utah, and the Bank of Commerce, Magna, Utah.

Zions First National Bank, the purchasing bank, with IPC deposits of $175.4 million, is the result of a merger in 1957 of three Salt Lake City banks: the Zions Savings and Trust Company, opened in 1873; the Utah Savings and Trust Company, organized in 1899; and the First National Bank of Salt Lake City, organized in 1890. The purchasing bank, owned by the Zions Utah Bancorporation, presently operates 16 banking offices and has approval for an additional branch. Primary competition for the bank derives from the State's two largest banks, *viz.*, the $594.5 million First Security Bank of Utah, N.A., and the $308.1 million Walker Bank and Trust Company.

Salt Lake City, with a population of almost 500,000 persons, is the county seat of Salt Lake County and the State's capital. Operations of Zions First National Bank were confined to Salt Lake County until 1968 when an office was established in Spanish Fork, some 65 miles south. Subsequently an office was established in Heber City, Utah, 50 miles southeast, and two offices were established in Provo, Utah, some 45 miles south. The city and its environs constitute Utah's major population, commercial, and industrial area, the economy of which is widely diversified with mining, manufacturing, transportation, agriculture, commerce, and military activities prevailing. The largest employer is Kennecott Copper Corporation which has 7,000 employees. Other significant contributors to the area's economy include numerous defense projects; Hill Air Force Base, located 25 miles north, the State's largest employer with about 18,000 civilian employees; and the University of Utah with an enrollment of about 14,000 persons.

The Bank of Commerce, Magna, Utah, one of the two selling banks, with total IPC deposits of $1.5 million was organized in 1963. This bank, a unit institution, is suffering from various operating problems which are reflected in the bank's earnings record; it did not show a profit until 1967.

The community of Magna is located in Salt Lake County, near the western boundary, approximately 19 miles southwest of the central business district of Salt Lake City. Magna has a population estimated at 7,000 and was originally organized in 1906 as a company town for the Kennecott Copper Corporation, which remains the town's principal employer. Local banking competition is confined primarily to the Magna branch of the $536 million First Security Bank of Utah, N.A. The nearest office of the purchasing bank is 10 miles distant. Two credit unions are also located in Magna; the membership of each consists of employees of Kennecott Copper Company who live throughout the Salt Lake City area.

The Bank of St. George, St. George, Utah, the other selling bank, with IPC deposits of $11.4 million, was organized in 1906 and has operated continuously since that time. It has two branches, one at Hurricane, acquired in 1956 through merger with the State Bank of Hurricane, and the other a *de novo* branch opened in 1965 at Enterprise, Utah.

All three offices of The Bank of St. George are located in Washington County which has a population of 7,000. Washington County is in the extreme southwestern corner of Utah, bordered by Arizona on the south and Nevada on the west. The economy is agriculturally oriented with livestock production a major source of income. Crops consist of grain, alfalfa, and sugar beets, as well as fruits common to a warm southern climate. Tourism also plays a major role. St. George is the principal trading center in the area and is 313 miles from Salt Lake

City. The town has a typical rural business district except for a large number of motels and restaurants located along highway 91, the major route connecting Los Angeles, Las Vegas, Salt Lake City, Denver, and other points east and west. Dixie College, a State 2-year institution is also located here. The Bank of St. George is the only bank in the county. The Cedar City branch of First Security Bank of Utah, N.A., located some 50 miles to the northeast handles Bank Americard for the area. A new State bank has been approved for St. George.

Banking competition in Utah is divided among 51 banks. Of these the purchasing bank ranks third in size controlling about 13.5 percent of the State's bank deposits. The largest bank in the State, the First Security Bank of Utah, N.A., holds 29 percent of bank deposits, while the second largest bank, Walker Bank and Trust Company, controls 16 percent of these deposits.

Consummation of the subject purchases will have significant beneficial effects. In the Magna area the single office Bank of Commerce will be replaced by a much larger institution more capable of serving the community's banking needs. Services which the Bank of Commerce does not offer, but which will be offered by the resulting institution, include trust services, complete electronic data processing services, credit card services, and larger lending limits. In addition the operating problems of the smaller Bank of Commerce will be solved by its absorption into the much larger Zions First National Bank. In St. George and Washington County, entry of the Zions First National Bank will mean the offering of complete trust and EDP services as well as a larger lending limit which will be particularly beneficial to the large ranchers and farmers in the northern part of the county whose credit needs cannot be presently met by the smaller Bank of St. George.

Competition will not be adversely affected by consummation of the proposed purchases. There is little present competition between the subject banks to be eliminated. Statewide, the resulting bank's position as third largest of the State's 51 banks will be unchanged by its purchase of the State's 14th and 51st largest banks while its share of total State deposits will increase only from about 13 percent to 14 percent. Potential competition will not be affected since in Magna, Hurricane, and Enterprise it would be economically unfeasible to establish *de novo* branches, while in St. George, State *de novo* branching restrictions prohibit the establishment of *de novo* branches. In fact consummation of the purchase of the Bank of St. George will open up that town to *de novo* branching, thereby enhancing competition.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest. The application is, therefore, approved.

April 16, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest office of Zions to St. George's office is about 250 miles distant. The proposed acquisition would not, therefore, eliminate any existing competition between these two institutions.

Commerce is, however, 10 miles from the nearest office of Zions. The proposed acquisition would, therefore, be likely to eliminate some existing competition between these two institutions. However, the largest bank in the State maintains an office in Magna which has deposits twice those of Commerce.

Under Utah law, no bank can open a banking office in St. George while St. George remains an independent bank. There is, further, no other community in the county large enough to support a new branch. This merger will, therefore, not result in a substantial elimination of competition.

We, therefore, conclude that the proposed acquisitions will not have a significantly adverse effect on either actual or potential competition.

* * *

Virginia National Bank, Norfolk, Va., and The Merchants and Farmers Bank, Smithfield, Va.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Merchants and Farmers Bank, Smithfield, Va., with	$9,760,533	1	
and Virginia National Bank, Norfolk, Va. (9885), which had	958,154,895	101	
merged June 1, 1970, under charter and title of the latter bank (9885). The merged bank at date of merger had	967,583,357		102

COMPTROLLER'S DECISION

On February 16, 1970, The Merchants and Farmers Bank, Smithfield, Va., and the Virginia National Bank, Norfolk, Va., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Merchants and Farmers Bank, the merging institution, was established in 1905, and presently records IPC deposits of $8.4 million. It is a single unit bank located in Smithfield, and is the smallest of the three banks serving Isle of Wight County, Va. The principal officer of the bank is 70 years old and, with his retirement imminent within a few years, there is no provision for his replacement by anyone within the merging bank's personnel.

Smithfield, with a population of 3,300, is the county seat of Isle of Wight County. It is located in southeast Virginia, between Norfolk and Petersburg. The economy of Smithfield and Isle of Wight is principally agriculture and food processing, with about 60 percent of the county's land utilized by farmers. The remaining lands are swamps and light forests which support the local paper mill and pulp industry. Isle of Wight County and Smithfield are known principally for the Smithfield ham, which became famous as a result of the hogs raised on peanuts introduced into the county from Africa in the early 17th century. The principal manufacturing firms in the county include the Union Camp Corporation, a paper products plant employing 1,800 people, and Gwaltney, Inc., and Smithfield Packing Company, both of Smithfield, employing about 950 people, respectively.

Virginia National Bank, the charter bank, is the outgrowth of a 1963 merger of Peoples National Bank of Central Virginia, Charlottesville, and The National Bank of Commerce, Norfolk. Through a subsequent series of mergers with twenty small banks scattered throughout the State and averaging less than $10 million in size, the charter bank penetrated markets in central, southern, and southwestern Virginia and, recently, the northern Virginia suburbs of Washington, D.C. It is notable that Virginia National Bank has offices in only two of the six major metropolitan areas of the State. As of December 31, 1969, the bank operated 97 branches and two military facilities which aggregately recorded $692.8 million in IPC deposits. It also has received approval to open three more branches in the area of Norfolk, and a merger with the $39.7 million First National Bank of Harrisonburg has been approved but not yet consummated.

The charter bank is the largest independent bank within the Commonwealth of Virginia, and with its wide branch network, its total service area encompasses the majority of the State, with the exception of the northwest area. Notwithstanding its statewide organization, the primary operations of the charter bank are carried on in the tidewater area, in and around Norfolk, a city of approximately 330,000 people, and in those communities in central Virginia around Charlottesville, a city of approximately 30,000 people.

Since Merchants and Farmers Bank is a unit institution serving the Smithfield portion of Isle of Wight County, the number of people served in the market area numbers no more than 10,000 at the maximum, and probably a more realistic figure based on Smithfield and surrounding environs would be approximately 5,000 persons. Geographically, the area is nondescript. It lies in the Coastal Plain region with elevations from sea level to 100 feet; the northern portion of the county's area is swampy. Approximately one-half of the county is forested, with most of the remaining land devoted to agriculture. Although Isle of Wight is famous for its cured hams, this business in itself is not sufficient to make the area an economically significant section of the country.

During the years between 1940 and 1960, the population of Smithfield decreased by 200 persons; however, since 1960, the population has again grown to the 1940 level. The three aforementioned paper and food processing firms employ about 95 percent of the work force in the area and, due to the nature of their business, employment tends to be seasonal. It is notable that no new manufacturing firms have settled in Isle of Wight in the last 20 years. Smithfield Packing Company has announced that due to its large credit needs it cannot depend upon the three Isle of Wight banks but must do its business with the charter bank which is presently some distance away. The firm has indicated that it will switch its account to the first large bank that can enter the area and handle its credit needs. Accordingly, the economic future of the county, while not bleak or presently depressed, depends upon large, aggressive banks to assist the present businesses and induce new business to enter the area.

This merger will not eliminate any significant or potential competition. Presently, the charter bank has no branches within Isle of Wight. Its nearest offices are at least 20 miles away at Franklin, Hampton, and Suffolk. Aside from two large loans to businesses in Smithfield that the merging bank cannot service, the Virginia National Bank derives only 50 deposit accounts from the merging bank's market area. Likewise, the merging bank does an insignificant amount of business outside of the Isle of Wight, deriving $6.5 million of its $8.8 million in deposits from the town of Smithfield itself.

The potential for competition by the charter bank into Isle of Wight is limited only to merger with one of the three county banks. State law forbids *de novo* branching and, in any event, the Isle of Wight market is not attractive for entry by a fourth institution due to expense and lack of business.

The Isle of Wight market supports two other institutions in addition to the merging bank: the $11.7 million deposit Bank of Smithfield, and the $9.9 million deposit Farmers Bank, Windsor, Va., some 15 miles southwest of Smithfield. Other local competition from nearby counties includes the $4.2 million Bank of Surrey County, Surrey, Va., 18 miles northwest, and the $2.7 million Bank of Nansemond, 15 miles southeast of Smithfield. While one bank will be eliminated at Smithfield, its office will remain open as a branch of a bank which offers the fullest line of services for the merging bank's customers and the community. The charter bank is many times larger than the two other banks in Smithfield, but it is not expected that the merger will adversely affect the community's present banking structure since the smaller banks will continue to attract customers to the particular services which they presently offer. The distinctive feature of this merger is that the charter bank will be extending services that the merging bank and its two competitors haven't the capacity to afford the public. Essentially, the charter bank will be initiating services which presently are not offered, rather than concentrating all its resources and personnel on that sector of the market which is already well served.

Among other services the Virginia National Bank can bring to the Smithfield area is a comprehensive mortgage loan program for construction and long term business loans. The bank is also acquainted with and participates in Small Business Administration loans. For local municipal authorities, Virginia National operates a specialized municipal bond department which participates in the underwriting, trading, and distribution of municipal securities. Moreover, Virginia National has excellent computer services, agricultural services, and trust facilities. Locating the charter bank in Smithfield will permit it to quickly and easily service the credit needs of the town's largest employers to the advantage of all the parties concerned. Although this merger may appear to be slightly anticompetitive to the other two banks in Smithfield, the benefits to the community will far outweigh any anticompetitive aspects of the merger.

Applying the statutory criteria to the proposed merger, we find that it is in the public interest. The application is, therefore, approved.

April 29, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Merchants is the smallest of three banks based in Isle of Wight County. VNB has no offices in this county. Its closest offices to Smithfield are at Hampton, 20 miles distant across the James River; at Suffolk, 20 miles southeast; and at Franklin, 32 miles southwest. An analysis of all VNB demand deposit accounts originating within a 15-mile radius of Smithfield disclosed 50 accounts with deposits of $85,285, or 0.004 percent of VNB's Tidewater demand deposits. A similar analysis at Merchants revealed that deposits totaling $292,809, or 3.3 percent of its total deposits, originated in areas served with VNB. Thus, it would appear that only a limited amount of direct competition between the banks would be eliminated by the proposed merger.

Under Virginia law VNB cannot open *de novo* branch offices in Isle of Wight County. The two other banks based in that county, Bank of Smithfield and Farmers Bank, are comparable in size and market position to Merchants, although somewhat larger. Thus, there is no present merger path whereby VNB could enter Smithfield without acquiring a larger market position.

The proposed merger would, however, eliminate the possibility of VNB's entry through establishment of a holding company, and acquisition of a newly chartered bank in the area.

* * *

The First National Bank of Houlton, Houlton, Maine, and The First National Bank of Fort Fairfield, Fort Fairfield, Maine

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Houlton, Houlton, Maine (2749), with	$20,433,149	2	
and The First National Bank of Fort Fairfield, Fort Fairfield, Maine (13843), which had	8,986,563	2	
merged June 2, 1970, under charter of the latter bank (13843), and title "The First National Bank of Aroostook." The merged bank at date of merger had	29,541,440		4

COMPTROLLER'S DECISION

On December 5, 1969, The First National Bank of Houlton, Houlton, Maine and The First National Bank of Fort Fairfield, Fort Fairfield, Maine, applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of "The First National Bank of Aroostook."

The First National Bank of Houlton, the merging bank, was organized in 1882, and presently records IPC deposits of $16.5 million. This family-controlled bank has its main office in the business section of Houlton, and one branch office, opened in 1969, in the Houlton shopping center, approximately 1 mile from the head office. Its primary service area extends in a rectangular pattern 10 miles north of the city and 40 miles south along U.S. Route 1.

Houlton, Maine, with a population of 8,400 persons, is the county seat of Aroostook County which is located in the far northeast corner of the State. The city is situated in the southeastern portion of the county approximately 7 miles west of the province of New Brunswick, Canada. Well removed from any sizeable metropolitan area, Houlton lies 116 miles northeast of Bangor and 192 miles northeast of Augusta, the capital of Maine. The city contains Ricker College, which has a current enrollment of 625, two hospitals, three nursing homes, and 115 retail establishments including 19 food stores and 14 auto dealerships. Transportation facilities serving Houlton and the surrounding area include railroad, air, bus, and truck services. Passenger service is confined to bus and air service. Interstate 95 begins in Houlton, and U.S. Route 1 runs north and south through the city. The economy of Houlton, as in the whole of Aroostook County, is based upon agricultural crops, particularly potatoes, and lumber and associated paper products. In recent years, with the advent of better roads, there has been marked growth in the recreation and tourist industries.

The First National Bank of Fort Fairfield, the charter bank, was organized in 1933, and presently records IPC deposits of $4.3 million. The bank is a subsidiary of Depositors Corporation, a registered bank holding company that controls the $145 million Depositors Trust Company, Augusta, Maine. The First National Bank of Fort Fairfield was a unit bank until late 1969, when it opened a branch facility at Presque Isle, 12 miles southwest of Fort Fairfield. The effective service area of the charter bank is rectangular in shape and extends about 12 miles beyond Fort Fairfield and Presque Isle, the two cities which lie at either end of its service area.

Fort Fairfield is a town of 5,800 persons, 50 miles north of Houlton, 168 miles northeast of Bangor, and 244 miles northeast of Augusta. The commercial heart of Aroostook County lies within a 14-mile radius of Fort Fairfield and includes such communities as Presque Isle, a city of 12,638; Caribou, with a population of 13,294; Limestone, with a population of 17,441; and Easton, a town of 1,400.

The economy of the Fort Fairfield area is founded on agricultural and forestry products. Large firms in the area that employ 200 or more people include American Kitchen Industries, Vahlsing Inc., A&P National Produce Division, Converse Rubber Company, Indianhead Plywood, and Potato Service Inc. Vahlsing Inc., a food processing concern in Easton, is presently undergoing a $9 million expansion program, and recent construction in Presque Isle, both public and private, totals $8.5 million, with projected construction in the future to approach $6.5 million. Three of the aforementioned communities have their own hospitals, complemented by two nursing homes. The presence of Presque Isle Air Force Base, a Strategic Air Command installation at Limestone, is a significant economic factor in the Presque Isle area.

Because of its peculiar geographic and demographic characteristics, Aroostook County cannot properly be considered an economically significant section of the country within which to evaluate the competitive consequences of this cash merger. This county, whose entire eastern border abuts the province of New Brunswick for a distance of 100 miles, is the largest in the State of Maine. Because of its rough terrain, thick forests, and lack of roads, the county and its people are somewhat isolated from the more populous centers in the southern section of the State. Although this county, with 109,500 residences, is the third most populous in the State, the majority of those people live in the towns along the eastern border. Most of the county has a population density of less than 10 persons per square mile.

During the last 20 years the economy of the county has been undergoing a drastic change. The potato has lost its preeminence. The fact that small and medium farmers cannot profitably raise a potato crop is demonstrated by the extensive credit advanced to farmers in the county by the Farm Home Administration. The Federal Land Bank Association and the Production Credit Corporation also have large credits outstanding in the county. The economic future for this area depends on large aggressive banks inducing new business to locate in the county.

This merger will not eliminate any significant competition or potential for competition that might exist between the two applicant banks. The perimeters of the applicants' service areas are approximately 20 miles apart and the actual banking premises are some 50 miles apart. Furthermore, a wide belt of forested terrain separates the two service areas; U.S. Route 1 is the only principal highway linking the two areas. Although the merger will eliminate one bank, its offices will remain open as branches of the resulting bank to provide a more complete line of services for the needs of the customers and the community. While branching is allowed throughout Aroostook County, future branching by either of the applicant banks appears to be very limited due to the inherent expense of starting a new facility, the sparse scattering of people in the county, and the present distribution of competing banking offices in the most populated areas of Aroostook County. The proposed merger will not affect the Aroostook County banking structure in an adverse manner.

Other banks now operating in the service area are the $53 million Northern National Bank, the $11 million Aroostook Trust Company, and the Houlton Trust Company and Washburn Trust Company, both with approximately $7 million in deposits. Subsequent to the merger, the Northern National Bank will still hold 2½ times the deposits of the resulting bank. On the other hand, the resulting bank will be able to generate more competition with Northern National Bank through the increased lending limit and the increased economies and services afforded by the Depositors Corporation affiliation with the charter bank. Although the remaining three banks are smaller than the resulting bank, this merger should not adversely affect them. The Washburn Trust Company, in spite of recording only $7 million in deposits, has an affiliation with the $90.3 million Merrill Trust Company, Bangor, Maine, a registered bank holding company. The Houlton Trust Company, another $7 million deposit institution located in Houlton, Maine, is already directly competitive with the merging institution. The Aroostook Trust Company, a nonaffiliated commercial bank with $11 million in deposits, is the largest of the three small banks. Because of its size and the location of its branch offices, it should be able to retain its share of the banking market.

While noncommercial banking competition is not considered particularly strong in the area, the Aroostook County Federal Savings and Loan Association has offices in Caribou and Presque Isle and four loan companies, a credit union, and two production credit associations for farm needs provide services within the service area. The Federal Government operates offices of the Farmers Home Administration in Houlton, Fort Fairfield, Presque Isle, and Caribou.

The public will benefit from this merger due to the increased capabilities of the resulting bank over the individual applicants to serve new customers that previously have not been attracted to the existing separate institutions. This is especially true of The First National Bank of Fort Fairfield which is in direct competition with five branches of the Northern National Bank in the Fort Fairfield area. The customers of The First National Bank of Houlton will receive the benefits of the resulting bank's affiliation with Depositors Corporation. The lending limit of the resulting bank will attract many customers who, in face of rising credit needs and the limited lending capabilities of applicant banks, have had to turn to the Portland, Augusta, and Bangor banks, and, in some cases, to banks in Boston and New York to negotiate loans. The public will also be the beneficiary of a wide array of specialized services including loans participations, investment and portfolio management, and a trust operation presently run by The First National Bank of Houlton. Although this merger may appear to be slightly anticompetitive to the three smallest banks in the trade area, the benefits that the community will derive from the merger plus the added competition that the resulting bank will provide the Northern National Bank outweighs any anticompetitive aspects.

Applying the statutory criteria to the proposed merger, we find that it is in the public interest. The application is, therefore, approved.

MARCH 20, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Ft. Fairfield Bank is a subsidiary of Depositors Corporation ("Depositors"), the largest banking organization and the largest of four bank holding companies in Maine. On August 13, 1969, Depositors' application to acquire Houlton Bank was denied by the Board of Governors of the Federal Reserve System after comprehensive evaluation of the competitive factors involved. The instant merger application would appear to be an effort to circumvent that decision, and presents essentially the same competitive effects discussed by the Federal Reserve Board in denying the Depositors' application to acquire Houlton Bank.

When its original application to acquire Houlton Bank was denied, Depositors also had pending application to acquire Katahdin Trust Co., the smallest of seven commercial banks operating in Aroostook County. Since that time, Depositors' agreement with Katahdin Trust Co., has been terminated. Since the then pending application to acquire Katahdin Trust Co., played little, if any, part in the Federal Reserve Board's decision, we believe that the Board's opinion of August 13, 1969, accurately evaluates the competitive factors involved in the proposed merger and adopt its conclusions with respect thereto.

* * *

SOUTHERN CALIFORNIA FIRST NATIONAL BANK, SAN DIEGO, CALIF., AND GATEWAY NATIONAL BANK, EL SEGUNDO, CALIF.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Gateway National Bank, El Segundo, Calif. (15239), with	$31,745,184	6	
and Southern California First National Bank, San Diego, Calif. (3050), which had	601,086,646	49	
merged June 11, 1970, under charter and title of the latter bank (3050). The merged bank at date of merger had	632,831,830		55

COMPTROLLER'S DECISION

On March 2, 1970, Gateway National Bank, El Segundo, Calif., and Southern California First National Bank, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Southern California First National Bank, with IPC deposits of $484 million, was established in 1883 as the First National Bank of San Diego. The market area served by this bank encompasses the whole of San Diego County, where it maintains 33 of its 48 branches and has approval for five additional offices, and also extends into Orange County, where it maintains 9 offices, and into Los Angeles County, where 6 branches are located.

Gateway National Bank, with IPC deposits of $20 million, was established in 1964. In addition to its head office in El Segundo, this bank maintains four branches in Los Angeles County in the communities of Hawthorne, Manhattan Beach, Lawndale, and Lomita. Its primary market area, in which it holds 3 percent of the area deposits, is the highly industrialized South Bay region of Los Angeles, extending from the Los Angeles International Airport south to the Pacific Ocean and from Harbor Freeway west to the Pacific. The area is fully developed residentially and industrially. Employment is offered to local residents through numerous industrial and manufacturing plants near the airport and throughout the southwestern portion of Los Angeles County.

The proposed merger will not result in a reduction of an alternate source of banking services as the charter bank is not presently represented within the market area of the merging bank. The nearest branch of the charter bank to the merging bank is in the West Los Angeles area, approximately 14 miles north of the merging bank's head office. Common depositor or borrower relationships, if any, are negligible. In addition, the charter bank's share of the aggregate deposits in Los Angeles County will increase by only 0.13 percent to 0.29 percent upon consummation of the merger. The competitive position of the charter bank in San Diego and Orange counties will remain unchanged.

Substantial competition now exists in the merging bank's service area. The Bank of America maintains 22 branches in the region and holds deposits of $283 million, and Security Pacific National Bank, which operates 13 branches, holds deposits of $127 million. Other banks which stimulate competition include United California Bank, with nine branches, and Imperial Bank, with a head office and one branch. The $2.5 billion Home Savings and Loan and the $1.9 billion American Savings and Loan are among 20 savings and loan institutions with $9 billion in deposits in the South Bay area. In view of the presence of a large number of sizeable banking institutions and the fully developed nature of the merging bank's service area, it is unlikely that the charter bank would establish branches *de novo* in this section of Los Angeles were the proposed merger disapproved.

It is concluded that the merger will have no adverse competitive effect and is in the public interest. The application, therefore, is approved.

April 24, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

First National operates six offices in Los Angeles County and nine offices in adjacent Orange County. Gateway Bank operates six offices in Los Angeles County. The main office of First National in San Diego is approximately 110 miles southeast of Gateway Bank's main office in El Segundo. However, the closest Los Angeles County offices of the merging banks are 7 miles apart. The merger would, therefore, appear to eliminate some direct competition.

First National and Gateway Bank were the 26th and 31st largest banks, respectively, of 64 banks operating in Los Angeles County as of June 30, 1968. Their shares of total county deposits were 0.15 percent and 0.13 percent, respectively; the merged bank would hold 0.29 per cent. The merger would, therefore, not have an adverse effect upon competition.

* * *

Bristol County Trust Company, Taunton, Mass., and The First National Bank of Attleboro, Attleboro, Mass.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bristol County Trust Company, Taunton, Mass., with	$38,417,295	6	
and The First National Bank of Attleboro, Attleboro, Mass. (2232), which had	32,267,252	5	
merged June 30, 1970, under charter of the latter bank (2232) and title "First Bristol County National Bank." The merged bank at date of merger had	70,584,400		11

COMPTROLLER'S DECISION

On January 22, 1970, The First National Bank of Attleboro, Attleboro, Mass., and the Bristol County Trust Company, Taunton, Mass., applied to the Comptroller of the Currency for permission to merge with the charter of the former and with the title "First Bristol County National Bank."

The applicant banks are both located in southeastern Massachusetts in Bristol County, which is divided geographically, economically, and politically into three separate areas. The trading area of the merging bank, the Bristol County Trust Company, with IPC deposits of $26.4 million, is located in the central area where it operates six offices. The charter bank, The First National Bank of Attleboro, with IPC deposits of $23.5 million, operates its five offices in the northern section of Bristol County.

Bristol County is heavily industrialized. The manufacture of jewelry dominates the economy of the northern sector while machine tool and silver manufacturing are the mainstays of the economy in the central area. The areas served by the applicant banks contain a population of approximately 152,000, and moderate growth is expected.

Both banks share the problems of small banks located near large metropolitan areas. They have experienced difficulty in attracting managerial talent because of their inability to offer salaries comparable to those offered by the larger banks in Boston and Providence. Intense competition for trust services comes from the metropolitan banks, and has curtailed the growth and variety of fiduciary services offered by the applicant banks. The merger would permit the resulting bank to employ full-time trust personnel, a service available at neither of the two banks at the present time. The increased lending limit, as well as a greater variety of specialized lending services, would be available to meet the diversified needs of the corporate customers of both banks. Data processing services, likewise, would be improved and updated for the benefit of the customers of both banks.

The merger will have no adverse effect on the financial structure in Bristol County. The county now has 12 commercial banks. The First National Bank of Attleboro holds 7.2 percent of the deposits in the county and 7.9 percent of the commercial bank loans. The Bristol County Trust Company has 8.3 percent of the commercial bank deposits and 8.9 percent of the loans. These figures do not include competition from savings banks, cooperative banks, and Federal Savings and Loan Associations. When the deposits and loans of these institutions are considered in conjunction with commercial bank figures, the market percentage for deposits held by the Bristol County Trust Company is 2.6 percent, and by The First National Bank of Attleboro is 2.27 percent. In addition, credit unions and personal loan companies also vie for lendable funds and loan business, and commercial banks located outside the county provide extensive competition.

The two banks compete with each other to an insignificant degree. Although both banks operate branches in the Seekonk area, there are few common customers and very little overlap. Those branches, 5½ miles apart, are divided by geographic and economic boundaries. Both are located in separate shopping centers. Both banks have rejected the idea of branching into the service areas of the other bank in view of their lack of established customers, and in view of the entrenched competition in the other areas. The charter bank has a history of competing with banks to the north and toward Rhode Island whereas the the Bristol County Trust Company has attempted to compete to the east, west, and south of its headquarters.

It appears that the merger will have definite benefits to the banking public and that no adverse competitive effects are foreseen. Therefore, the merger is approved.

MAY 8, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

First National and Bristol Trust operate two of three banking offices in Seekonk (1960 population 8,400), although in view of this town's location on a major highway about 4 miles from Providence, R.I., it is likely that banks in the latter city provide alternatives to some customers. The other offices of the merging banks are located in their home communities some 14 miles apart; First National's South Attleboro offices are somewhat farther from Taunton. Although each of the home communities of the merging banks are served by other banks, there are no alternatives in the intervening area. It would appear that a limited amount of direct competition between the merging banks would be eliminated by the proposed merger.

As Massachusetts law permits commercial banks to branch anywhere in their home counties, the merger may foreclose the possibility of increasing competition between the two banks.

Although the areas primarily served by the merging banks are not substantially coextensive, their competitive overlap justifies examination of the increased concentration in northern Bristol County, the broader area which will comprise the service area of the resulting bank. As of June, 1968, five banks operated in the northern part of the county. Bristol Trust and First National are the largest and second largest of these banks, controlling about 25 percent and 23 percent of total deposits in this area. One of the three other banks in northern Bristol County, Manufacturers National Bank of Bristol County, North Attleboro, is an affiliate of the $1.2 billion Baystate Corp., one of two registered bank holding companies operating in Massachusetts.

In view of the elimination of some direct competition and the noted increase in concentration in commercial banking in northern Bristol County, we conclude that the proposed merger would have an adverse effect on competition.

* * *

FIRST NATIONAL BANK OF SOUTH JERSEY, EGG HARBOR TOWNSHIP, N.J., AND
THE FIRST NATIONAL BANK OF WILLIAMSTOWN, WILLIAMSTOWN, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Williamstown, Williamstown, N.J. (7265), with	$15,976,524	3	
and First National Bank of South Jersey, Egg Harbor Township, N.J. (1326), which had	256,385,345	21	
merged June 30, 1970, under charter and title of the latter bank (1326). The merged bank at date of merger had	272,361,869		24

COMPTROLLER'S DECISION

On February 24, 1970, the First National Bank of South Jersey, Egg Harbor Township, N.J., applied to the Comptroller of the Currency for permission to merge with The First National Bank of Williamstown, Williamstown, N.J., under the charter and with the title of the former.

The First National Bank of South Jersey, the charter bank, was organized in 1822, and converted to a National charter in 1865. The charter bank, which operated as the Boardwalk National Bank of Atlantic City and assumed its present name December 1, 1969, has total resources of $255 million and operates 21 offices in Atlantic County and 1 office in Salem County.

Atlantic County, the principal market area of the charter bank, is located in the southern portion of the State. The county covers an area of 566 square miles and has a population of approximately 188, 000, 30 percent of which is located in Atlantic City. The eastern portion of the county fronts on the Atlantic Ocean and has long been a popular resort and recreation area. The central and western portions of the county are comprised of woodland and farm areas that produce fruits and garden vegetables. Continued growth is anticipated as the woodlands nearer to the cities are rapidly being developed into building lots and industrial parks.

The First National Bank of Williamstown, the merging bank, has total assets of $14 million, and operates two offices in Williamstown and one office in Turnersville. All offices of the merging bank are located in Gloucester County, northwest of Atlantic County.

Gloucester County covers an area of 328 square miles which borders on the Delaware River. The population of the county is estimated at 167,200. Industrial activity is concentrated in the western portion of the county. Petroleum refining and chemical manufacturing are the leading industries. The economy of the eastern part of the county is mainly dependent on cash crop farming. Continued industrial and residential growth is anticipated as improved highways are completed, making the area more accessible to the Camden-Philadelphia area.

Competition between the charter and merging banks is minimal. The main offices of the subject banks are 35 miles apart and the closest branch offices are 10 miles apart. There are approximately 70 banks operating in the Third Banking District. Many of these banks have offices intervening between the subject banks. The charter bank's position as third largest bank in the district will be unchanged by this merger. Although potential competition through *de novo* branching exists, it is limited by the scarcity of suitable or legal locations.

Consummation of the proposed merger will provide new and improved services to present and potential customers in the Williamstown area, including a larger lending limit, sophisticated computer services, and a trust department. The merger will also provide the bank with the management resources and depth needed to better serve the community.

Applying the statutory criteria to the proposed merger, we conclude that it is in the public interest and the application is, therefore, approved.

MAY 15, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the merging banks are approximately 11 miles apart. There are a number of banking offices located between these two branches. It would appear that only a limited amount of existing competition would be eliminated by the proposed merger.

Under New Jersey law, commercial banks may open *de novo* branches or operate branch offices acquired through merger anywhere in the banking district in which they are located. Subsequent to the recent changes in New Jersey law, larger commercial banks in the State have embarked on extensive market expansion programs, both through *de novo* branching and through merger. We consider it important that the larger banks in a given district enter new areas either *de novo* or through merger with smaller banks, thereby preserving leading local banks, most capable of remaining substantial competitive alternatives.

The merging banks are located in the Third Banking District, which is comprised of New Jersey's eight southernmost counties. Accordingly, they could be permitted to open *de novo* offices in areas served by each other, where not restricted by New Jersey's home and branch office protection laws. In view of its resources, extensive *de novo* branching by First of Williamstown is unlikely. First of South Jersey, however, is the third largest bank in the district and has the resources to open new offices where possible. Because of the presence of the home office of First of Williamstown, First of South Jersey could not be permitted to open a *de novo* office in that community. Other parts of northern Gloucester County, where First of Williamstown's other branch is located, may become closed to *de novo* branching if new banks are chartered, but it is noted that other large banks in the district have applied for persmission to open *de novo* offices in townships in this part of the county.

Gloucester County has seen substantial reorganization of its banking community in the past few months. Two of its larger banks have been merged into banks based in Camden County. Three localized banks, including the county leader, are merging with one another. One of the smaller banks in the county is merging with another small bank in neighboring Salem County. First of Williamstown will be the seventh to become party to a merger agreement, and the third to be merged into one of the largest of some 70 banks operating in the Third Banking District. First of Williamstown presently holds the fifth largest share of commercial bank deposits in Gloucester County, about 6.5 percent, and is the third largest bank headquartered in the county.

While First of South Jersey is one of the district's largest commercial banks, controlling about 9 percent of total commercial bank deposits therein, and clearly one of the more likely new entrants into the banking markets of Gloucester County, it will not acquire a dominant position in the county through the proposed merger. Although some *de novo* branching is possible, in view of the size and relative market position of the acquired bank, the proposed merger is unlikely to have a significantly adverse effect on potential competition.

* * *

FIRST NATIONAL BANK OF WESTMORELAND, GREENSBURG, PA., AND THE PEOPLES NATIONAL BANK OF TARENTUM, TARENTUM, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
First National Bank of Westmoreland, Greensburg, Pa. (14055), with	$78,418,692	6	
and The Peoples National Bank of Tarentum, Tarentum, Pa. (5351), which had	26,640,833	3	
consolidated June 30, 1970, under charter of the latter bank (5351) and title "Southwest National Bank of Pennsylvania." The consolidated bank at date of consolidation had	105,059,524		9

COMPTROLLER'S DECISION

On February 19, 1970, the First National Bank of Westmoreland, Greensburg, Pa., and The Peoples National Bank of Tarentum, Tarentum, Pa., applied to the Comptroller of the Currency for permission to consolidate under the charter of the latter and with the title of "Southwest National Bank of Pennsylvania."

The Peoples National Bank of Tarentum, with IPC deposits of $21.3 million, was chartered in 1900. It operates two branches and has two approved but unopened branches. This bank is in good condition but faces a management succession problem owing to the anticipated retirement of a number of its senior officers in the near future and lack of personnel within the bank capable of replacing them.

The market area of the charter bank lies approximately 18 miles northeast of the city of Pittsburgh, along the Allegheny River. This area consists mainly of Allegheny County, the upper portion of which is known as the Allegheny Valley area, and parts of Butler, Armstrong and Westmoreland counties. The 1960 population of the area, which consists of approximately 19 boroughs and townships, was 118,833. The area economy consists of highly diversified manufacturing, with the steel and glass industries as the largest industrial employers. The Allegheny Valley is one of the few areas in the county that has not been urbanized and is available for future residential developments. Completion of a new super-highway should rapidly increase area residential development.

The First National Bank of Westmoreland, the consolidating bank, with IPC deposits of $62.1 million, was chartered in 1881. It operates five branches and has two approved but unopened branches. The condition of this bank is very good. Its management is excellent and it has an adequate number of middle management personnel capable of replacing the top management of the charter bank when they retire.

The primary service area of the bank consists of greater Greensburg and central Westmoreland County. Westmoreland County has a population of 387,000, while the Greater Greensburg Area contains a population of 53,409 inhabitants. Economically, the area is highly diversified, with over 107 industries operating there. Greater Greensburg is the commercial center for a substantial residential region, and harbors a majority of the professional trade. Originally, the area was a prosperous coal mining center but exploitation has resulted in its ultimate depletion. The area served by the consolidating bank's most outlying branches is characterized by new and rapid development.

Banking competition in the areas of both banks is extremely keen. The two banks claim to be finding it increasingly difficult to compete for deposits against Mellon National Bank and Trust Company, with resources of $4.9 billion, and Pittsburgh National Bank, with resources of $1.7 billion. Among banks presently operating in the combined service area, the charter bank ranks ninth, and the consolidating bank ranks fifth. The fourth largest bank, The Union National Bank of Pittsburgh, with total deposits of $698 million, is considerably larger than the fifth ranked bank.

Consummation of this proposal will benefit the customers of both banks through the greater availability of lendable funds, a larger lending limit, trust services for customers of the charter bank, and the better, less expensive services that normally arise out of economies of scale. In addition, the imminent management succession problem of the charter bank will be solved through the availability of well-trained and -developed middle management to replace the top management of the charter bank when they retire.

Competition will not be adversely affected. As the service areas of the two banks are separate and distinct and do not overlap, little, if any, competition between the banks will be eliminated. Although one alternative banking source in the combined service area will be eliminated, adequate alternatives remain. The consolidated bank will rank as fifth largest in the combined service area, the same position as now occupied by the consolidating bank. Competition will be enhanced because the slightly larger and stronger consolidated bank will be better able to compete with the large Pittsburgh-based banks operating in the area than can either consolidating bank operating alone.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest. The application is, therefore, approved.

May 15, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The home offices of the two banks are 25 miles apart. The Delmont office of First National and the home office of Peoples National are 18.8 road miles apart. Distance, topography, and intervening banking facilities apparently negate the existence of substantial competition between them.

Considerable penetration into Allegheny and Westmoreland counties by the branching of large Pittsburgh banks has taken place. Peoples National in Tarentum competes with offices of Union National of Pittsburgh (assets $657 million) and Western Pennsylvania National (assets $747 million). First National competes with Mellon National (assets $3.8 billion), Pittsburgh National (assets $1.3 billion), Union National and Western Pennsylvania National.

As of December 31, 1968, Peoples National accounted for $6.4 million, or 0.3 percent, of IPC demand deposits and $21.3 million, or 0.4 percent, of total deposits in Allegheny County. At the same time, First National held $20.8 million, or 13.4 percent, of IPC demand deposits and $61.8 million, or 11.3 percent, of total deposits in Westmoreland County.

The bank resulting from the proposed consolidation would be the fifth largest in the general Pittsburgh area, but would be substantially smaller than the four larger banks.

Pennsylvania law permits unrestricted branching within a bank's home county and into contiguous counties. Cross-county branching trends indicate increasing competitive pressure on smaller banks by the large Pittsburgh-based banks, which, for example, operate 35 branches in Westmoreland County.

In view of the sizes of the towns and of the competing banks already in the area, it is not believed that this consolidation would have a significantly adverse effect on potential competition.

* * *

STATE BANK OF WHITING, WHITING, IND., AND THE FIRST NATIONAL BANK OF CEDAR LAKE, CEDAR LAKE, IND.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
State Bank of Whiting, Whiting, Ind., with	$23,399,108	2	
and The First National Bank of Cedar Lake, Cedar Lake, Ind. (14813), which had	7,984,358	2	
consolidated June 30, 1970, under charter of the latter bank (14813) and title "Northwest Bank of Indiana, National Association." The consolidated bank at date of consolidation had	31,383,466		4

COMPTROLLER'S DECISION

On March 11, 1970, The First National Bank of Cedar Lake, Cedar Lake, Ind., with IPC deposits of $7.8 million, and the State Bank of Whiting, Whiting, Ind., with IPC deposits of $22 million, applied to the Office of the Comptroller of the Currency for permission to consolidate under the charter of the former and with the title of "Northwest Bank of Indiana, National Association." Permission was also requested to locate the consolidated bank's main office in Whiting, Ind.

The First National Bank of Cedar Lake, Cedar Lake, Ind., was chartered in 1957, and opened its only branch office on February 15, 1967, several miles north of Cedar Lake in St. John, Ind. Cedar Lake is a rural town about 32 miles southeast of Chicago, Ill., and 23 miles south of Whiting, Ind. The area immediately surrounding Cedar Lake is primarily agricultural, with some residential development. The economy of the town is highly dependent upon the large industrial complexes located in the Gary-Hammond-East Chicago area. The population of the town is presently estimated at 6,900 and growth is expected as inhabitants of the industrial areas contiguous to Chicago seek the more rural residential atmosphere that Cedar Lake affords. In addition, nearby Cedar Lake is a summer resort haven. St. John reflects the same rural residential characteristics as Cedar Lake.

The State Bank of Whiting, Whiting, Ind., is in the extreme northwest corner of Lake County, adjacent to metropolitan Chicago and bordering on Lake Michigan. The bank was chartered in 1931, and presently operates one branch in Highland, Ind., about 9 miles south of Whiting. Whiting, with a population of about 8,000, is a highly industrialized town, whose economy is supported by employers such as Standard Oil Company of Indiana, Sinclair Refining Company, Youngstown Sheet and Tube Company, Inland Steel Company, and American Steel Foundry.

Lake County is serviced by 13 commercial banks, with aggregate deposits in excess of $765 million. In addition, there are numerous savings and loan associations, credit unions, and finance companies operating in the participating banks' trade areas. Competition is also felt from the much larger Chicago-based banks that solicit business in the

Lake County service area. Within its primary service area contiguous to Whiting, the State Bank of Whiting competes with six commercial banks that together operate 21 branch offices. There are no commercial banks or branches within the primary market area of First National Bank of Cedar Lake. Approval of the proposed consolidation will cause no undue concentration of banking assets in the resulting bank, and will leave a substantial choice of alternative sources of commercial banking services.

Competition between the consolidating banks is virtually nonexistent due to the distance separating their offices and the presence of intervening banks. Furthermore, neither bank appears to be a likely potential entrant to the service area of the other due to the factors of distance, expense, and the home-office protection provisions of the Indiana branch banking law.

The proposed consolidation will provide the charter bank's customers with an increased range of banking services, including trust services, and a higher lending limit. In addition, management continuity will be assured for the charter bank.

Applying the statutory criteria to the proposed consolidation, we find, that it is in the public interest, and the application, therefore, is approved.

MAY, 15, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Fourteen commercial banks with 57 banking offices are located in Lake County (an area which probably overstates the relevant market). The nearest branches of the merging banks are about 6 miles apart, and branches of three of the county's largest banks are located in the intervening area. The head offices of the merging banks are 23 miles apart and there are 26 other banking offices in this area. Neither of the merging banks derives significant business from the areas served by the other. Hence, this proposed merger would appear to eliminate only a limited amount of direct competition between the merging banks.

In response to rapid population migration south, State Bank recently established a branch in Highland, approximately 12 miles south of Whiting. Under Indiana law, which permits countywide branching, State Bank could establish additional branches in the growing southern half of the county. The proposed merger, of course, eliminates State Bank as a potential competitor in those areas presently served only by First National. However, because of the size and number of other potential competitors, this proposed merger would not appear to entail the loss of substantial potential competition.

State Bank and First National are, respectively, the 8th and 13th ranked of 14 banks located in Lake County. They hold approximately 4 percent and 1.1 percent of county total deposits of $748.1 million. The proposed resulting bank will be the seventh largest bank in the county, with about 5 percent of county total deposits.

Commercial banking is concentrated in Lake County. The largest bank holds about 31 percent, and the four largest banks hold about 66 percent of county total deposits.

The proposed merger will have little effect on this existing high level of concentration.

The proposed merger would eliminate only a limited amount of direct competition and only slightly affect concentration in commercial banking in Lake County. Thus, we conclude that it is unlikely that this proposed merger would have a substantially anticompetitive effect.

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THE MERCHANTS NATIONAL BANK OF ALLENTOWN, ALLENTOWN, PA., AND THE FOGELSVILLE NATIONAL BANK, FOGELSVILLE, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Fogelsville National Bank, Fogelsville, Pa. (12975), with	$20,875,731	2	
and The Merchants National Bank of Allentown, Allentown, Pa. (6645), which had	185,639,802	13	
merged June 30, 1970, under charter and title of the latter bank (6645). The merged bank at date of merger had	206,538,179		15

COMPTROLLER'S DECISION

On December 15, 1969, The Fogelsville National Bank, Fogelsville, Pa., and The Merchants National Bank of Allentown, Allentown, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Merchants National Bank of Allentown, with IPC deposits of $136.8 million, was chartered in 1903. It operates 12 branches and its head office in Lehigh County.

Allentown, home office city of the charter bank, is situated in the southeast portion of Lehigh County in eastern Pennsylvania, some 62 miles north of Philadelphia, and 36 miles northeast of Reading. Allentown, with a 1960 population of 108,000, is the fourth largest city in Pennsylvania, and is the center of the third largest trading area in the State; the trading area has a population of 250,000. The economy of that area is mixed with industry, commerce, agriculture, construction, and government all contributing.

Included among the charter bank's competitors in Allentown and its broader trading area in Lehigh County and the Lehigh Valley are the Industrial Valley Bank of Jenkintown, with total resources of about $441.7 million; the $220 million Bank of Pennsylvania in Reading, which recently opened a new branch in Allentown; and the $239 million First National Bank of Allentown. Of the four banks presently operating in Allentown, the charter bank is the smallest. Other competitors in the Lehigh Valley area include the $623 million Continental Bank and Trust Company, Norristown; the $497 million American Bank and Trust Company of Pa., Reading; and the billion dollar Philadelphia banks, as well as various other locally-based banks. Substantial competition is also generated by savings and loan associations, insurance companies, factors, direct lending agencies of the government, and the 26 personal loan and sales finance companies vying with commercial banks for loans and deposits in the area.

The Fogelsville National Bank, with IPC deposits of $16.3 million, was chartered in 1926. In addition to its home office, it operates one branch at Wescosville. While management of this bank is good, its two senior officers are nearing retirement age and the younger men being groomed as their successors will not be ready to replace them by the time they retire.

Fogelsville, home of the merging bank, is a small community with 766 residents located 12 miles west of Allentown in Lehigh County. Wescosville, where the bank's only branch operates, is 7 miles southeast of Fogelsville. Although the economy of the area is basically agricultural and residential, substantial economic growth is anticipated in the merging bank's service area. Three major firms—F&M Shaeffer Brewing Company, Olin-Mathieson, and Kraft Foods—plan to locate in the area. Construction has already begun on the Olin-Mathieson plant, and construction by the other two companies will begin this year.

Primary competition for the merging bank comes from the First National Bank of Allentown, which has two branch offices in its area, one at Macungie, 7 miles south, and the other at Trexlertown 3 miles south. There is an overlap of the trade areas of the merging bank and the New Tripoli National Bank, New Tripoli, Pa.

Consummation of this merger will solve the merging bank's management succession problem and will make available to its customers a number of services not presently offered, including a trust and estate planning department, automated customer services, and a greater borrowing capacity. The resulting institution will be more capable of contributing to the imminent expansion of the Fogelsville economy than can the merging institution.

The effect of this merger on competition will not be significantly adverse. Because the nearest offices of the two banks are 5 miles apart, and their main offices are 12 miles apart, there is some competition between them which will be eliminated. However, because of the large number of institutions in the general area, and the fact that the merging bank's activity is confined primarily to the immediate Fogelsville and Wescosville area, it is not believed that such competition is significant. This merger, by introducing offices of the charter bank to the present trade area of the merging bank, will enhance competition with local branches of the First National Bank of Allentown. While the resulting bank will remain the fourth largest bank in Allentown in terms of its share of deposits and loans, it will be better able to compete with the larger banks operating in the valley area.

It is concluded, in the light of the statutory criteria, that the merger is in the public interest. It is, accordingly, approved.

April 30, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The home offices of the two banks are 12 miles apart. Fogelsville Bank's branch office at Wescosville, however, is 5 miles from Merchant's closest office. Fogelsville and Wescosville are two small villages west of Allentown, each with a population of approximately 750.

According to the application, Merchants draws significant deposits from the immediate areas served by Fogelsville Bank in the small communities of Fogelsville and Wescosville; therefore, it would appear that the proposed merger would eliminate significant direct competition in these two local areas. Fogelsville Bank also appears to draw a significant proportion of its total deposits from Allentown, but it would not appear to be a major competitive factor in this much larger market.

Merchants is the second largest bank in the Lehigh County-Bethlehem County area; according to data for June 30, 1968, it accounts for about 20.5 percent of this market. It is acquiring a small local bank located in Lehigh County, and in so doing is eliminating direct competition in the immediate communities served by the latter. For these reasons, we conclude that the proposed merger would have an adverse effect on competition.

* * *

ZIONS FIRST NATIONAL BANK, SALT LAKE CITY, UTAH, AND BANK OF ST. GEORGE, ST. GEORGE, UTAH

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bank of St. George, St. George, Utah, with	$15,754,231	3	
was purchased June 30, 1970, by Zions First National Bank, Salt Lake City, Utah (4341), which had	272,307,425	18	
After the purchase was effected, the receiving bank had	288,061,656		21

For "Comptroller's Decision" and "Summary of Report by Attorney General" see Zions First National Bank, Salt Lake City, Utah, and Bank of Commerce, Magna, Utah, May 29, 1970, pp. 76-77.

* * *

THE FIRST NATIONAL BANK OF EBENSBURG, EBENSBURG, PA., AND THE PEOPLES BANK OF CLYMER, CLYMER, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Peoples Bank of Clymer, Clymer, Pa., with	$4,419,247	1	
and The First National Bank of Ebensburg, Ebensburg, Pa. (5084), which had	40,939,058	5	
merged July 1, 1970, under charter and title of the latter bank (5084). The merged bank at date of merger had	45,358,305		6

COMPTROLLER'S DECISION

On March 31, 1970, The Peoples Bank of Clymer, Clymer, Pa., and The First National Bank of Ebensburg, Ebensburg, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Peoples Bank of Clymer, Clymer, Pa., a unit bank, was chartered in 1920. The bank presently holds IPC deposits of $2.8 million, and is the only commercial bank serving Clymer. With its current leadership at, or near, retirement age, the bank must provide for management succession. The bank's growth record in recent years has reflected the unstable economy of its service area and the unaggressive character of its management. Clymer, with a population of 7,251, is located in Indiana County, in the heart of the coal region of western Pennsylvania. The community's economy is totally dependent on coal, and presently, with a resurgence in the demand for coal, the town is enjoying a wave of prosperity.

The First National Bank of Ebensburg, Ebensburg, Pa., was organized in 1897, and presently operates five banking offices and holds IPC deposits of $29.2 million. Under youthful and aggressive management, the charter bank has experienced rapid growth in the past decade.

Ebensburg, with a population of about 5,000 people, serves as the county seat of Cambria County. The service area of the bank encompasses the central portion of the county where approximately 25,000 people reside. The city is situated on east-west U.S. Route 22, a factor which strengthens its position as the political and geographical center of Cambria County. Ebensburg and the surrounding towns have, for many years, been dependent upon the coal industry, but the cyclical nature of this industry has prompted the area to broaden its economic base. Businesses such as the Kimbal Engineering Company, which employs 220, and the Stevens Manufacturing Company, which employs 375, have entered this area. The State of Pennsylvania also maintains a school for the mentally retarded in the Ebensburg area, thus employing approximately 1,000 people. The outlook for coal mining has improved since the Barnes and Tucker Coal Company, one of the area's major employers, contracted with Pennsylvania Power and Light Company to supply their fuel needs until the year 2010. Tourism is also gaining some importance as a seasonal industry. Some Ebensburg residents commute to Johnstown, an industrial-commercial city of 54,000, located about 15 miles southwest of Ebensburg.

There is no competition between the participating banks whose offices are located in different counties and serve different markets. While the charter bank's Barnesboro office is only about 12 miles from the merging bank, the difficulty of travel and the unaggressive management of the merging bank have effectively precluded the development of competition between them. The effect of this merger will be to stimulate banking competition in the service area of the merging bank by substituting for it, an office of an aggressive, competitive commercial bank responsive to the banking needs of the community.

When the merger is consummated, the charter bank will retain its rank as third largest commercial banking institution in the Johnstown-Ebensburg area, operating 5 of the 47 existing banking offices. The trade area's two largest commercial banks are headquartered in Johnstown, the $134 million U.S. National Bank and the $57 million Johnstown Bank and Trust Company. Additional competitors within the charter bank's service area include the $49 million Johnstown Savings Bank; the Cambria Savings and Loan, Barnesboro, Pa.; the Ritter Finance Company; and the Cambria Thrift Company of Ebensburg.

The banking public in the merging bank's service area will benefit from the availability of an increased range of banking services following this merger. The lending limit of the merging bank at the present time is $30,000; however, the resulting institution will have a lending capacity of $300,000, permitting it to service most individual and corporate credit needs in its market. A full range of deposit services, at maximum legal interest rates, will be made available in the merging bank's service area. Trust services, not now offered by the merging bank, will be introduced through the resulting bank. Electronic data processing will be utilized, and plans to modernize and upgrade the Clymer office are being formulated.

Applying the statutory criteria to the proposed merger, we find that it is in the public interest. The application is, therefore, approved.

June 1, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The home offices of the two banks are 25 miles apart. Two of First National's branches, however, are 12 and 16 miles east of Clymer, and it may be presumed that some competition exists between them and Peoples Bank. Distance and intervening banking facilities probably minimize the amount of competition between Peoples Bank and First National's main office at Ebensburg.

First National competes with U.S. National Bank of Johnstown (assets $132 million) and Johnstown Bank and Trust Company (assets $53 million) both of which maintain branches in the vicinity of Ebensburg.

As of December 31, 1968, First National accounted for 11 percent of total commercial bank deposits in Cambria County, and Peoples National held 3 percent of total deposits in Indiana County.

Although Pennsylvania law permitting unrestricted branching within a bank's home county and into contiguous counties would allow First National to branch into Clymer, the size of the town together with its present economic situation would be obvious deterrents.

We conclude that the proposed merger would not have a significantly adverse effect on competition.

* * *

THE IDAHO FIRST NATIONAL BANK, BOISE, IDAHO, AND FIDELITY NATIONAL BANK OF TWIN FALLS, TWIN FALLS, IDAHO

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Fidelity National Bank of Twin Falls, Twin Falls, Idaho (11100), with	$27,413,294	4	
and The Idaho First National Bank, Boise, Idaho (1668), which had	500,740,908	50	
merged July 1, 1970, under charter and title of the latter bank (1668). The merged bank at date of merger had	526,045,759		54

The "Comptroller's Decision" and the "Summary of Report by Attorney General" for this case appeared in the 1969 Annual Report under the heading "Approved, but in litigation."

* * *

NATIONAL BANK OF NORTH AMERICA, NEW YORK, N.Y., AND TRADE BANK AND TRUST COMPANY, NEW YORK, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Trade Bank and Trust Company, New York, N.Y., with	$230,671,731	7	
and National Bank of North America, New York, N.Y. (7703), which had	1,711,720,943	95	
consolidated July 6, 1970, under charter and title of the latter bank (7703). The consolidated bank at date of consolidation had	1,942,392,675		102

COMPTROLLER'S DECISION

On March 31, 1970, Trade Bank and Trust Company, New York, N.Y., and National Bank of North America, New York, N.Y., applied to the Office of the Comptroller of the Currency for permission to consolidate under the charter and with the title of the latter.

National Bank of North America, New York, N.Y., with IPC deposits of $1.2 billion, was organized in 1905, and currently operates 91 offices in New York City and Long Island, and one office in Nassau, in the Bahama Islands. Presently the bank's operations are centered in Nassau County, where it maintains 47 offices. In addition, the bank now has nine branches in Manhattan and three offices in Great Neck, one of which is a drive-in facility that has been condemned by the town for use as municipal parking.

Trade Bank and Trust Company, New York, N.Y., with IPC deposits of $206.1 million, was organized in 1922, and presently operates six offices, five of which are located in central and lower Manhattan, while one is located in Great Neck, Long Island. It also has one approved but unopened branch on the east side of mid-Manhattan.

Although quite large by most standards, the consolidating bank is small compared to other New York City banks, and lacks a lending limit adequate to service all of its customers' needs. While the Trade Bank and Trust Company offers most of the services offered by New York banks, some are offered only on a limited scale.

The borough of Manhattan is the center of activity for both banks. An island of apartment buildings, offices, stores, and small factories, Manhattan is surrounded by the most important docking facilities for ocean going ships in the world, and is truly the world center of financial and commercial activity. At present an estimated 1.5 million people reside in Manhattan, and more than 2.6 million are employed there. All of the consolidating bank's Manhattan offices are located in the area below 60th Street, the center of most of Manhattan's commercial activity. In this area are found most of New York City's world-renowned drama, art, and musical centers, as well as the garment and jewelry centers. Chinatown, the site of Trade Bank's southernmost branch, is in the lower end of Manhattan, and is comprised of just a few blocks.

Nassau County, in which most of National Bank of North America's branches are located, has an estimated population of 7.6 million persons, and is essentially a residential and commercial area containing very little industrial activity. Great Neck, N.Y., where three of the charter bank's offices and one of the consolidating bank's are located, is situated in the northwest corner of the county and is principally a residential community with a population of about 44,000. Housing in the area consists of single family dwellings in the $40,000 range, from which most residents commute to other areas of Long Island and New York City for employment.

There are currently 54 commercial banks operating in Manhattan, 10 of which, with a total of 313 offices, are larger than the National Bank of North America. In Great Neck, six commercial banks, excluding the charter bank, operate within a few blocks of the consolidating bank's offices; five of those banks have total resources in excess of those held by the National Bank of North America. Trade Bank and Trust Company's branch is the smallest and least impressive office in the area. As of June 30, 1969, National Bank of North America held 1.57 percent of the total resources of commercial banks located in New York City and Long Island, and 2.04 percent of the total deposits of those banks; Trade Bank and Trust Company's resources were 0.25 percent and its deposits 0.31 percent of the same totals. When deposits and loans of mutual savings banks and savings and loan institutions in the New York City-Long Island area are included, National Bank of North America's share amounts to 1.34 percent of total deposits and 1.1 percent of total loans. Additional competition is felt from insurance companies, credit unions, factors, and personal loan companies.

Approval of this consolidation will improve service offered to present customers of Trade Bank and Trust Company by making available to them a larger lending limit, more loanable funds, an established international banking department, and more complete trust services, as well as the other banking services offered by the charter bank which are not available through the consolidating bank. The executive recruitment and training program will provide management succession to the consolidating bank. The charter bank, which is losing one of its Great Neck offices as a result of condemnation proceedings, will have it replaced by the Great Neck office of the consolidating bank located nearby, and will not thereby lose any customers.

Competition will not be adversely affected by this consolidation. Although both banks are in the same general market area, because of the patterns of competition in this densely populated area, and because the consolidating bank is oriented principally towards commercial business, there is thought to be little competition between them. Although one banking alternative will be eliminated by the consolidation, adequate alternatives will remain. The consolidation should have a tendency to enhance competition between the resulting institution and the mammoth New York banks. However, the charter bank's rank among commercial banks located in Manhattan will not change as a result of this transaction. Banking competition in Great Neck should be stimulated by replacing the consolidating bank, which is the smallest banking operation in the area, with a branch of the much larger institution. Potential competition will not be affected since expansion by branching in the Manhattan area is prohibitive due to the enormous rentals, staffing problems, and start-up costs which would be involved in such a move.

Applying the statutory criteria, we find the consolidation to be in the public interest, and the application, therefore, is approved.

June 3, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The main offices of the consolidating banks are in different boroughs of New York City, but several of their branch offices are in close proximity. Although there are a large number of other competing banks with offices nearby, it is clear that the proposed merger would eliminate direct competition between the consolidating banks.

NBNA presently is the 11th largest commercial bank operating in New York City, and its position would be unchanged following the proposed consolidation. As of June 30, 1968, NBNA held about 0.6 percent of the total deposits held by commercial banks in New York County (Manhattan) and Trade Bank held about 0.4 percent of such deposits. As of the same date, NBNA held approximately 19.7 percent of the total deposits held by commercial banks in Nassau County, and Trade Bank held about 0.2 percent of such deposits.

We conclude that this consolidation would eliminate direct competition between the participants but that it would not have a significantly adverse effect on competition.

* * *

PEOPLES NATIONAL BANK OF WASHINGTON, SEATTLE, WASH., AND LANGLEY STATE BANK, LANGLEY, WASH.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Langley State Bank, Langley, Wash., with	$3,941,855	2	
was purchased July 6, 1970, by Peoples National Bank of Washington, Seattle, Wash. (14394), which had	432,596,659	49	
After the purchase was effected, the receiving bank had	436,538,514		51

COMPTROLLER'S DECISION

On March 16, 1970, Peoples National Bank of Washington, Seattle, Wash., applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of Langley State Bank, Langley, Wash.

Peoples National Bank of Washington, Seattle, Wash., was organized in 1889, and now holds IPC deposits of $350.5 million, and operates 49 branches scattered throughout the State. The bank also has five approved but unopened branches in King County.

Seattle, the home office of the charter bank, has a population estimated at 591,000 people. Situated on Puget Sound, this city has one of the West Coast's finest natural deep-water harbors, and is fully capable of handling the world's largest ships. The economy of the area has experienced tremendous growth over the last 10 years, due primarily to the growth of the aerospace industry. New surges in industrial, commercial, and residential growth have taken place as a result in the general area. Large capital outlays have been made for educational institutions, highways, bridges, airports, harbors, and other public facilities to meet the area's expanding requirements. However, the aerospace industry has recently experienced substantial cutbacks which have caused the area's economy to slow its growth.

The purchasing bank is third largest in terms of deposits among the 94 commercial banks competing in Washington. Seattle-First National Bank in Seattle, is the State's largest bank, with deposits of $1.7 billion, and 134 banking offices. The National Bank of Commerce of Seattle, with deposits of slightly over $1 billion, and 96 banking offices, is the second largest. Other banks with statewide operations include the National Bank of Washington in Tacoma, with $381 million in deposits and 44 offices, and Old National Bank of Washington in Spokane, with $269 million in deposits and 38 offices.

Langley State Bank was established on June 30, 1913, and now holds IPC deposits of $3.3 million. It opened its only branch on July 10, 1965, at Freeland, and is presently ranked as 66th among Washington's 94 commercial banks. The selling bank has been able to capture only 20 percent of the loans generated in its trade area, despite the fact that it is relatively free of competition. The bank's customers are not afforded a wide range of banking services and the bank lacks management succession.

Langley and Freeland are both located at the southerly portion of Whidbey Island, the third largest island in the continental United States. The population of the island is estimated at 23,000 people, with the bulk of the residents concentrated at the northern end. There are three incorporated towns on the island, the largest of which is Oak Harbor, in the north, with 9,000 residents. Coupeville, located in the island's middle portion, has 800 people, while Langley, in the south, has about 539 residents. The largest employer on the island is the U.S. Navy, which has a base at Oak Harbor with a total complement of about 6,000 persons. The service area of the selling bank, located at the southern end of the island, is sparsely populated and has an economy devoted mainly to lumbering, with some diversification provided by agriculture and tourism. Because of the rural nature of the island and its relative isolation and separation from the mainland by Puget Sound, the area has attracted people of retirement age. The town of Langley has 20 small businesses, each employing three to six people. The local school district employs 30 to 40 employees, while the local sawmill has 15 employees.

The northern end of the island is served by two branches of Everett Trust and Savings Bank, Everett, Wash., and a branch of Whidbey Island Bank, Coupeville, Wash., all located at Oak Harbor. In addition, there are two savings and loan association offices and three small loan companies at Oak Harbor. The central part of the island is served by the head office at the Whidbey Island Bank in Coupeville, which opened in 1961, and now holds assets totalling about $4 million. This bank has an approved but unopened branch location at Clinton, 6 miles to the south of Langley. The only other financial institution in the Langley State Bank's service area is a small branch of a local savings and loan association, located 6 miles south of Clinton, which competes for real estate loans and time deposits.

Consummation of this transaction will be of substantial benefit to the Langley-Freeland area. The lending limit of the resulting bank's offices in this area will be much greater than that of the selling bank. The resulting institution will offer expanded banking services including trust services, international banking services, investment counseling services, and electronic data processing services. As many of the local residents are near retirement age, the availability of trust services will meet their needs. Consummation of this transaction will provide management succession for the selling bank, and it is anticipated that the more aggressive lending policies of the resulting bank will redound to the benefit of the community.

Competition will not be adversely affected by consummation of this proposal. Since the participating banks operate in distinct areas, no competition will be eliminated. The introduction of the charter bank's resources to the service area of the selling bank should stimulate banking competition in this area, while consummation of this transaction should have no competitive effect in other parts of the State. The charter, or purchasing, bank's rank among Seattle and Washington State banks will remain unchanged, since the addition of the selling bank's assets will increase its size only minimally.

Applying the statutory criteria we find the sale to be in the public interest, and the application, therefore, is approved.

JUNE 4, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Although the head offices of the merging banks are 37 miles apart, Peoples National has branches on the mainland at Mountlake Terrace and Everett, which are 18 miles and 15 miles distant, respectively, from Langley. However, Peoples National does not operate a branch on Whidbey Island. It would appear, therefore, that little direct competition between the banks would be eliminated by the proposed merger.

Washington law prevents banks from establishing a *de novo* branch in any additional city or town where another bank regularly transacts business (although it does permit statewide expansion by acquisition or merger). Peoples National could enter Langley directly only by acquisition of Langley State, the community's sole bank. But Peoples National, the third largest bank in the State, could open an office in any community adjacent to Langley which did not presently have a bank, and thus become a direct competitor of Langley State. The merger will eliminate such potential competition.

* * *

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Montgomery Banking and Trust Company, Rockville, Md., with	$11,181,628	3	
and University National Bank, Rockville, Md. (15365), which had	39,207,224	7	
merged July 6, 1970, under charter and title of the latter bank (15365). The merged bank at date of merger had	48,536,914		10

COMPTROLLER'S DECISION

On April 2, 1970, Montgomery Banking and Trust Company, Rockville, Md., and University National Bank, Rockville, Md., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

University National Bank, the charter bank, opened for business August 1, 1964, and now holds IPC deposits of $26.6 million. The charter bank presently operates its head office at Rockville, an office in College Park, and one in Riverdale. It has four offices in Montgomery County; one in Gaithersburg, one in Rockville, one in Silver Spring, and one in Bethesda. In addition, applicant has three approved but unopened branch locations in Silver Spring, and one application pending for Chevy Chase, all in Montgomery County.

The Montgomery Banking and Trust Company, the merging bank, with IPC deposits of $8.6 million, opened for business February 1965. In addition to its head office in Rockville, it presently operates one branch in Quince Orchard, approximately 5 miles northwest of Rockville, and has an approved but unopened location in Olney, approximately 5 miles northeast of Rockville. While the bank is in good condition, it must provide for management succession.

The service area of both banks is the suburban Maryland section of the Washington, D.C., Metropolitan Area, which encompasses Montgomery and Prince Georges counties. The population, growth rate, per capita income, and family income in this area is reported to be among the highest in the Nation. The economy is stable, and depends primarily upon the Federal Government. The population growth rate is related to the growth of the Federal Government. Significant government installations in the area include the Atomic Energy Commission and Bureau of Standards complexes, in Montgomery County; and the NASA facility and Andrews Air Force Base, in Prince Georges County. Apart from service industries and the Federal Government, the largest single industry in both counties is the construction industry. However, light industrial and research and development activities have increased substantially over the last decade. In the more rural areas, farming retains some economic importance.

Banking competition in this area is intense, with 29 different banks operating through 176 offices. Area deposits held by those 29 institutions are reported to be $1.25 billion. While many of those banks are relatively small, the Maryland National Bank, Baltimore, Md., with total resources of over $1 billion, operates 12 offices, and has five approved but unopened branch locations in this area. The other two Baltimore-based banks operating in the area are the First National Bank of Maryland, with total resources of over $700 million, and seven existing and two approved but unopened offices in the area; and The Equitable Trust Company, with resources of almost $600 million, and five offices in the area. The two largest area-based banks are the Suburban Trust Company, Hyattsville, Md., with deposits of $459 million and 38 offices; and the $200 million Citizens Bank and Trust Company, Riverdale, Md., with 31 offices. University National Bank ranks 12th in size among the 29 institutions. The 11 Washington, D.C.-based banks, some of which have established offices close to the Maryland-D.C. line, are also an important competitive factor.

This merger will create an institution more capable of meeting the area's banking needs with greater depth in management than is currently available to either institution individually. The resulting bank will be better able to handle the banking needs of the larger business organizations than either participating bank currently is. Consolidation of internal operations is expected to reduce overhead and operating expenditures.

Banking competition will not be significantly affected by this merger. Neither participating bank is a major competitive force in the relevant banking market; their combinations will give the resulting bank control of less than 4 percent of the deposits in both counties. The resulting bank will be eighth in size among banks operating in the two counties, five of which are large statewide or regional organizations. While the proposed merger may result in the elimination of one alternative banking outlet, adequate banking alternatives will remain. Through the creation of a larger institution, competition with and among the larger competitors in the area will be enhanced.

Applying the statutory criteria, we find the merger to be in the public interest, and the application, therefore, is approved.

JUNE 3, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head office of Montgomery in Rockville is 11.5 miles from the head office of University in College Park, but only 2 miles from its Rockville office which is soon to become its new head office. The application states that, despite this proximity, these two Rockville offices are not competitors because they are on opposite sides of a wide, heavily traveled highway, with difficult cross access.

Although there are a number of other banking alternatives in suburban Montgomery County, the merging banks are clearly alternatives for a number of its residents. Accordingly, we conclude that some direct competition will be eliminated by the proposed merger.

As of June 30, 1968, Montgomery held about 1.4 percent of total commercial bank deposits in Montgomery County. On that date, University operated no office in the county, but has since merged with the Old Line National Bank, which on the above date held about 3 percent of such deposits. Most of Maryland's largest commercial banks operate offices in the county, including Baltimore-based banks which are rapidly improving their competitive positions.

Although the proposed merger would eliminate some direct competition, we do not believe that its overall effect would be significantly adverse.

* * *

THE MERCHANTS NATIONAL BANK OF BURLINGTON, BURLINGTON, VT., AND BARRE TRUST COMPANY, BARRE, VT.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Barre Trust Company, Barre, Vt., with	$10,734,254	1	
and The Merchants National Bank of Burlington, Burlington, Vt. (1197), which had	33,728,785	6	
merged July 9, 1970, under charter and title of the latter bank (1197). The merged bank at date of merger had	44,021,777		7

COMPTROLLER'S DECISION

On March 23, 1970, the Barre Trust Company, Barre, Vt., and The Merchants National Bank of Burlington, Burlington, Vt., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Merchants National Bank of Burlington, with IPC deposits of $25.8 million, was organized in 1849. This bank operates four branch offices in addition to its head office.

Burlington, home of the charter bank, has a population estimated at 49,000, while Chittenden County, the most important part of the charter bank's service area, has a population estimated at 100,000. The service area of the Bristol branch, located in Addison County, has a population of about 5,000. Contributing to the economy of the Burlington area are three hospitals, three colleges, and The University of Vermont, which has a total student population of 10,000. The two largest employers in the area are General Electric and I.B.M., employing 3,000 and 4,000 persons, respectively. The normal quota of shopping centers and owner-operated service type industries are also present. The economy of Bristol is mainly based on resort activity, with three major ski areas established in the last several years, and with vacation home construction continuing.

The charter bank competes in the Burlington area with the two largest banks in the State: the Chittenden Trust Company and The Howard National Bank and Trust Company. In addition, the Burlington Savings Bank, with deposits in excess of $100 million, operates in the area. The largest federal savings and loan association in the State, and seven branches of finance companies also compete in the Burlington area.

Barre Trust Company, the merging institution, with IPC deposits of $9.6 million, was organized in 1921. It is a unit bank beset by serious managerial, capital, and growth problems. Its inadequate lending limit has seriously hampered its growth and its efforts to compete with the other larger institutions in its area.

Barre, Vt., home of the merging bank, has a population of 16,500 and is the third largest city in the State. The population of Washington County, the service area of the merging bank, is estimated at 50,000. The granite industry is a major contributor to the economy. Rock of Ages Granite, the most well known of the local granite companies, employs 5,700 persons. Five other quarries and numerous finishing plants are also located in the area. Sprague Electric, an electronics firm employing 800, is located in Barre, as are two colleges which have a total student and faculty population of 2,300. National Life Insurance of Vermont and the administrative offices of Vermont's State Government are located in Montpelier, 8 miles northwest of Barre, and many of their employees commute from Barre. Agriculture and retail, wholesale, and service industries also provide some support for the area economy.

Competing with the merging bank is The Peoples National Bank of Barre, with total deposits of about $20 million; Montpelier National Bank, with total deposits of $21.3 million; the Montpelier branches of the Howard National Bank and Trust Company, and The Chittenden Trust Company, Vermont's largest banks; and the Granite Savings Bank and Trust Company of Barre, with total deposits of $28.6 million. A mutual fire insurance company, branch offices of two small loan companies, and two small credit unions also offer competition in Barre.

Consummation of the merger will enable the Barre office of the resulting bank to offer better service at lower cost through its larger lending limit, improved managerial resources, trust service capabilities, newly available computer resources, and its generally expanded marketing capability.

This merger will have no adverse competitive effect. Since the service areas of the two banks are separate and do not overlap, no competition will be eliminated. Because each bank is the smallest bank operating in its service area, the merger should enhance competition by creating a larger institution more capable of competing with its larger competitors. Potential competition will not be affected since it is very unlikely that either merging bank would branch into the service area of the other owing to the adequate number of banking outlets presently available to service each area.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest. The application, therefore, is approved.

May 19, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Barre Trust is located about 45 miles southeast of Merchants National's main office and about 43 miles away from its nearest branch office. Neither bank derives a significant amount of business from the service area of the other bank. Moreover, Montpelier, the State capital, is located 8 miles northwest of Barre, along the main highway between Burlington and Barre, where three commercial banks, including the two largest in Vermont, operate offices. In view of these circumstances, there would seem to be little direct competition between the merging banks.

Under Vermont law, Merchants National could enter the Barre-Montpelier area *de novo*. It accounts for about 11 percent of total deposits held by the three commercial banks in Burlington. Its chief competitors, Howard National Bank & Trust (total deposits of $116.5 million) and Chittenden Trust Company (total deposits of $109.1 million), have entered the Barre-Montpelier area through previous mergers with banks in Montpelier. While Merchants National could be considered a likely *de novo* entrant into the Barre-Montpelier area, its acquisition of Barre Trust, the smallest of three commercial banks in Barre and the smallest of six commercial banks in the Barre-Montpelier area, would not have a significantly adverse effect on potential competition.

* * *

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Montclair National Bank and Trust Company, Montclair, N.J. (9339), with....	$153,852,352	11	....
and Trust Company National Bank, Morristown, N.J. (4274), which had.......	187,631,441	16	....
consolidated July 10, 1970, under charter of the latter bank (4274) and title "American National Bank & Trust." The consolidated bank at date of consolidation had..	340,612,870	....	27

COMPTROLLER'S DECISION

On February 20, 1970, Trust Company National Bank, Morristown, N.J., and Montclair National Bank and Trust Company, Montclair, N.J., applied to the Comptroller of the Currency for permission to consolidate under the charter of the former and with the title "American National Bank and Trust."

Trust Company National Bank, the charter bank, has total assets of $196 million. It operates two offices in Morristown and 15 offices in 11 other Morris County municipalities. In addition to those offices, Trust Company National Bank operates one branch in adjacent Sussex County and has received approval to open two more offices in Sussex County and one in Warren County.

Morristown, the headquarters of the charter bank and the location of one of its branches, is an interesting residential community with a population of approximately 22,000. It is the seat of Morris County and is located about 35 miles west of New York City and 17 miles west of Montclair, the headquarters of the consolidating bank.

Morristown and its environs in Morris County comprise the market area of the charter bank. The population of the county is approximately 405,000. The economy of Morris County is in a dynamic phase. Until 1950, the area was predominantly agricultural. Now the area is heavily developed residentially, and is experiencing the beginnings of some industrialization.

The Montclair National Bank, the consolidating bank, has total resources of approximately $158 million, and operates 10 offices in Essex County. In addition to the headquarters in Montclair, the bank has four branches in Montclair, three branches in Millburn, and one branch each in Verona and West Caldwell.

The market area of the consolidating bank is Essex County, particularly that part of the county known as "West Essex County." The area is primarily residential. With the exception of the Caldwells and parts of Cedar Grove, penetration by industry has been minimal.

Montclair, the headquarters of the consolidating bank and the hub of its system of branches, is located 14 miles west of New York City. It has an estimated population of 44,700. At one time, Montclair was considered one of the most affluent sections of the State and Nation. Presently, while it does not enjoy a reputation as the redoubtable bastion of the privileged class, as it did in the 1930's, it remains an affluent commuter community for executives and professionals working in New York and Newark.

Both the merging and the consolidating banks face aggressive competition in their respective market areas. In terms of deposits, the Trust Company National Bank ranks 11th, and Montclair 17th, of the 88 commercial banks in the First Banking District. The resulting bank will rank ninth. Both banks are considerably smaller than their larger competitors. Additional competition is provided by six savings banks with 31 offices in Essex and Morris counties and 55 savings and loan associations with offices in the two counties. Competition for savings deposits and mortgage business is extremely strong with those institutions.

The consolidating bank has experienced particularly strong competition from the State's three largest commercial banks, and from the largest savings bank, all of which have head offices in Newark. At present, the four municipalities in which Montclair has offices are also served by at least one of the largest banks, each of which is over four times Montclair's size. Last year's amendments to New Jersey's branch banking law have intensified this competition through new branch approvals, mergers, and holding company formations. The increased competition has contributed to the $4 million shrinkage in Montclair's deposits in the last calendar year.

Competition between Trust Company National Bank and the Montclair National Bank is insignificant as, historically, each of the two banks have served only their respective counties. Under the revised branch banking and merger laws that were recently enacted, the opportunities for *de novo* branching by the Trust Company National Bank and the Montclair National Bank in either Essex County or Morris County are slim. There is at least one banking office in each of the 39 municipalities in Morris County, and the Trust Company National Bank has offices in 11. Nine of these municipalities have head office protection, 20 have populations of under 7,500, thereby providing branch office protection, and the remaining 10 are presently the sites of 30 banking offices. In the 22 towns in Essex County, there is at least one banking office in each town, and Montclair National Bank has offices in 4. Eleven of the towns have head office protection and four towns have populations of under 7,500, including one town which does not permit any property to be zoned for business. In the seven remaining towns, there are presently 25 banking offices. Neither the Trust Company National Bank nor Montclair National Bank has expressed any interest in applying for branches in any of those communities in Essex County as they already appear to be heavily banked by offices of some of the largest banks in the State. The cost of starting a new office and competing effectively under these circumstances would be prohibitive.

Consolidation of the subject banks will inure to the benefit of the residents of Essex County. Essex County, which is presently served by Montclair National Bank, will have the facilities and services of a larger, more aggressive institution. Services presently offered by one or the other of the consolidating banks, together with certain services not now offered, will become available to all of the customers and prospective customers of the resulting bank.

The consolidation, with resulting increased lending limit, will enable the resulting bank to compete more effectively with the larger banks in northern New Jersey and with the New York City banks that actively solicit new business throughout the service areas of the consolidating banks. As population and industrial growth in the First Banking District continues, it will be necessary for the subject banks to accommodate to this development. The resulting bank, through a larger lending limit, will be able to retain the subject banks' business, and compete effectively for new business as it develops.

Applying the statutory criteria to the proposed consolidation we conclude that it is in the public interest and the application is, therefore, approved.

JUNE 8, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Montclair Bank could be considered a likely potential entrant into Morris County. By entering the county through consolidation with Trust Company, it will add its resources to the county leader, controlling about 33 percent of county commercial bank deposits. However, while Montclair Bank is a substantial bank, apparently able to effect entry into Morris County *de novo* or through merger with a smaller bank in the county, it is not among the larger potential entrants. Each of the three large Newark banks, as well as those described above headquartered in Passaic, Bergen, and Hudson counties, could enter Morris County. Several have received permission to open *de novo* branch offices therein.

Each of the consolidating banks is not among the very largest potential entrants into the primary service area of the other. However, Trust Company's dominant position in Morris County and the close proximity of the service areas of the banks indicate that the proposed consolidation may have some adverse effect on potential competition.

* * *

FIRST COUNTY NATIONAL BANK AND TRUST COMPANY, WOODBURY, WOODBURY, N.J., AND
THE FIRST NATIONAL BANK AND TRUST COMPANY OF PAULSBORO, PAULSBORO, N.J., AND
PITMAN NATIONAL BANK AND TRUST COMPANY, PITMAN, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Pitman National Bank and Trust Company, Pitman, N.J. (8500), with	$15,748,018	1	
The First National Bank and Trust Company of Paulsboro, Paulsboro, N.J. (5981), with	24,218,387	5	
and First County National Bank and Trust Company, Woodbury, Woodbury, N.J. (1199), which had	40,681,659	5	
merged July 17, 1970, under charter of the latter bank (1199) and title "National Bank and Trust Company of Gloucester County." The merged bank at date of merger had	80,777,366		11

COMPTROLLER'S DECISION

On December 29, 1969, Pitman National Bank and Trust Company, Pitman, N.J., and The First National Bank and Trust Company of Paulsboro, Paulsboro, N.J. applied to the Office of the Comptroller of the Currency to merge into First County National Bank and Trust Company, Woodbury, Woodbury, N.J., under the charter of the latter and with the title "National Bank and Trust Company of Gloucester County."

Gloucester County, home of the subject banks, has a population of 167,200, reflecting a 25 percent increase during the past 9 years. It is situated along the eastern shore of the Delaware River, immediately south of Camden County, and convenient to the cities of Philadelphia and Camden. This area, which is included in the Third Banking District of New Jersey, has experienced tremendous growth in the past decade, and there is every indication that similar growth will occur in the present decade.

Although 40 percent of the county's land area is devoted to agriculture, manufacturing and petroleum refining are both important contributors to the economy. There is light and heavy manufacturing as well as food processing and packaging in this highly productive agricultural area. Numerous retail shopping centers dot the area. Most of the population and nonagricultural economic activity is concentrated in the western sector of the county.

Woodbury, with an estimated population of 13,700, is the seat of Gloucester County. It is situated in the northern part of the county, 7 miles southwest of Camden. Because of its proximity to Camden and Philadelphia, Woodbury is a "bedroom" community for many people employed in those two cities.

The First County National Bank and Trust Company, Woodbury, which has IPC deposits of $29 million, was organized as the Gloucester County Bank in 1855. Its present corporate title was adopted in 1960. The bank operates two in-town offices and three out-of-town branches, all within 4 miles of Woodbury. The out-of-town offices are located in the communities of National Park, Woodbury Heights, and Deptford.

Paulsboro, with an estimated population of 8,900, is located on the Delaware River about 12 miles southwest of Camden, and 5 miles west of Woodbury.

The First National Bank and Trust Company of Paulsboro, with IPC deposits of $17.3 million, was organized in 1901. Besides two offices in Paulsboro, this bank operates three out-of-town branches within 3 miles of Paulsboro, in the communities of Gibbstown, West Deptford, and Mulleton.

Pitman, which has an estimated population of 9,700, is primarily a residential community. It is situated 8 miles south of Woodbury and 9 miles southeast of Paulsboro. The Pitman National Bank and Trust Company, with IPC deposits of $14 million, was organized in 1907, and operates as a unit bank.

The Woodbury bank branch closest to any office of the Paulsboro bank is its Woodbury Heights branch, which is about 3 miles east of the latter bank's West Deptford Township branch. Those branches are also the closest to an office of the Pitman bank, as they are 7 miles north and 8 miles northwest respectively. There is no substantial competition between these offices. Moreover, there are several offices of other banks located between Woodbury and Pitman.

The potential for increased competition among the three banks in the foreseeable future appears remote since New Jersey statutes prohibit *de novo* branching in communities where the head office of a bank is already situated, and in towns with a population of 7,500 or less where a branch already exists. Consummation of the merger will increase competition as it will eliminate head office protection for Paulsboro and open it up for *de novo* branches.

The First County National Bank and Trust Company, Woodbury, competes with the Woodbury offices of Peoples National Bank of New Jersey, which has deposits of $81 million, and the Deptford Township branch of Colonial National Bank, Haddonfield, which has deposits of $113 million. The First National Bank and Trust Company of Paulsboro's West Deptford Township branch competes with a branch of South Jersey National Bank, Camden, which has deposits of $227 million. The Pitman National Bank and Trust Company is in direct competition with Broadway National Bank and Trust Company of Pitman, which plans to merge with Peoples National Bank of New Jersey, Westmont.

Upon consummation of the merger there will be 13 banks with deposits ranging from $4 million to $254 million serving the northern half of Gloucester County and a small segment of Camden County. The four banks in Camden County with which the $60 million resulting bank will be better able to compete have deposits of $81 million, $113 million, $227 million, and $254 million.

Although the Woodbury bank is presently the largest of 13 banks with head offices in Gloucester County, it is only the 15th largest of 75 commercial banks in the Third Banking District of New Jersey. The Paulsboro bank is the third largest in Gloucester County and 29th largest in the Third Banking District. The Pitman Bank is sixth and 43rd largest, respectively. The resulting bank will hold 3 percent of the deposits, and rank ninth in the Third Banking Region.

Philadelphia banks, through advertisements and because many residents are employed in the city, offer banking alternatives to customers in the area of the subject banks. In addition, a number of savings and loan associations, insurance companies, credit unions, and sales finance and personal loan companies are active in the relevant market area.

The resulting bank will provide imposed services for its customers including a larger lending limit, automated deposit bookkeeping, and improved trust department facilities. The merger will also alleviate management succession problems by providing an earnings potential which will enable it to attract and train young and competent management. This merger, in keeping with current economic thinking, will develop a locally-oriented bank in Gloucester County capable of serving county residents, and with sufficient clout to compete effectively with out-of-county competitors.

Applying the statutory criteria to this application, it is found to be in the public interest. The application, therefore, is approved.

MAY 22, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Pitman Bank's service area is centered about the town of Pitman, and its sole office is about 7 miles from the nearest offices of the other two merging banks. A number of offices, present and proposed, of competing banks lie in the intervening area. It would appear that only a limited amount of direct competition exists between Pitman Bank and the other two merging banks; this competition will, of course, be eliminated if the proposed merger is approved.

A more substantial amount of direct competition exists between Woodbury Bank and Paulsboro Bank. While the areas in which the offices of these two banks are located may be more accurately described as adjacent rather than coextensive, it is clear that a good deal of overlap in service area exists, particularly in West Deptford Township, between Woodbury and Paulsboro. Woodbury Bank's Woodbury Heights branch is located only 2.1 miles from the West Deptford branch of Paulsboro Bank.

The elimination of competition between Woodbury Bank and Paulsboro Bank is aggravated by the lack of competitive alternatives in the vicinity of Paulsboro. Paulsboro Bank is the only bank located in Paulsboro and the immediately surrounding areas. The closest alternatives are in the Woodbury-Woodbury Heights area, and include Woodbury Bank. Other alternatives in this immediate area include the $125 million Colonial National Bank (through its merger with The First National Bank of Westville), the $125 million Peoples National Bank of New Jersey (through its merger with Farmers and Mechanics National Bank), and a branch of The National Bank of Mantua.

According to the application, additional competition will be afforded by new branches of the $300 million Bank of New Jersey and the $270 million South Jersey National Bank, as well as by two newly chartered banks.

The proposed merger will eliminate home office protection in Paulsboro.

As of June 30, 1968, Woodbury Bank, Paulsboro Bank, and Pitman Bank held the first, third and fifth largest shares of total deposits held by banks with offices in Gloucester County (16.2 percent, 11.5 percent and 8.6 percent, respectively). Their combined market share would have been over 36 percent. Gloucester County may understate the relevant market, however, as large banks headquartered in adjacent sections of Camden County, including the city of Camden, draw some amount of deposits and loans from the areas served by the merging banks. Banks located in Philadelphia may also compete to some extent, particularly for the business of commuters.

In a greater Camden market, encompassing the northern sections of Camden and Gloucester counties (which, in view of the proximity of Woodbury Bank and Paulsboro Bank, may overstate the relevant market) the shares of Woodbury Bank and Paulsboro Bank total approximately 6 percent.

Although larger banks based in Camden County are increasing their competitive presence in the areas served by the merging banks, Woodbury Bank and Paulsboro Bank in particular hold large shares of deposits therein and, absent this proposed merger, would probably continue as capable independent retail banking alternatives. We conclude that the overall competitive effect of their merger with one another and with Pitman Bank would be adverse.

* * *

THE FARMERS NATIONAL BANK OF SALEM, SALEM, OHIO, AND CITIZENS SAVINGS BANK, COLUMBIANA, OHIO

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Citizens Savings Bank, Columbiana, Ohio, with	$11,094,201	2	
and The Farmers National Bank of Salem, Salem, Ohio (973), which had	37,561,201	5	
merged July 17, 1970, under charter and title of the latter bank (973). The merged bank at date of merger had	48,655,402		7

COMPTROLLER'S DECISION

On March 24, 1970, The Farmers National Bank of Salem, Salem, Ohio, with deposits of $35.3 million, and the Citizens Savings Bank, Columbiana, Ohio, with deposits of $10.7 million, applied to the Office of the Comptroller of the Currency to merge under the charter and with the title of the former.

The Farmers National Bank of Salem, headquartered in Salem, Ohio, has IPC deposits of $33 million. The bank was organized as a State institution in 1846, and obtained a National charter in 1865. The bank presently operates two branches in Salem and one branch in each of the nearby towns of Lisbon and Hanoverton. While the primary service area of the charter bank is Columbiana County, the total market area also includes portions of Mahoning, Stark, and Carroll counties.

Salem, with a population of approximately 14,300, is the largest urban area in Columbiana County. The county is situated in northeastern Ohio, and Salem is located in the northern part of the county 20 miles east of Canton, Ohio, 21 miles southwest of Youngstown, Ohio, and 62 miles northwest of Pittsburgh, Pa. A strong manufacturing base has developed around Salem with such industrial concerns as Crane Company (Demming Division), L. W. Bliss Company, Electric Furnace Company, Mullins Manufacturing Corp., Warren Molded Plastics, Inc., Quaker Manufacturing Corp., Quaker Tool and Die, Inc., United Tool and Die, Inc., Wallace-Murray Corp., (Eljer Division), Salem Tool Co., and Sekely Industrial Tool and Manufacturing Inc., as important employers. The agricultural areas of the county are found in the northern and western parts, with dairy farming, livestock, and fruit production making substantial contributions to the economy.

The Citizens Savings Bank was organized in 1923, and is headquartered in Columbiana, Ohio, 10 miles east of Salem. The bank operates a branch at Leetonia. Its total IPC deposits for both offices is near $10.1 million.

Columbiana is a small, agricultural town of 4,600 in the northern portion of Columbiana County. Economic activity centers on fruit production and dairy farming. There are a number of established industries which employ about 1,500 people and lend economic stability to the community. The prospects for growth in this area appear favorable.

The proposed merger will not adversely affect the banking structure in the resulting bank's service area. Eighteen banks, excluding the participants, serve the market area in question. Eleven of the 20 banks now serving Columbiana County are headquartered in the county, and nine banks headquartered in other counties also service the market area through 16 branch offices. Deposits of all the commercial banks, including the participating banks, total over $644 million. The charter bank holds $35.3 million of this total, and upon consummation of the merger, the resulting bank's deposits will measure only $46.1 million. In addition to the 18 other commercial banks operating in the broad market area, the resulting bank will compete with 11 savings and loan associations, 2 insurance companies, 20 credit unions, 4 sales finance companies, and 14 personal loan organizations. Consequently, the resulting institution will not dominate the area's financial structure.

Approval of the proposed merger will not eliminate a significant degree of competition between the participating banks. While the participating banks' main offices are approximately 10 miles apart, the head offices of three other banks are located in Salem, Columbiana, and Lisbon, and they all compete directly with the applicant banks. Several other banks, including The Union National Bank of Youngstown, with total assets of $142 million; the First National Bank of Canton, with a branch at Minerva, and total assets of $160 million; and The Mahoning National Bank of Youngstown, with total assets of about $140 million, all have branch offices within 15 miles of the applicants.

The benefits accruing to the public will outweigh any anticompetitive aspects resulting from this merger. The market area's future banking needs will be better served by one large bank with multiple services than by two smaller banks with fewer services. The resulting institution will be sufficiently large to install or lease computer facilities for its own use and the use of its customers. The larger lending limit will enable the resulting bank to fulfill the credit needs of the local manufacturing concerns, and to better meet the competition of the larger banks in the area. Specialized banking services, such as agricultural loans, student loans, bank credit card services, and increased instalment lending services will become available to the customers in the immediate trade area of The Citizens Savings Bank. In addition, approval of this merger will assure management continuity, which is presently unavailable to the merging bank.

Applying the statutory criteria to the proposed merger, we find that it is in the public interest, and the application, therefore, is approved.

June 11, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The Leetonia branch of Citizens Savings is located only 7 miles from Farmers National's East Side branch, in Salem. Although there are three other banking offices in the intervening area, merging banks are in direct competition. For example, Farmers National derives industrial accounts and loans from Leetonia and Columbiana. The proposed merger, of course, would eliminate this direct competition and would eliminate the potential for greater competition which would occur if the banks were to open new branches closer to each other.

Eleven banks with 23 offices were located in Columbiana County, as of December 31, 1969. With about 20 percent, Farmers National held the largest share of county total deposits of $174.6 million, and the second largest share—about 20 percent—of county total demand deposits of $64 million. Citizens Savings held the sixth largest share, or about 6 percent, of total deposits, and the seventh largest share, or about 5 percent, of total demand deposits. As a result of the proposed merger, that share of total deposits held by the county's four largest banks would increase about 6 percent, to approximately 71 percent, and figures for total demand deposits show a comparable increase of about 5 percent, to nearly 70 percent.

The proposed merger is likely to result in the elimination of direct competition between the merging institutions, increase concentration in commercial banking and eliminate Citizens Savings as an independent competitor in an area where continued economic growth is expected. We conclude that the proposed merger would clearly have an adverse effect upon competition.

* * *

FIRST NATIONAL BANK OF EASTERN NORTH CAROLINA, JACKSONVILLE, N.C., AND THE STATE BANK OF WINGATE, WINGATE, N.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The State Bank of Wingate, Wingate, N.C., with	$3,046,720	2	
and First National Bank of Eastern North Carolina, Jacksonville, N.C. (14676), which had	105,073,518	32	
merged July 27, 1970, under charter and title of the latter bank (14676). The merged bank at date of merger had	108,120,239		34

COMPTROLLER'S DECISION

On February 9, 1970, The State Bank of Wingate, Wingate, N.C., and First National Bank of Eastern North Carolina, Jacksonville, N.C., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The First National Bank of Eastern North Carolina, with I.P.C. deposits of $69.7 million, was established in 1952, and presently operates through its main office, 27 branch offices, and one facility. The bank operates in 15 counties, 13 in the eastern portion of the State, surrounding its home county of Onslow, and in the two western counties of Watunga and Henderson. Until 1959, the bank confined its activities to the city of Jacksonville, and operated as a unit bank. Since that time, the bank has been involved in four acquisitions, the largest of these being the merger of the Bank of Lillington, in 1967, with slightly more than $3 million in deposits. Primary expansion, however, has been through *de novo* branching. In its home city of Jacksonville, the charter bank competes vigorously with six branches of the $590 million deposit Citizens Bank and Trust Company. Through its other branches, the bank also competes with a branch of the $402 million Northwestern Bank, in Boone; with branches of the $1.1 billion North Carolina National Bank and the $1.1 billion Wachovia Bank and Trust Company N.A., in Wilmington; and with a branch of the $827 million deposit First Union National Bank, in Hendersonville.

The economy of the merging bank's home office territory, Jacksonville, is largely dependent upon agriculture, tobacco is the leading money crop, and upon large military installations located nearby. Camp Lejeune, for example, covers 111,000 acres in the county, and carries an annual payroll in excess of $200 million. Some industry has moved into the area in recent years and aggressive efforts are being made to attract new industry, particularly in light of the decline in tobacco production in recent years.

The State Bank of Wingate, which was organized in October 1909, presently holds IPC deposits of approximately $2 million, and operates through its main office and one branch, both of which are located in the rural community of Wingate. The bank has experienced only nominal growth throughout its long history, as is evidenced by its present size. Because of this, it has not been in a position to adequately respond to the financial needs within its service area. It has lost its most capable young officer, leaving only the president to manage the bank's affairs, and now the merging bank faces a serious management succession problem. Primary competition for the bank derives from the $50 million deposit American Bank and Trust Company, headquartered in Monroe, N.C., 3 miles from Wingate, and the $42 million deposit Security Bank and Trust Company in Union County, with two branches in Monroe. In addition, the $1.1 billion deposit North Carolina National Bank has an approved but unopened branch in Monroe. Competition, particularly for the larger lines of credit in the merging bank's service area, also derives from large banks either headquartered or located in Charlotte.

Wingate, which is in Union County, had a 1960 population of approximately 1,300. The town is located 35 miles southeast of Charlotte, the largest city in the Carolinas, and 3 miles east of Monroe, which has a population of 12,000. Economic activity in the immediate area of Wingate is primarily dependent upon an industrial park situated approximately halfway between Wingate and Monroe, which employs over 5,000 persons. Wingate College, with a present enrollment of 1,600 students, is also an important contributor to the local economy. Union County, which is considered to be within the bank's primary service area, has shown a steady growth in population to an estimated 51,000, today. The proportion of the county's labor force employed in agriculture has dropped from 71.5 percent in 1930, to 11.7 percent, in 1960. In recent years, because of its easy accessibility to Charlotte, the county has become a "bedroom" community for that city. Indeed, one-third of the labor force worked outside of the city in 1960, and it is estimated that the figure is even higher today. In 1967, there were 412 employers in Union County, employing some 10,000 people, and total county employment increased over 30 percent from 1962 to 1967. Future growth trends for this area are expected to be good.

Consummation of this merger will eliminate no existing competition between the two banks. There is presently no competition between the two banks in each other's service area for either customers or business. The closest offices of the two banks are 140 miles apart. Entrance of charter bank into the merging bank's service area will provide a more aggressive competitor to banks already located in, or entering, the county, and will replace a relatively ineffectual bank. The Wingate Bank, because of its location within Union County, its proximity to a large industrial park, and the accessibility to Charlotte, can become, as a result of this merger, a much more effective competitor throughout the county. In addition, entrance of charter bank into this market area will provide the customers of The State Bank of Wingate with additional banking services such as an increased lending limit, trust services, overdraft banking, specialized loan services, FHA and VA loans, and credit card services. In addition, the capable and qualified management team of charter bank will be available to the customers of merging bank.

It is concluded that this merger will have no adverse competitive effect and is in the public interest. The application, therefore, is approved.

JUNE 26, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

First National operates throughout eastern North Carolina and in two counties in the western part of the State. Wingate Bank's two offices are in south central North Carolina, more than 100 miles from the nearest existing office of First National. Thus, the merger would not eliminate any significant direct competition.

First National has applied for approval to open a *de novo* office in Monroe, about 3 miles from Wingate Bank. Thus, the merger would eliminate potential competition between the two banks. In view of Wingate Bank's small size and the number of banking alternatives in the area, however, this loss of potential competition is not significant.

* * *

FIRST & MERCHANTS NATIONAL BANK, RICHMOND, VA., AND SUBURBAN NATIONAL BANK OF VIRGINIA, (MCLEAN P.O.), FAIRFAX COUNTY, VA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Suburban National Bank of Virginia, Fairfax County (P.O. McLean), Va. (14965), with	$49,353,508	9	
and First & Merchants National Bank, Richmond, Va. (1111), which had	769,096,943	54	
merged July 31, 1970, under charter and title of the latter bank (1111). The merged bank at date of merger had	816,282,176		63

On March 31, 1970, the Suburban National Bank of Virginia, (McLean P.O.), Fairfax County, Va., and the First & Merchants National Bank, Richmond, Va., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The charter bank, with IPC deposits of $519 million, was originally organized in 1865, and presently operates 56 branch offices. Its principal area of operation is the Richmond Metropolitan Area where it has 22 offices. It also operates offices in the communities of Newport News, Staunton, Lynchburg, Waynesboro, Norfolk, Portsmouth, Virginia Beach, and Chesapeake. It has a facility in the Pentagon where the merging bank operates a branch office, and an office at Dulles International Airport. The bank ranks second in size among all commercial banks in Virginia, and third among all the financial institutions. In its area, the bank faces competition from virtually every major bank and bank holding company in the State and derives some competition from the larger banks in nearby Maryland and the District of Columbia. The bank is wholly-owned by the First and Merchants Corporation, a one-bank holding company.

The merging bank, headquartered in Fairfax County, with McLean as its post office address, has IPC deposits of $37 million, and presently operates two branch offices in Fairfax County and three in Arlington County. It has received approval for three additional branches. The bank has not kept pace with the rapid growth of its area, and has a poor earnings record. The bank is not a strong competitor in its area, and lacks the management depth necessary for future growth.

The service area of the merging bank encompasses the counties of Arlington and Fairfax and the independent cities of Alexandria, Falls Church, and Fairfax. This northern Virginia area, with an estimated population of 800,000, is part of the Washington, D.C., Standard Metropolitan Statistical Area, the fastest growing metropolitan area in the country. The area is characterized by high educational and income levels and a mobile cosmopolitan population. It is a burgeoning center of research and development and other technically oriented light industries. Largely responsible for the population gravitation to this area and its development has been the rapid economic growth and the increasing influence of Washington, D.C., since World War II.

Arlington County, which was just a "bedroom" community for Washington, presently enjoys an estimated population of 200,000, and has experienced a significant economic development. Fairfax County's population has grown from 262,000, in 1960, to a present population of 455,000, and the county has become a focal point for development. Practically all of the Arlington-based banks have changed their headquarters to Fairfax County so that, under the Virginia branching laws, they could take full advantage of this new growth area. The cities of Alexandria and Falls Church are fully developed land extensions of Arlington and Fairfax counties. As indicated, the merging bank has not been able to keep pace with the rapid economic growth of its area and, as a result, is not able to adequately serve the area's rapidly expanding needs.

Banking competition in the area of the merging banks is provided by 23 banks, operating 171 offices, with aggregate deposits of approximately $1 billion. Six of the eight statewide banking organizations now compete vigorously in the area. The largest bank in the State, Virginia National Bank, with deposits of $700 million, presently operates 11 offices in the area. Banking competition is also provided by the large banks in nearby Washington, D.C., and Maryland.

The only competition existing between the participating banks is between their offices in the Pentagon. If this merger is approved, the office of the charter bank will be consolidated with the branch of the merging bank. The next closest office of the charter bank to the merging bank is at Dulles International Airport, about 10 miles to the west of Suburban National Bank's westernmost office. That office is relatively isolated and exerts no competitive influence on the northern Virginia area. This merger will not eliminate potential competition between the participating banks because, under the branching laws of Virginia, the banks are not permitted to branch into the areas of the other.

Consummation of the proposed merger will have no significant effect on concentration of banking resources in Virginia. First and Merchants National Bank's share of 9.5 percent of the total commercial bank deposits in the State will be increased by only 0.6 percent, Suburban National Bank's share of total State deposits. The effect of this merger will be in the northern Virginia area served by the merging bank, where it will introduce a more competitive institution better able to meet the increasing needs of this rapidly growing area. This merger will also solve the management problem at the merging bank.

Considered in the light of the statutory criteria, this merger is deemed to be in the public interest. The application is, therefore, approved.

JUNE 23, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest branches of First & Merchants are located in the Leesburg and Dulles Airport areas of Loudoun County, approximately 15 miles from Suburban National's Vienna branches. However, First & Merchants does operate a restricted-service banking facility in the Pentagon, in direct competition with Surbuban National's Pentagon branch, as deposit and loan account overlaps indicate. The proposed merger, of course, would eliminate this competition.

Five of the six largest banking organizations in Virginia have branches or affiliates in all the principal jurisdictions in Northern Virginia: Fairfax and Arlington counties, and the city of Alexandria. First & Merchants, the State's third largest banking organization, has no branch in any of these jurisdictions, with the exceptions of their Pentagon facility. Hence First & Merchants is a potential entrant into this area.

However, under Virginia law, First & Merchants, as presently organized as one-bank holding company, is precluded from establishing *de novo* branches in any of these Northern Virginia jurisdictions, and can enter only via merger.

Suburban National is the sixth largest of 23 commercial banks in Northern Virginia, and has six of the area's 178 approved banking offices. Three banking organizations, including the largest and sixth largest in the State, operate banking offices in all Northern Virginia jurisdictions, and hold about 63 percent of area total deposits of $1.4 billion. Those organizations control about one-third of the total number of area banking offices. Suburban National has about 4 percent of area total deposits. However, in view of the fact that Suburban's offices are located only in north-central Fairfax and Arlington counties, this percentage may understate its relative market position. Suburban had 3.8 percent of total Arlington County deposits as of June 29, 1968, and 7.8 percent of total Fairfax County deposits as of that date.

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LINCOLN NATIONAL BANK AND TRUST COMPANY OF CENTRAL NEW YORK, SYRACUSE, N.Y., AND THE NATIONAL EXCHANGE BANK OF BOONVILLE, BOONVILLE, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The National Exchange Bank of Boonville, Boonville, N.Y. (8022), with	$6,069,082	1	
and Lincoln National Bank and Trust Company of Central New York, Syracuse, N.Y. (15627), which had	243,069,535	18	
merged July 31, 1970, under charter and title of the latter bank (15627). The merged bank at date of merger had	249,138,617		19

COMPTROLLER'S DECISION

On April 15, 1970, The National Exchange Bank of Boonville, Boonville, N.Y., and the Lincoln National Bank and Trust Company of Central New York, Syracuse, N.W., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The charter bank, with IPC deposits of $175 million, was originally organized in 1929, and presently operates 16 branch offices in the Sixth Banking District. Nine of its offices are located in Onondaga County, two in Cayuga County, three in Oswego County, one in Seneca County, and one in Madison County. The bank ranks fourth in size among the 25 commercial banks in the district, and holds about 13 percent of all the commercial bank deposits. It is a wholly-owned subsidiary of the Lincoln First Banks, Inc., Rochester, N.Y., a registered bank holding company.

The primary service area of the charter bank is Onondaga County, which is virtually coterminous with the Syracuse Metropolitan Area. That area, with an estimated 1960 population of 423,028, presently enjoys a well diversified and thriving economy. There are about 41 manufacturing concerns and over 500 industrial firms in the area that together employ an estimated 160,000 civilian residents. The city of Syracuse is the hub of financial and business activities for the whole area, and is the home of Syracuse University, with a student enrollment of 17,000, and three other colleges.

The merging bank, with IPC deposits of $5 million, was organized in 1905. It is the smallest bank in its service area and, with about 0.3 percent of all the commercial bank deposits, ranks fourth smallest of the 25 banks in the Sixth Banking District. The bank provides limited banking services to its customers, and is presently faced with a management succession problem. It faces strong banking competition from the seven banks operating in Oneida County and two banks located in Lewis County, including a branch office of the largest bank in the district, the Oneida National Bank and Trust Company of Central New York, which is located almost directly across the street from the merging bank. Competition for the savings dollar is also provided by three savings banks, three savings and loan associations, and five credit unions operating in Oneida County.

The service area of the merging bank extends from the town of Boonville, where the bank is located, approximately 7 miles to the north and west, and approximately 15 miles to the south and east. The economy of this area consists of farming, furniture manufacturing, lumber products, recreational facilities, and milk processing. Oneida County, where Boonville is located, was third among the 128 counties in New York and New Jersey in the production of milk during 1968. In the past decade, the Boonville area has become a major recreation center, with significant effects on real estate investments in the area.

There is no competition presently existing between the participating banks to be eliminated by consummation of this merger. The closest office of the charter bank to the merging bank is the Oneida office, Madison County, about 40 miles away, which is further separated by hilly terrain and indirect highway connections. This merger will not eliminate potential competition between the two institutions because of the size of the merging bank and the home office protection under the New York State law.

The addition of $5 million in deposits to the charter bank will have no significant effect on concentration of banking resources in the Sixth Banking District. On the other hand, this merger will benefit the Boonville area by introducing a bank offering full banking services and better able to meet the needs of the area. This merger will also solve the management succession problem at the merging bank.

Considered in the light of the statutory criteria, this merger is deemed in the public interest. The application is, therefore, approved.

June 22, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the merging banks are almost 40 miles apart. This distance, the presence of other banks in the intervening area, and the limited scope of National Exchange's operations, indicate that there is little existing competition between the merging banks. It may be noted that the only other commercial bank in Boonville is Oneida National Bank and Trust Co. of Central New York (total deposits $267 million).

Under New York State law, with certain exceptions for the New York City area not applicable here, a bank may branch *de novo*, subject to home office protection, anywhere within the banking district in which it is headquartered. Because of home office protection, Lincoln National may not establish a *de novo* branch in Boonville. While Lincoln First Banks could be permitted to charter a new bank in that town, the size of the community and of National Exchange make it unlikely that the proposed merger will have a significantly adverse effect on potential competition.

* * *

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Bank of Sacramento, Sacramento, Calif., with	$42,497,359	5	
and Security Pacific National Bank, Los Angeles, Calif. (2491), which had	6,722,389,757	408	
merged July 31, 1970, under charter and title of the latter bank (2491). The merged bank at date of merger had	6,758,034,271		413

COMPTROLLER'S DECISION

On February 20, 1970, the Bank of Sacramento, Sacramento, Calif., and the Security Pacific National Bank, Los Angeles, Calif., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Security Pacific National Bank, with IPC deposits of $5 billion, is the second largest bank in California, but is far smaller than the Bank of America, which has deposits of $18 billion. This bank serves predominately the southern portion of the State; of its 395 branch offices, all except 12 are located in Southern California. The bank desires to expand its services in the north and into the Sacramento Valley through this merger.

The Bank of Sacramento, with IPC deposits of $28 million, was organized in 1962, and presently operates four branch offices, two in Sacramento, one in Davis, which is about 16 miles to the west of the head office, and one in the suburban community of Rancho Cordova, which is about 14 miles to the east of Sacramento. Although the bank is located in a vast agricultural area, it has not significantly served the agricultural community. Its lending capabilities preclude the bank from making large agricultural and commercial loans which are increasingly demanded by the agricultural and business communities. The bank is not able to offer to its business customers computer services, and it does not have a revolving credit or credit card plan for individual depositors. It presently lacks management depth, and fears it will not be able to compete in the highly competitive market for management talent. While the bank has shown satisfactory growth, it feels that its future possibilities are limited because of the intense banking competition in its area.

The general market area of the merging bank is the Sacramento Standard Metropolitan Statistical Area, which includes the counties of Sacramento, Yale, and Placer. The city of Sacramento, with a population of about 272,000, is the capital of the State, and the focal point of the entire Sacramento Valley, one of California's important agricultural regions, which encompasses the nine counties of Sacramento, Yale, Placer, Colusa, Sutter, Yuba, Glenn, Butte, and Tehama. In 1968, the Valley accounted for approximately one-eighth of the agricultural production of the State. Sacramento is about 87 miles east of San Francisco, and about 390 miles north of Los Angeles. Although primarily residential, it provides a large base of civil servant employment, and is a retail trade center for the entire valley. There are over 400 manufacturing establishments in Sacramento County alone, of which the Aerojet General Corporation is the largest, with 7,500 employees. Public payrolls in the county provide jobs for approximately 90,000 individuals, and several large military bases provide 25,000 civilian jobs.

There are, in the Sacramento Standard Metropolitan Statistical Area, 18 banks operating 126 banking offices with total aggregate deposits of $1.4 billion. Those banks include Bank of America, with 50 offices; Crocker-Citizens, with 22 offices; Wells Fargo Bank, with 21 offices; Bank of California, with 5 offices; and United California Bank, with 4 offices; all of which together represent 88.7 percent of the total bank deposits in the area. Bank of Sacramento's share of the total bank deposits is 2.4 percent, and if the savings accounts, totalling $450 million, of the 12 savings and loan associations in the area are included, the bank's share of the market is only 1.9 percent. In addition, there are 88 offices of consumer finance companies, 70 credit unions, several insurance companies, and various other lending institutions.

There is presently no significant competition existing between the participating banks. The closest office of the charter bank to the merging bank is located in Stockton, about 45 miles south of Sacramento. Security Pacific National Bank estimates that less than 0.01 percent of its deposits derive from the Sacramento area, and the Bank of Sacramento estimates that less than 0.5 percent of its deposits derive from the service area of the charter bank. However, Security Pacific National Bank has received approval for a branch in Sacramento which is expected to reach $14.3 million in deposits in its fifth year. Since this will represent only about 1.7 percent of total bank deposits in the metropolitan area, it is clear that the bank can not hope to become a significant competitive force for several years. Expansion into this area, far removed from the head office, through *de novo* branching would be difficult and expensive. This merger will provide the needed deposit base and some of the trained personnel needed to enable the charter bank to become a significant competitor, in the area, from the time of its entry. As the area is predominately agricultural, it will benefit from the Security Pacific National Bank's experience and expertise in the field of agricultural loans. The bank is now engaged in the development of a highly sophisticated data processing service for its farm customers that will provide the bank and its customers with current and accurate financial information, a tool for planning and making future agricultural decisions and for increasing efficiency.

The effect of consummation of the proposed transaction on the overall competitive structure in the Sacramento SMSA will be to enhance competition by replacing a small and not vigorous competitor with a full-service institution, able to compete effectively with the large banks operating in the area. There will be definite competitive advantages especially in the field of agricultural loans. The public interest will be served further because the offices of the Bank of Sacramento will be developed to provide full banking services.

Considered in the light of the statutory criteria, this merger is deemed to be in the public interest. The application is, therefore, approved.

June 8, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Security has no offices at present in the Sacramento area; its main office and branches in the San Francisco Bay area are some 87 miles away. Its office nearest to Sacramento is in the city of Stockton, 48 miles to the south, in the San Joaquin Valley. The amounts of business derived by the applicants from each other's areas are negligible; the respective areas are also served by a number of other large California banking institutions. Thus, from an immediate standpoint, the amount of direct competition that will be eliminated by the proposed merger appears insignificant.

Security, however, has previously applied for, and received approval to open a *de novo* branch in the new Capital Mall section of Sacramento, a major redevelopment project in the downtown area, six blocks from Sacramento Bank's head office. This new branch will be placed into operation regardless of whether or not the proposed merger is approved. Thus, while not yet measurable in statistical terms, Security is an imminent direct competitor in the Sacramento banking market; the proposed merger will necessarily eliminate that competition.

Banking in Sacramento is highly concentrated; the five largest banks in the area, all of which are major California branch networks, currently hold 88.7 percent of total commercial bank deposits in the Sacremento Standard Metropolitan Statistical Area ("SMSA").

Security, as noted, is already an imminent entrant into this market. It is also the second largest banking institution in California; presently it holds 11.3 percent of the deposits in the entire State. It has had long experience and success in *de novo* branching. The fact that it made application and received approval for a *de novo* branch in downtown Sacramento is indicative that there is opportunity and need for additional banking facilities in Sacramento.

Most importantly, several other statewide, or regional, banking organizations which are not presently serving the Sacramento area also have tried to enter that market by acquiring Sacramento Bank. Given the relatively smaller size of those organizations, they have substantially greater need for a foothold acquisition in order to make effective entry into a concentrated market such as Sacramento. Sacramento Bank which has 2.4 percent of bank deposits in the Sacramento SMSA is a very suitable vehicle for such entry. Its acquisition by Security, which is entering the market in any event, has the effect of eliminating an additional new entrant which in turn means that an additional force for deconcentration is excluded from the market.

This acquisition will eliminate Sacramento Bank as a vehicle for entry by other banking organizations into an area dominated by a few major statewide branching networks. It will also eliminate Security as a potential competitor. Therefore, the proposed merger, in our view, will have an adverse effect on competition.

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THE COMMERCIAL NATIONAL BANK OF KANSAS CITY, KANSAS CITY, KANS., AND EXCHANGE STATE BANK OF KANSAS CITY, KANSAS CITY, KANS.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Exchange State Bank of Kansas City, Kansas, Kansas City, Kans., with	$15,619,327	1	....
and The Commercial National Bank of Kansas City, Kansas City, Kans. (6311), which had	108,190,718	1	....
merged July 31, 1970, under charter of the latter bank (6311) and title "Commercial National Bank of Kansas City." The merged bank at date of merger had	117,021,889	....	1

COMPTROLLER'S DECISION

On April 1, 1970, Exchange State Bank of Kansas City, Kansas, Kansas City, Kans., and The Commercial National Bank of Kansas City, Kansas City, Kans., applied to the Comptroller of the Currency for permision to merge under the charter of the latter and with the title "Commercial National Bank of Kansas City."

The Commercial National Bank of Kansas City, with IPC deposits of $50.5 million, was originally organized as a State bank in 1897. It acquired a National charter in 1902, and has since operated under its present name.

Exchange State Bank of Kansas City, chartered in 1905, holds IPC deposits of $13 million. In recent years, the merging bank's deposits have shown no growth.

Both banks are located in Wyandotte County, one of the seven counties which make up the Kansas City, Kansas-Missouri Metropolitan Area. The relevant market area, which is considered to be the entire urban area, has an estimated population of 1.4 million, supports a diversity of industries, and is considered to be a major wholesaling, retailing, and transportation center. In contrast to the present and projected growth of the urban complex, Wyandotte County's growth in recent years has been slow, and its projected growth is the lowest of the seven counties. This county, which includes the main business district of Kansas City, Kans., is an unattractive and declining area suffering from the effects of urban decay.

Seven banks, including the two applicants, are located within a radius of three blocks in downtown Kansas City. In addition to those seven banks, 12 other banks operate in Wyandotte County. The charter bank and Security National Bank, which is the sixth largest bank in the Kansas City Metropolitan Area, are the two largest banks in that county. Those two banks compete on an areawide basis, while the other smaller banks, including the merging bank, compete on a more localized basis. In recent years, the center city banks have declined in relative importance as their share of the total bank deposits in Wyandotte and Johnson counties has decreased from 58 percent in 1953, to 38 percent in 1969.

Competition among the 125 banks in the Kansas City Metropolitan Area is intense. Commerce Trust Company, Kansas City, Mo., with $554 million, or 15 percent of the total deposits, is the largest institution. First National Bank of Kansas City, Kansas City, Mo., ranks second with $391 million, or 10.9 percent of the deposits. The third largest bank, City National Bank and Trust Company of Kansas City, Kansas City, Mo., with deposits of $369 million, holds approximately 10 percent of the area's deposits. The charter bank, with 3 percent of the deposits in the area, is the fifth largest bank, while the Exchange State Bank of Kansas City is the 47th largest bank in the market area, with only 0.42 percent of total area deposits. The resulting bank will rank as the fourth largest bank in the area.

Additional competition is felt from many nonbank financial institutions, including 30 savings and loan associations, with deposits of $1.6 billion, and numerous sales finance and personal loan companies. Competition is provided by 197 State-chartered and 32 federally-charted credit unions, as well as by insurance companies and direct lending agencies of the Federal Government.

Competition between the two banks is not considered significant due to the general character of their respective operations and the presence of other banks in the area. While the charter bank is primarily a wholesale bank operating on a metropolitan and regional basis, the merging bank's operations are principally retail in character with its trade limited to Wyandotte County. The limited degree of competition between the applicant banks is further evidenced by their lack of common customers and the existence of common ownership. This merger will not result in dislocation or imbalance in the present area banking structure. Furthermore, because of the numerous banking offices in close proximity, consummation of this merger will leave the banking public a wide choice of alternate banking facilities.

Approval of this application will benefit the banking public in the service area of the resulting bank. The increase in the charter bank's lending limit will allow the bank to compete more aggressively for large commercial and industrial loans in the area. The merging bank's asset problems will be improved by merger with the well capitalized charter bank. Consummation of this merger will solve the management succession problem in the merging bank, and will enable the resulting bank to provide the merging bank's customers with a broad range of additional banking services not presently available from the merging bank, including an experienced trust department and data processing facilities. Merger is the only means, other than internal growth, by which the charter bank can expand its operations to better meet competitive forces and serve the community.

This proposal will promote the public interest without lessening competition. The application is, therefore, approved.

JUNE 24, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Since the banks involved in this proposed merger are located within two blocks of each other in the principal business district of downtown Kansas City, Kans., the merger will result in the elimination of direct competition. However, commercial banking in the Kansas City, Missouri-Kansas area, consisting of both Kansas City, Mo., and Kansas City, Kans., as well as the suburban area adjacent to the latter in Johnson County, Kans., is dominated by three Kansas City, Mo., banks, much larger in size than either of the merging banks. The resulting bank, with deposits of $121.6 million, as of June 29, 1968, would rank fourth in this area. Nevertheless, the effect of the merger would be to reduce competition.

As of June 29, 1968, the three largest banks held 48.6 percent of all IPC demand deposits in the area; the merging banks rank 5th and 40th among approximately 50 banks in the area and, as of the same date, held 1.5 percent and 0.4 percent, respectively, of such deposits, and 3.1 percent and 0.6 percent, respectively, of total deposits in the area. After the merger, the resulting bank will rank fourth in the area, increasing concentration by less than 1 percent. It is to be noted that the foregoing market share and concentration figures do not reflect the existing affiliations among many of the area banks, nor the existence of substantial amounts of stock ownership in a number of area banks, including each of the merging banks, held by certain family groups which number among their members officers and directors of a number of Kansas City, Kans., banks, including the second largest bank in that city. However, the information presently available to this Division indicates that the respective market shares of the merging banks would be increased by less than 1 percent if affiliations were considered.

To summarize, the proposed merger will eliminate direct competition and will slightly increase banking concentration in the Kansas City, Missouri-Kansas area.

* * *

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bank of Charlotte, Charlotte, N.C., with	$23,910,939	1	....
and Southern National Bank of North Carolina, Lumberton, N.C. (10610), which had	167,058,069	46	....
merged Aug. 1, 1970, under charter and title of the latter bank (10610). The merged bank at date of merger had	202,508,937	....	47

COMPTROLLER'S DECISION

On April 25, 1970, the Bank of Charlotte, Charlotte, N.C., and the Southern National Bank of North Carolina, Lumberton, N.C., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Southern National Bank of North Carolina, Lumberton, N.C., with IPC deposits of $131.5 million, was organized as a State bank in 1897, and acquired a National charter in 1914. The bank's service area was limited to the Lumberton, N.C., area until 1959, when it commenced a *de novo* branch expansion program within a 50-mile radius. As a result of this progam, as well as of acquisitions, the bank now operates 42 branches in 25 communities throughout the State.

The Bank of Charlotte, Charlotte, N.C., with IPC deposits of $16.1 million, was organized in 1917, and now operates as a unit bank from an office in the central business district of Charlotte. It has primarily concentrated in retail banking transactions, and has a relatively large volume of installment loan business. The merging bank has been owned by a single family over the years, and its growth is attributed to the economic vitality of the Charlotte area rather than the aggressiveness of its management.

Charlotte, the largest city in North Carolina, with an estimated population of 275,000, is located within 10 miles of the South Carolina State line, and serves as the principal distribution and financial center for both states. Its rate of population growth is 3 percent per annum, which is among the highest in the Nation for cities of comparable size, and is indicative of the area's overall expansion. Though Charlotte has been primarily a distribution center serving an important industrial region, new industrial investments have been impressive in recent years. Banks in the Charlotte area are keenly competitive, with *de novo* entry into the area being expensive; in addition, considerable time would be required for a bank to become established and develop an adequate business base to be competitive.

The charter bank has no branches in the relevant market area; its nearest facility is located some 60 miles from the merging bank in Mount Gilead, N.C. Thus, there is no competition between the merging banks. The resulting bank, with 2 percent of total area deposits, will rank sixth, after the five largest statewide banks which already maintain offices in the Charlotte-Mecklenburg area: Wachovia Bank and Trust Company, N.A., Winston-Salem, N.C., with total deposits of $1,328 million; North Carolina National Bank, Charlotte, N.C., with total deposits of $1,088 million; First Union National Bank, Charlotte, N.C., with total deposits of $866 million; First Citizens Bank and Trust Company, Smithfield, N.C., with total deposits of $610 million; and Northwestern Bank, North Wilkesboro, N.C., with total deposits of $423 million, all of which are substantially larger than the resulting bank. Additional competition is felt throughout the area from savings and loan associations, finance companies, credit agencies, and mortgage production offices. Since the charter bank will merely replace the merging bank, consummation of the merger will not reduce the number of alternate banking facilities.

The merger will benefit the charter bank by bringing it into a rapidly growing economic area. The charter bank's deposit base originates in agriculturally-oriented communities, and is therefore subject to marked fluctuations. The addition of Charlotte to the bank's service area will diversify and balance its operating base.

The aggressive management, the size, and the capital structure of the charter bank, which utilizes sophisticated electronic equipment and modern banking practices, will enhance the competitive position of the resulting bank in the Charlotte area. The proposed merger will bring to the customers of the merging bank the resources of a larger bank offering broader services, including automated bookkeeping, trust services, a credit card program, and dealer financing.

Applying the statutory criteria, we find that the merger is in the public interest, and the application, therefore, is approved.

JUNE 29, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Southern's nearest office to the Bank of Charlotte is in Rockingham (population 5,512), county seat of Richmond County, 64 miles southeast of Charlotte. Numerous banking alternatives are available to residents of Charlotte and Mecklenburg County. The proposed merger, if approved, will not eliminate any substantial existing competition between the banks.

Southern has no Mecklenburg County office, and should be considered a potential entrant into this attractive and growing market.

However, it is unlikely that Southern's *de novo* entry into Charlotte, permitted under State law, would be significantly different in competitive effect than the present acquisition. The Bank of Charlotte has only one office and about 2 percent of the total deposits of Mecklenburg County, where the State's four largest banks now hold about 90 percent of county total deposits of $848.2 million, and have 75 percent of the county's 77 banking offices.

To summarize, in view of the small relative size of the Bank of Charlotte and its modest position in the highly concentrated banking market in Charlotte and in Mecklenburg County, we conclude that the proposed merger is not likely to have a significantly adverse effect on potential competition.

* * *

NATIONAL BANK OF AGRICULTURE, DELANO, CALIF., AND THE FIRST NATIONAL BANK OF CARUTHERS, CARUTHERS, CALIF.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
National Bank of Agriculture, Delano, Calif. (15450), with	$12,832,543	3	
and The First National Bank of Caruthers, Caruthers, Calif. (11330), which had	4,087,442	1	
consolidated Aug. 7, 1970, under charter of the latter bank (11330) and title "National Bank of Agriculture." The consolidated bank at date of consolidation had	17,971,623		4

COMPTROLLER'S DECISION

On May 8, 1970, The First National Bank of Caruthers, Caruthers, Calif., and the National Bank of Agriculture, Delano, Calif., applied to the Comptroller of the Currency for permission to consolidate under the charter of the former and the title of the latter.

The First National Bank of Caruthers, Caruthers, Calif., was organized in 1919, and remains a unit institution with IPC deposits of $2.4 million. Continuing asset problems and unaggressive competitive practices have resulted in a poor earnings record at the charter bank, which does not offer extended banking hours, night depository, safe deposit, escrow, or trust services.

The economy of the market area of The First National Bank of Caruthers is relatively static, and depends primarily upon grapes and cotton farming. A large majority of the approximately 5,000 individuals who populate the bank's service area are tenant farmers and small land owners with limited resources.

The National Bank of Agriculture, Delano, Calif., with IPC deposits of $3.8 million, was organized in 1964, and now operates branches at Fresno, in Fresno County, and at Bakersfield, in Kern County. The National Bank of Agriculture's market area includes the most populous and most prosperous portions of Fresno and Kern counties. These counties lie in the San Joaquin Valley, an extremely productive farming region. In Fresno County, which has ranked first in the Nation for agricultural production since 1950, crop values increased from $389 million, in 1960, to $463 million, in 1968. The cities of Fresno and Bakersfield are the financial, industrial, and shopping centers of the San Joaquin Valley. The new and expanding industry developing in and around Fresno and Bakersfield offsets losses of jobs resulting from the increased mechanization of farming. Both cities are growing in employment and population.

There is very little competition between the consolidating banks; their nearest offices are 15 miles apart. The charter bank has not, in any event, proven to be an aggressive competitor. The consolidated bank will continue to compete with the offices of major regional and statewide banks.

Consummation of the proposed consolidation will provide the Caruthers area with a locally-oriented bank offering a broader range of services to the agricultural businesses in the Fresno-Bakersfield-Delano market area. However, the consolidation will enable the National Bank of Agriculture to relocate its main office from the small agricultural town of Delano to the city of Fresno.

Applying the statutory criteria to the proposed consolidation, it is concluded that it will serve the public interest. The application is, therefore, approved.

JULY 7, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

In Fresno County, which has a population of almost 400,000, there are offices of most of the big statewide banks, nearly all of which are in or near Fresno itself. The Caruthers Bank is the only bank located in Caruthers, although the branch of a major statewide bank is located about 10 miles south of the town.

The consolidation will eliminate whatever competition now exists between the two banks; however, the consolidated bank will have less than 2 percent of the commercial bank deposits in Fresno County. Since the two banks engage in only limited competition and are not of substantial size, this consolidation is not likely to have any significantly adverse effect on competition.

* * *

MAINE NATIONAL BANK, PORTLAND, MAINE, AND THE FIRST NATIONAL BANK OF PITTSFIELD, PITTSFIELD, MAINE

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Pittsfield, Pittsfield, Maine (13777), with	$12,129,152	2	
and Maine National Bank, Portland, Maine (4128), which had	190,482,404	24	
merged Aug. 14, 1970, under charter and title of the latter bank (4128). The merged bank at date of merger had	202,611,556		26

COMPTROLLER'S DECISION

On May 13, 1970, the Maine National Bank, Portland, Maine, and The First National Bank of Pittsfield, Pittsfield, Maine, applied to the Comptroller of the Currency for permission to merge under the charter and title of the former.

The Maine National Bank was founded in 1889, under the title of the Portland National Bank, and acquired its present title in 1968. The bank operates 18 branches, and holds IPC deposits of $135 million. This bank has enjoyed large increases in earnings in recent years and has excellent future prospects. As a full-service bank, it offers a wide variety of banking services, including trust, computer and data processing, credit card, travel agency, and business development services.

The market area of the Maine National Bank encompasses the five coastal counties of Cumberland, York, Sagadahoc, Lincoln, and Knox, as well as the two interior counties of Oxford and Franklin. The coastal counties comprise a 130 mile stretch along Maine's southeastern coast. Their population, estimated at 365,000, is 37 percent of Maine's total population. This region's economy rests primarily upon manufacturing, agriculture, tourism, marine products, and mining. Portland, Maine's largest city and commercial center, is located in Cumberland County, in the middle of this region. Oxford and Franklin counties, located on Maine's western border, became a part of the bank's market area after a merger in 1968. Their combined population is 65,000, and their economy is based on lumbering, farming activity, tourism, and manufacturing of wood products.

The First National Bank of Pittsfield was founded in 1933, and operates one branch at Hartland, Maine. This is a small bank offering limited services, with IPC deposits of $9.4 million. It needs to provide for management succession, since its president and vice-president are nearing retirement age and proper replacements are unavailable within the present management group.

The market area of The First National Bank of Pittsfield includes Somerset County's two manufacturing towns of Pittsfield and Hartland, with populations of 5,000 and 1,500, respectively. Somerset County's population is 40,000. The county's economy rests primarily on Pittsfield's and Hartland's manufacturing enterprises.

There is no competition between offices of the merging banks which, at the closest point, are 70 miles apart. This merger will not unduly concentrate banking assets in the Somerset County market area because other major banks operate offices in Pittsfield.

Consummation of the merger will introduce another large, full-service bank to the Somerset County market area. Banking competition there will be enhanced. The resulting bank's Pittsfield and Hartland branches will experience significantly increased lending capacities, and will make available the broader range of banking services offered by the charter bank. The merging bank's management succession needs will be filled from the charter bank's management trainee pool.

Applying the statutory criteria to the proposed merger, we conclude that it serves the public interest. The application is, therefore, approved.

July 9, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the participating banks are 99 miles apart, and their closest offices are some 70 miles apart. The merger would not, therefore, appear to eliminate any significant existing competition between the merging banks.

The service area of Pittsfield Bank is confined to the southeastern portion of Somerset County. At present, no other commercial banks operate offices in this limited area, although competition is afforded by offices of Depositors Trust Company, the Newport Trust Company (a subsidiary of Depositors Corporation), and the Merrill Trust Company in adjacent areas. Depositors Trust Company also has filed an application to open a *de novo* office in Pittsfield. According to the application, Pittsfield Bank receives indirect competition from the Federal Trust Company, headquartered in Waterville. Merrill Bankshares, parent company of the Merrill Trust Company, has recently received approval to acquire this bank.

Thus, the service area of Pittsfield Bank appears almost entirely surrounded by offices of two of Maine's largest banking institutions, Depositors Corporation and Merrill Bankshares. The entry of Maine National into this area would add a third major bank to this general area of central Maine and could enhance competition.

Under applicable State law, Maine National cannot open a *de novo* office in Somerset County, except in communities where no banks regularly transact banking business. Another possible alternative, formation of a holding company and the chartering of a new bank in the area, is presently the subject of litigation involving another banking institution, although Maine National is clearly one of the most able banks to follow this course. There are no other merger alternatives for Maine National in the service area of Pittsfield Bank.

* * *

THE INDIAN HEAD NATIONAL BANK OF NASHUA, NASHUA, N.H., AND THE WILTON NATIONAL BANK, WILTON, N.H.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Wilton National Bank, Wilton, N.H. (13247), with	$10,266,204	1	
and The Indian Head National Bank of Nashua, Nashua, N.H. (1310), which had	61,808,730	4	
merged Aug. 14, 1970, under charter and title of the latter bank (1310). The merged bank at date of merger had	72,071,608		5

COMPTROLLER'S DECISION

On April 29, 1970, The Wilton National Bank, Wilton, N.H., and The Indian Head National Bank of Nashua, Nashua, N.H., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Indian Head National Bank, with IPC deposits of $47.9 million, was chartered as a National bank in 1865. In 1934, it became a subsidiary and the lead bank of New Hampshire Bankshares, Inc., a bank holding company subsequently registered as such in 1956. State banking law changes in 1963, making branch banking permissible within certain limitations, brought about the establishment of two *de novo* branches. In 1969, this bank merged with The Salem Trust Company, Salem, N.H., whose sole office became its third branch.

Nashua, N.H., the home of the charter bank, is a city with a population of about 50,000, and is located 39 miles northwest of Boston, Mass., and 18 miles south of Manchester, N.H., within easy commuter distance of the economic cores of both states. Across the Massachusetts border, three major industrial centers, *viz.* Lowell, Lawrence, and Haverhill, provide additional sources of employment for area residents. Within the city limits of Nashua, in 1968, there was a recorded employment of 36,802 of which 17,069 were in manufacturing fields. Sanders Associates, Inc., employing 6,900 in electronics work, was a leader in the local economy.

In addition to the charter bank, the banking needs of the Nashua area are provided for by the Nashua Trust Company, with deposits of $42 million, and the Nashua branch of the Bank of New Hampshire, N.A., Manchester, N.H., with total deposits of about $86 million. Two federal savings and loan associations with combined deposits of $59 million provide additional sources of financial services. The presence and growth of Indian Head National Bank of Nashua is required to preserve the balance of local banking competition.

The Wilton National Bank, Wilton, N.H., with IPC deposits of $8.4 million, is a unit banking institution, organized in 1928 and affiliated with New Hampshire Bankshares, Inc., since 1934. Continuity of management is not provided for except through holding company channels. Wilton is a town with a population of about 2,280, and is located 16 miles west of Nashua. Wilton has been a static community for a number of years, and local employment is still dominated by two family enterprises employing 500 workers. One of these companies is reported to be closing, thus eliminating 124 jobs. Additional industrial and commercial activity is very limited. The surrounding towns and countryside are engaged primarily in agricultural and service pursuits.

The Souhegan National Bank, Milford, N.H., with deposits of $10.7 million, is the only commercial bank within the service area of the merging bank. The main office of this bank is located 5 miles east of Wilton, and its only branch is 3 miles further east. A small savings bank, located to the south, in Greenville, N.H., is the only other bank within 10 miles of the merging bank.

When this transaction is consummated, the Wilton office of the resulting institution will offer expanded business loan capabilities, trust services, and, within a short time, computer services. The resulting bank's capital position will permit the erection of a more convenient banking facility with modern customer service features. In the Nashua area, the beneficial effects of the merger will include an increased lending limit, a broadened market area, and an improved base for the implementation of electronic data processing services.

Competition will not be adversely affected. Since the banks are presently affiliated, and their service areas do not overlap, there is little competition between them. In Nashua, the charter bank's operations will be strengthened, with the result that it should become a more effective competitor without causing an imbalance of existing competitive relationships. Since there are no other banks in Wilton, competition will not be affected in that community. The Souhegan National Bank and the savings bank located in Greenville, N.H., should continue to operate effectively without adverse competitive effects from this merger.

Applying the statutory criteria, we find that the merger is in the public interest. The application, therefore, is approved.

JULY 10, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The two banks involved in the proposed merger are both long standing subsidiaries of New Hampshire Bankshares, Inc., a registered bank holding company. It is, therefore, unlikely that the proposed merger will eliminate any effective competition.

* * *

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Pacific National Bank of Seattle, Seattle, Wash. (13230), with	$254,292,665	16	
and National Bank of Washington, Tacoma, Washington, Tacoma, Wash. (3417), which had	454,265,462	44	
consolidated Aug. 17, 1970, under charter of the latter bank (3417) and title "Pacific National Bank of Washington." The consolidated bank at date of consolidation had	708,296,502		60

COMPTROLLER'S DECISION

On December 31, 1969, the National Bank of Washington, Tacoma, Wash., and The Pacific National Bank of Seattle, Seattle, Wash., applied to the Comptroller of the Currency for permission to consolidate under the charter of the former and with the title "Pacific National Bank of Washington," with headquarters in Seattle.

The National Bank of Washington, Tacoma, Wash., was organized in 1885, and now holds IPC deposits of $343 million. The bank operates 43 branches, of which 16 are located in Tacoma and its suburbs, 5 are located elsewhere in Pierce County, 2 are located in the southern portion of King County, and the remaining 20 offices are scattered throughout the State. The charter bank, which is a subsidiary of Western Bankcorporation, Los Angeles, Calif., emphasizes retail banking service. A major reason for this application is the charter bank's desire to make a meaningful entry into Seattle to enable it to compete with the State's largest banks, and to service the banking business of its customers who have relocated to that city.

Tacoma, the site of the headquarters of the charter bank, lies at the northern end of Pierce County. It is the third largest city in the State of Washington, with the 1969 population estimated at about 161,000. The population of Pierce County is approximately 393,000. The economy of the Tacoma area depends primarily on natural resource industries including the extraction and smelting of minerals and the production of lumber and wood products. Two major military installations, Fort Lewis and McChord Air Force Base, are located approximately 12 miles south of Tacoma. The metallurgical and food processing industries are gaining in importance, while the presence of an excellent natural harbor has provided the stimulus for an important shipbuilding industry. While the Tacoma area is expected to experience further gains in employment and population, it is subject to cyclical swings due to its dependence on the housing industry and military activity. There are 10 commercial banks with offices in Pierce County, including four with headquarters in Tacoma.

The Pacific National Bank of Seattle, Seattle, Wash., was organized in 1928, and now holds IPC deposits of $183 million. The bank operates 15 branches, all of which are in the immediate Seattle area except for the Military Road branch, which is located 14 miles south of Seattle in an unincorporated area in King County. Several of these branches are more in the nature of service facilities to corporate customers rather than sources of new banking business.

Seattle, where the consolidating bank operates, is located in the eastern portion of King County and is the largest city in the State of Washington, with a population estimated at 591,000. About one-third of the State's inhabitants reside in King County in the general vicinity of Seattle. Seattle is a major industrial center with the aerospace and related industries of primary importance. The Boeing Company, in late 1969, provided employment for 81,200 persons, or approximately 13 percent of the Seattle employment market. Shipbuilding and other heavy industries are also of great importance. Because of its excellent port facilities, Seattle is a major center for world trade. It is also an important wholesale trade and distribution center. The University of Washington, with a student enrollment of 30,000, is located in Seattle.

Seattle is also the financial center of the State, and the headquarters city for Washington's largest banks. Eleven of the 13 banks operating in the Seattle area maintain their headquarters in this city; the consolidating bank is the fourth largest of those. The largest bank, the Seattle-First National Bank, Seattle, Wash., holds 34.3 percent of Seattle deposits, while the National Bank of Commerce, Seattle, Wash., holds 24.5 percent of the same. The consolidating bank is heavily oriented towards commercial banking business, with 73 percent of its IPC demand deposits and 77 percent of its loans representing commercial banking activity. Due to its limited size, it has had difficulty in servicing the major borrowing needs of its customers; because it has had to participate large amounts of its corporate loans, it has lost important customers to banks with higher lending limits. Its dependence on commercial business has also caused it to lag behind its competitors in King County in overall growth, and has made it unusually subject to the cyclical swings of the business enterprises it services.

There is virtually no competition between the participating banks whose head offices are separated by 32 miles. The nearest branch of the consolidating bank to an office of the charter bank is the Military Road branch, located south of Seattle, which is 5.6 miles and 6.7 miles from the Kent and Auburn branches, respectively, of the charter bank.

The development of competition between those offices has been, and will be, minimal in that they are separated, not only by a railroad and a major interstate highway, but also by a bluff that makes direct travel between them difficult. In addition, offices of the State's three largest banks are located in the intervening area.

The possibility of future competition between the consolidating banks appears very remote. The State of Washington's restrictive branching laws permit statewide branching only through merger, and permit *de novo* branching only within the county in which the bank's headquarters are located, or in cities and towns which do not have a commercial banking office. Those laws would prevent the banks from coming into direct competition in their principal market areas through *de novo* branching. Thus, each participating bank may enter the principal market area of the other only through merger. However, legal and banking considerations severely limit the possibility of any such prospective merger other than the subject application. The provisions of federal banking law would not permit Western Bancorporation or either of the consolidating banks *qua* bank to charter a new bank to be used later as a vehicle to effect market entry through merger. A merger of the National Bank of Washington with one of the existing small independent banks located in Seattle would leave the resulting bank without the branch system necessary to make a meaningful competitive entry into that city; it could not, once there, establish further branches under the State's branching laws. Such a small merger, coupled with the relocation of the National Bank of Washington's headquarters to Seattle, would subject the bank to the costly requirement of maintaining a higher reserve on its system deposits, without any assurance of acquiring regulatory approval for the establishment of a satisfactory branch system in a city with an already high population per banking office. Furthermore, while the Pacific National Bank of Seattle could merge with one of the small independent banks in Pierce County, or in another county in a community where charter bank presently has a branch, such a development would hypothesize a revolutionary reorientation from this bank's present development pattern which has kept it in the Seattle area with a primarily wholesale outlook. It would therefore appear that the consolidating banks cannot realistically be viewed as potential competitors.

Consummation of this proposal will consolidate Washington's fourth and sixth largest commercial banks to create the State's third largest banking institution, which will hold 11.2 percent of the State's commercial bank deposits. Since the consolidating banks operate in geographically distinct areas, approval of this application will not increase banking concentration in any market area in the State. The effect of this transaction will be to create an institution with headquarters in Seattle, the State's commercial and financial center, which will be capable of competing effectively with the State's two largest banks, both of which have statewide branching systems, *viz.* Seattle-First National Bank, Seattle, Wash., which, with deposits of $1.7 billion, holds 31.8 percent of the State's commercial bank deposits; and the National Bank of Commerce of Seattle, Seattle, Wash., which, with deposits of over $1 billion, holds 19 percent of the State's commercial bank deposits. Approval of this application will create a bank, with virtually a statewide branch system, which will be in a position to challenge the dominance those institutions have in Washington's financial life, and which will increase the quality of competitively offered banking services. Additional banking competition will be encountered from the Seattle and Tacoma branches of The Bank of California, N.A., San Francisco, Calif., with total deposits of about $1.6 billion; the Peoples National Bank of Washington, Seattle, Wash., with deposits of $385 million; and the Old National Bank of Washington, Spokane, Washington, Spokane, Wash., with deposits of about $295 million. Mutual savings banks with recently expanded lending powers, certain trust powers, statewide branching privileges, and the right to convert to commercial banks are also important competitive factors in Washington. The two largest of these are the Washington Mutual Savings Bank, Seattle, Wash., which, with deposits of $719 million, has branches in Tacoma and other locations; and the Fidelity Mutual Savings Bank, Spokane, Wash., which, with deposits of $205 million, maintains branches in Seattle as well as other locations.

Approval of this application will benefit the banking public in the major geographical areas affected by this proposal. The charter bank's specialization in consumer banking services, and the consolidating bank's commercial banking orientation will enable the consolidated bank to improve the quality of services to both classes of customers. With the significant base that this transaction will provide in Seattle, the consolidated bank will be able to participate fully in the State's economic and financial life, and to provide fuller service to commercial customers located in Tacoma, as well as to those whose corporate headquarters have gravitated to Seattle. The larger lending limit of the consolidated bank will reduce the need of the consolidating bank to participate large credit lines, and will assist the consolidated bank in retaining those customers whose heavy borrowing requirements have increasingly caused them to seek the services of the State's largest banks or of out-of-State banks. The charter bank's comprehensive branch network will permit the transfer of funds from rural, capital-surplus areas, to the urban, capital-deficit areas to be served by the consolidated bank. With headquarters in the northwest's most important trade center, the consolidated bank will be in a position to increase the scope of international banking services offered to customers, in Tacoma and Seattle, who have commercial interests overseas, possibly through the establishment of foreign branches, or of an Edge Act Corporation. The charter bank's retail banking experience will enable the resulting bank to improve the quality and increase the range of consumer services to customers in the area now served by the consolidating bank. It is anticipated that the consolidated bank will provide, throughout its service area, certain consumer services such as bank credit card and check-guaranty programs, that are not presently provided by either bank. In addition, the larger capital base of the consolidated bank will provide it with an increased capability with respect to loans to new industry, and small business participation in urban social programs, and will expand its bond underwriting capacity.

Applying the statutory criteria, we find that the consolidation is in the public interest, and the application, therefore, is approved.

JULY 17, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

National Bank's headquarters is located 32 miles from Pacific's headquarters in Seattle. Pacific has no branch offices in Pierce County, but National Bank operates two branches at Kent (population 17,065) and Auburn (population 21,300) in the southern part of King County. The closest office of Pacific to these branches is located in an unincorporated area on Military Road, some 5.6 road miles from National Bank's Kent office, and some 6.7 miles from its Auburn office. Branches of the State's three largest banks are located in the areas between National Bank's branches and Pacific's Military Road branch. Consequently, it would not appear that the proposed consolidation would eliminate substantial direct competition.

Banking in Seattle and King County is highly concentrated. As of June 29, 1968, the four dominant banks in that county, including Pacific, held nearly 88 percent of all commercial bank deposits and nearly 90 percent of IPC demand deposits. Pacific alone held over 13 percent of IPC demand deposits, and was the third largest bank in the county in that category, although it ranked fourth in overall deposits, with 10 percent. Of the nine banks in the State with deposits of over $100 million, six presently have offices in Seattle. Another has recently announced plans to merge with a small Seattle bank. Thus, only two Washington banks with deposits of over $100 million do not presently serve Seattle. National Bank is by far the largest of these two potential entrants, it already has two offices in King County, and it has indicated its desire to continue to enter Seattle and expand throughout King County. In view of these facts, National Bank must be considered the most likely potential entrant into the highly concentrated Seattle and King County commercial banking markets.

In Tacoma and Pierce County, as of June 29, 1968, National Bank controlled over 42 percent of commercial bank deposits. Moreover, the two largest commercial banks controlled over 80 percent of such deposits. Pacific is one of four banks in the State with deposits of over $100 million that do not serve Tacoma and Pierce County. Of those four banks, one is based in Spokane, in eastern Washington, and has only recently begun to enter the western portions of the State, and a second is substantially smaller than Pacific. Therefore, Pacific would appear to be one of the most likely entrants into Tacoma and Pierce County.

Under Washington's restrictive branch banking laws, a bank may establish *de novo* branches in the city in which it has its principal place of business, in unincorporated areas in the county in which it has its headquarters, and in incorporated cities and towns which do not have a banking office of any commercial bank. Consequently, the participants to this proposed merger may not establish *de novo* branches in each other's markets in Tacoma or Seattle. However, they can enter each other's service areas by acquisition of smaller banks or by opening offices in communities which do not have any banking offices.

Specifically, National Bank could enter Seattle proper by acquiring any of the three small independent banks which exist in that city. It could either move its headquarters to Seattle at that point, and thereafter open further branches, or, as a condition of the merger, have the acquired bank obtain a number of new branch authorizations. In the alternative, National Bank could acquire a small stock interest in a Seattle bank or assist in chartering a new one which could serve its interests in the city. Such a bank could subsequently merge with National Bank, if the parties so chose. Finally, there are some nine other banks located outside of Seattle, but within King County. National Bank might acquire one of those banks in order to establish more effectively its presence in the Seattle area.

Pacific could enter Pierce County through the methods described above. There are five small banks presently serving Pierce County, of which one is located in Tacoma. In addition, Pacific could assist in chartering a new bank to serve Tacoma or other parts of Pierce County and subsequently merge with such a bank.

The proposed merger's effect upon potential competition is not limited to the Seattle and Tacoma markets. Banking in the State of Washington, as a whole, is highly concentrated. The five largest banking organizations, including National Bank, control over 70 percent of commercial bank deposits in the State, and this merger would increase that concentration ratio to 74 percent. The nine banking organizations with deposits of over $100 million, including both merging banks, control over 84 percent of such deposits. This high statewide concentration is reflected in local markets throughout the State.

Outside of Pierce and King counties, there are 15 counties with populations, as of 1960, of 40,000 or more. National Bank has offices in eight of those counties, including the seven with a population of over 75,000. In those eight counties, the aggregate market share of the five largest banks in the State ranges from 62 percent to 96 percent of commercial bank deposits. Pacific, on the other hand, has not expanded outside of King County, and is one of only a very few of the State's largest banks which has not expanded outside of its headquarters area.

There are seven counties outside of Pierce and King counties with populations of over 40,000 in which neither National Bank nor Pacific has offices. In those seven counties, the aggregate market share of the five largest banks in the State ranges from 50 to 94 percent of county commercial bank deposits. National Bank and Pacific are among the largest of a relatively small number of banks who are large enough to inject a significant competitive force into these counties via new entry.

Overall, this merger will result in eliminating substantial potential competition in Seattle and King County, Tacoma and Pierce County, and in the other 15 most populous counties in the State. This merger will also combine banking organizations which are leading factors in two adjacent banking markets. As a result, this merger may deter new entrants, chill existing competition, and limit the likelihood of eventual deconcentration in a number of highly concentrated markets. We conclude that this merger will have a significantly adverse effect on competition.

* * *

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The State Commercial Bank, Thomasville, N.C., with	$17,827,185	3	
and North Carolina National Bank, Charlotte, N.C. (13761), which had	1,284,569,745	95	
merged Aug. 28, 1970, under charter and title of the latter bank (13761). The merged bank at date of merger had	1,302,645,825		98

COMPTROLLER'S DECISION

On May 11, 1970, The State Commercial Bank, Thomasville, N.C., and North Carolina National Bank, Charlotte, N.C., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

North Carolina National Bank, Charlotte, N.C., with IPC deposits of $850.4 million, was organized in 1933, and now operates 91 offices in 27 communities of North Carolina. This bank is the principal component of NCNB Corporation, a one-bank holding company, which, through several other subsidiaries, engages in various bank-related activities such as mortgage financing and servicing, insurance agency services, factoring, and sales financing. The charter bank's position as the leading bank in Charlotte, the State's largest city, which has a population of over 200,000 and is the financial distribution center for both North and South Carolina, and its strength in the Piedmont region of North Carolina, where the bulk of the State's industry is located, give this bank a statewide influence, and make its service area essentially the whole State.

The State Commercial Bank, Thomasville, N.C., with IPC deposits of $13.4 million, was established in 1945. In addition to its main office, located in the central business district of the city, it operates a branch in a shopping center just to the south of the city, and a small facility in the northeast section of the city. This bank has generally operated in a conservative manner over the years, and is now facing a management succession problem owing to the imminent retirement of the bank's chief executive officer.

Thomasville, the home of the merging bank, had a population of about 15,000 in 1960, and is located about 8 miles northeast of Charlotte. The economy of the area is industrial and is supported by furniture manufacturing and textiles. A few large industrial employers dominate the employment market, including Thomasville Furniture Industries, Inc., which is reported to employ between 3,000 and 3,500; Carolina Seating Company, with several hundred employees; and Amazon Cotton Mills, Inc., and Carolina Underwear Company, with about 500 employees each.

Since the closest offices of the two banks are about 5 miles apart, some competition between them will be eliminated. However, competition between the banks is limited due to the presence of offices of three of the State's four largest banks. Future competition between the banks will not be eliminated, as it is doubtful whether the charter bank would attempt to branch *de novo* into the immediate Thomasville area as it appears that present and impending banking offices in that city are adequate in numbers for that community. When the merger is approved, the charter bank will be the second largest bank in the State, and its share of total statewide deposits will increase by an insubstantial amount. Banking competition should be improved in the Thomasville area by approval of this application, because the charter bank is more capable of competing with the local branch of the Wachovia Bank and Trust Company N.A.

Approval of the merger will benefit the Thomasville community by introducing the broad range of sophisticated banking services offered by the charter bank, including trust services, automated data processing services, a business development department, sophisticated commercial lending and mortgage financing services, consumer credit services, and a larger lending limit. In addition, approval of this application will provide management succession to the merging bank.

Applying the statutory criteria, we find the merger to be in the public interest, and the application, therefore, is approved.

JULY 15, 1970.

NCNB has no offices in Davidson County or in counties to the east, west, and south of it, although its four branches in High Point (Guilford County) are within a 12 mile radius of Thomasville, where all of SCB's offices are located. An analysis of NCNB's 21 offices in the Greensboro-Winston-Salem-High Point SMSA showed total deposits of $230 million, of which $1.7 million, or 0.8 percent, derived from Davidson County. This, in turn, amounted to about 1.5 percent of the total deposits of about $112.5 million held by Davidson County banks, or about 12 percent of SCB's total deposits. Since NCNB's High Point branches are its offices closest to Thomasville, it is likely that a significant portion of NCNB's Davidson County deposits are held by its High Point branches, and are likely derived from the Thomasville area, that portion of Davidson County closest to High Point.

However, SCB derives about 95 percent of its total deposits from Davidson County, and only about 0.1 percent of its total deposits from the Greensboro-Winston-Salem-High Point SMSA. Too, there are several banking alternatives in the area between Thomasville and the High Point branches of NCNB.

Hence, the primary impact of the proposed merger is not likely to be the elimination of the relatively little direct competition between SCB and NCNB.

As of June 29, 1968, six banks operated 12 offices in Davidson County. Their deposits and shares of countrywide totals are indicated by the following chart:

Bank	*Deposits (millions)*	*Percent*
First Union (Lexington)	$31.2	33.8
Lexington State Bank	24.4	26.5
Wachovia (Thomasville)	16.9	18.3
SCB	11.9	13.0
Carolina Bank (Denton)	4.0	4.4
Industrial Bank (Lexington)	3.6	4.0

Since 1968, Carolina Bank has been acquired by the State's eighth largest bank, and Industrial Bank merged into Security Bank of Salisbury. Additionally, the State's fourth and sixth largest banks have had *de novo* branches approved for Davidson County, one in Thomasville and two in Lexington, respectively.

In Thomasville, SCB controls over half the approved city banking offices, and has experienced sustained growth although it competes directly with the largest bank in the State.

Since North Carolina law permits statewide branch banking, NCNB could branch *de novo* into Davidson County, an area which probably overstates the relevant market, or into Thomasville, an area which understates the market. Moreover, in view of NCNB's strong position in closely adjacent areas to the north of Davidson County, and its absolute size, it should be regarded as a likely potential entrant into those areas. Certainly the acquisition of SCB by a likely potential entrant would entail the loss of some potential competition.

However, there are several other commercial banks which should also be regarded as potential entrants into Davidson County and into Thomasville, thus somewhat diminishing the adverse effect of the proposed acquisition on potential competition.

Commercial banking in North Carolina is dominated by a few institutions. Four banks control over 60 percent of deposits: Wachovia (20.5 percent), NCNB (16.8 percent), First Union (13.4 percent) and First-Citizens (9.4 percent). The five largest banks control over 66 percent. These increases in statewide concentration are part of a continuing history. From 1957 to June, 1968, the share of total deposits of the five largest banks increased from 42 percent to 66 percent, a 24 percent increase—the highest of any State during this period. This change has been the result primarily of mergers, as shown by the fact that the number of bank competitors has decreased steadily from 178 in June, 1961 to only 116 in June, 1969.

Although the proposed acquisition is unlikely to eliminate substantial direct competition between the applicants, it will foreclose the potential for greater competition between them and continue the trend of acquisitions by the statewide leaders. Hence, we conclude that the proposed acquisition will have an adverse effect upon potential competition.

* * *

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Saucon Valley Trust Co., Hellertown, Pa., with	$16,691,247	1	
and The First National Bank of Allentown, Allentown, Pa. (373), which had	260,658,654	9	
merged Aug. 28, 1970, under charter and title of the latter bank (373). The merged bank at date of merger had	277,349,902		10

COMPTROLLER'S DECISION

On February 12, 1970, Saucon Valley Trust Company, Hellertown, Pa., and The First National Bank of Allentown, Allentown, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The First National Bank of Allentown, with IPC deposits of $197.8 million, operates eight branches and primarily serves Lehigh County and the southeastern section of Northampton County. The bank has been involved in two acquisitions in the past 5 years, the last having taken place in June, 1964, when it merged with the Macungie Bank.

Saucon Valley Trust Company, chartered under the laws of the Commonwealth of Pennsylvania, holds IPC deposits of $12.2 million, and operates as a unit bank. It has not been involved in any amalgamations or acquisitions since commencing operations in 1920. Located 10 miles southeast of the charter bank, in Hellertown, it serves the extreme southern tip of Northampton County, the extreme eastern tip of Lehigh County, and a small portion of northwest Bucks County.

Both banks are situated in Pennsylvania's Lehigh Valley, one of the most progressive and economically stable areas of the eastern seaboard. As a result of its favorable location, climate, and topography, the region has attracted an abundance of industry and has developed coincidentally a need for larger local financial institutions to meet the growing local financial needs. Recognizing the need for additional services, the large Philadelphia banks have actively sought both commercial and trust business in the area in recent years. In addition, Girard Trust Bank of Philadelphia, a $1.9 billion institution, operates a branch at Riegelsville, 12 miles east of merging bank.

Competition in the Allentown-Bethlehem-Lehigh Valley area is intense. The Merchants National Bank of Allentown, with deposits of $149 million, is in direct competition with charter bank and operates 12 branches within the limits of Lehigh County. The Industrial Valley Bank and Trust Company, the eighth largest bank in the Philadelphia region, with deposits of $391 million, is the largest bank in the relevant market area of the proposed merger, having gained entry into Allentown in December 1968, when it merged with the $74 million Lehigh Valley Trust Company of Allentown. It now operates six branches in this area. The Bank of Pennsylvania in Reading, with deposits of $192 million, merged with the National Bank of Topton, and thereby acquired three offices near Allentown. It has since opened a regional office in the city of Allentown and has obtained approval for another in-city branch. Two banks based in Bethlehem, The First Valley Bank of Bethlehem, with deposits of $118 million, and the $87 million Union Bank and Trust Company of Eastern Pennsylvania, operate, respectively, nine and four branches in the area, and both have offices in central Allentown.

Additional competition affecting the area also emanates from New Jersey and New York City. Under New Jersey's new banking laws, the 93 banks in the northern district are now empowered to establish branch offices or merge with banks in an area from Jersey City, in the most eastern part of the State, to Phillipsburg on the western boundary. This region borders Pennsylvania and the eastern end of the Lehigh Valley area, only 18 miles from the head office of charter bank. Intense competition can be expected as these New Jersey banks locate offices adjacent to the eastern border of this market. Moreover, only 68 miles east of the Northampton County, Pa., line, is New York City and its large metropolitan banks, with which a number of business and industrial concerns in the Lehigh Valley area bank because of the lack of size and financial resources of local institutions.

The proposed merger will enhance Hellertown's competitive climate. Although there are at present no competing banks in Hellertown, the First Valley Bank of Bethlehem is constructing a branch there, and upon its completion, the resulting bank will be in direct competition with a very aggressive institution with deposits of $118 million. Presented with that competition and that from larger banks in the neighboring areas and the big cities, the merging bank will find its prospects for future growth limited, particularly in light of its management succession problem. The proposed merger will bring to customers of Saucon Valley Trust the resources of a larger bank offering broader services, and, the inevitable result will be more intense competition in the Hellertown area. With larger banking resources available, local companies will feel more inclined to maintain local banking connections rather than allow the large city banks to preempt much of that business.

This proposal will promote the public interest without lessening competition. The application is, therefore, approved.

JUNE 16, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Saucon Bank is located about 6 miles from the nearest offices of First National. The city of Bethlehem, with numerous banking offices, lies between Hellertown and Allentown. Although the application states that First National does not draw substantial business from Saucon Bank's immediate area, its position as the Allentown area's leading bank indicates that some amount of existing competition will be eliminated by the proposed merger.

An appropriate market in which to judge the competitive effects of the proposed merger includes Lehigh County, the city of Bethlehem (parts of which are in Lehigh and Northampton counties), and the township of Lower Saucon, which includes Hellertown. First National, the larger of the two banks headquartered in Allentown, has about 30 percent of the total deposits in this area. The acquisition of Saucon Bank would increase this share by approximately 2 percent. Its major competitor, the Merchants National Bank of Allentown has recently submitted an application to acquire the Fogelsville National Bank, which would increase its deposit share from about 20 percent to 22 percent.

The two large Bethlehem-based banks, which each have an office in Allentown, have deposit shares of about 16 percent and 12 percent, bringing the present four-bank concentration ratio to 78 percent. Another 10 percent of the total deposits are held by the Industrial Valley Bank, Jenkintown, Pa., which acquired the Lehigh Valley Trust Company in 1968.

Further competition in the Allentown area is now provided by new Allentown branches of the Bank of Pennsylvania, Reading. Some future competition may be anticipated from the large Philadelphia banks which have moved their headquarters to Montgomery County from whence branching into Lehigh County (but not Northampton County) is permitted.

The proposed merger will increase concentration and eliminate Saucon Bank as an independent competitor in an area where extensive economic growth is anticipated. Accordingly, we conclude that the proposed merger will have an adverse effect on competition.

* * *

EASTON NATIONAL BANK AND TRUST COMPANY, EASTON, PA., AND THE CITIZENS BANK OF WIND GAP, WIND GAP, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Citizens Bank of Wind Gap, Wind Gap, Pa., with	$7,835,984	1	
and Easton National Bank and Trust Company, Easton, Pa. (1233), which had	91,385,965	5	
merged Aug. 31, 1970, under charter and title of the latter bank (1233). The merged bank at date of merger had	99,221,949		6

COMPTROLLER'S DECISION

On March 31, 1970, The Citizens Bank of Wind Gap, Wind Gap, Pa., and Easton National Bank and Trust Company, Easton, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Easton National Bank and Trust Company, with IPC deposits of $74 million, was organized as The Easton Bank in 1814, and assumed its present title in 1959, after a merger with Easton Trust Company. Through its branch system of five offices, including one approved but unopened branch, the bank serves Northampton County and portions of Bucks, Carbon, Lehigh, and Monroe counties, in Pennsylvania, and Hunterdon and Warren counties, in New Jersey.

The Citizens Bank of Wind Gap, with IPC deposits of $6 million, is a unit bank serving north-central Northampton County and south-central Monroe County. Since its organization in 1915, it has not been involved in any mergers, consolidations, or acquisitions of assets.

Both banks are located in or near Pennsylvania's Lehigh Valley, one of the most progressive and stable areas in Pennsylvania, which has an economy that draws support from industrial, agricultural, and recreational activity. Large metropolitan area banks, most notably the Philadelphia banks, have entered this area either through merger or *de novo* branching; thus the $1.6 billion Girard Trust Bank, Philadelphia, Pa., operates a branch 8 miles south of Easton, at Riegelsville, while Industrial Valley Bank and Trust Company, Jenkintown, Pa., the State's 13th largest bank, with $377 million in deposits, entered the market area in December 1968, through its merger with Lehigh Valley Trust Company of Allentown. More recently, the Bank of Pennsylvania, Reading, Pa., established itself in Allentown through *de novo* branches. The intense competition that has developed among those banks, and others native to Allentown and Bethlehem, has had a significant effect upon the competitive picture in Easton, where potential customers have been exposed to extensive advertising campaigns and personal solicitations from outside banks. Excellent transportation facilities in the Lehigh Valley have accelerated the economic integration of the three cities and have contributed to the intense banking competition in the area.

Additional competition also emanates from New Jersey and New York City. Under New Jerseys' new banking laws, the 93 banks in the northern district are now empowered to establish branch offices, or to merge with banks, in an area from Jersey City, in the most eastern part of the State, to Phillipsburg, on the western boundary. This region borders Pennsylvania and the eastern end of the Lehigh Valley area, only 18 miles from the head office of the charter bank. Intense competition may be expected as those New Jersey banks locate offices adjacent to the eastern border of the area. Moreover, only 68 miles east of the Northampton County, Pa., line lies New York City and its large metropolitan banks, with which a number of business and industrial concerns in the Lehigh Valley area maintain banking connections because of the lack of size and financial resources of local institutions.

While the participating banks' service areas overlap to some extent, there does not appear to be a significant degree of competition between them, due to the presence of alternative sources of banking services, and the generally unaggressive quality of competition offered by the merging bank. The nearest alternate sources of banking services to the merging bank are located 3 miles to the east in Pen Argyl where The Pen Argyl National Bank, with deposits of $11 million, and The First National Bank of Pen Argyl, with deposits of $5 million maintain their headquarters. One mile further to the east are offices of the $20 million First National Bank of Bangor and the $17 million Merchants National Bank of Bangor. About 10 miles to the north, in Stroudsburg, are the Monroe Security Bank and Trust Company, with deposits of $31 million, and The First Stroudsburg National Bank, with $29 million in deposits. Altogether, there are offices of eight banks, with deposits ranging from $5 million to $35 million, within 10 miles of the merging bank.

The merger of the two banks will benefit the customers of the merging bank. Upon consummation of the merger, the resulting bank will offer new banking services such as trust and estate planning, investment counseling, credit card programs, and a more sophisticated lending department offering instamatic check-credit programs. Automation will provide customers with faster reporting and more frequent account statements. In addition, the merger will provide management succession to the merging bank.

Applying the statutory criteria, we find that the proposed merger is in the public interest. The application, therefore, is approved.

JUNE 24, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the two banks are about 10 miles apart; one banking office intervenes directly. It would appear that the merger will eliminate a limited amount of direct competition between the two banks.

Easton Bank has received approval to open an office in Forks Township, about 7 miles south of Wind Gap. No banking offices would intervene directly between this office and Wind Gap Bank. Thus, the merger would eliminate the potential for increasing competition between the banks in northeastern Northampton County. Because of the relatively small size of Wind Gap Bank, however, as well as the existence of other Northampton County banks of substantial size which could branch into this part of the county, the effect of the merger upon potential competition would not be substantially adverse.

* * *

NATIONAL BANK AND TRUST COMPANY, CHARLOTTESVILLE, VA., AND THE NATIONAL BANK OF ORANGE, ORANGE, VA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The National Bank of Orange, Orange, Va. (5438), with	$16,090,627	4	
and National Bank and Trust Company, Charlottesville, Va. (10618), which had	102,033,911	16	
merged Aug. 31, 1970, under charter and title of the latter bank (10618). The merged bank at date of merger had	124,566,561		20

COMPTROLLER'S DECISION

On April 17, 1970, The National Bank of Orange, Orange, Va., and National Bank and Trust Company, Charlottesville, Va., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

National Bank and Trust Company, Charlottesville, Va., with IPC deposits of $78.8 million, was organized in 1914. It now operates six offices in Charlottesville, and offices in 10 widely scattered communities in five counties in central Virginia. The charter bank, although a regional institution, derives the preponderance of its deposits from the Charlottesville and Albemarle County areas.

Charlottesville, home office city of the charter bank and the site of six of its branches, is located near the geographic center of Albemarle County in central Virginia. The bank's Charlottesville-Albemarle County service area had an estimated July 1966 population of 74,900. The chief economic support for this area derives from the presence of the University of Virginia, which had a 1969-70 enrollment of over 9,000, and various related enterprises. Tourism also provides significant support to the local economy, with Monticello, the home of Thomas Jefferson, a major attraction. Manufacturing activities and farming, especially livestock raising, are also important sources of employment in the area in which the bank operates.

Within its service area, the charter bank faces active competition from 14 other banks, including the State's three largest. In the Charlottesville area, where the charter bank derives most of its business, three competing banks operate 12 offices, of which the Virginia National Bank, Norfolk, Va., the State's largest bank, operates six. Additional competition derives from other financial institutions, including two savings and loan associations, insurance companies, credit unions, sales finance companies, personal loan companies, and direct lending agencies of the Federal Government.

The National Bank of Orange, Orange, Va., with IPC deposits of $13.7 million, was organized in 1892. Besides its main office in Orange, it operates a branch in the local shopping center and has applied for approval to establish branches in Gordonsville and in the vicinity of Locust Grove, both in Orange County. The merging bank's limited training program makes it difficult to provide for management succession, and to maintain the level of specialization necessary for some services.

The merging bank serves the town of Orange and surrounding portions of Orange County. Orange County lies adjacent to Albemarle County and has an estimated population of 13,453, up from 12,900 in 1960. The town of Orange is the largest incorporated community in Orange County, and has a population of approximately 3,000. Agriculture has historically been the underlying economic support of the county, with the raising of beef cattle, horses, and dairy products the chief sources of income. In recent years, some light industry has moved in to add economic diversification to the county. More recently, farming has been giving way to substantial recreational and residential real estate development, particularly in the eastern portion of the county. Germanna Community College, also in the eastern portion of the county, is scheduled to open in September 1970, with an initial student enrollment of 600, and a faculty and staff of 200.

The business of the merging bank has been confined primarily to Orange County. Expansion has been inhibited by its rather limited lending base and the keen competition from the Orange and Gordonsville branches of the Virginia National Bank, coupled with strong competitive pressures exerted by the larger banks at Fredericksburg and Culpepper. The merging bank is fifth largest of the eight banks operating in its service area.

This merger will benefit the Orange County area by introducing a stronger bank more capable of offering a wider range of sophisticated services, with depth in management, in substitution for the smaller, less capable merging bank. The larger lending limit and broad experience of the resulting bank's management will be a distinct advantage to the Orange and Orange County area.

Competition will not be adversely effected. Since the nearest offices of the two banks are 16 miles apart, and their service areas do not overlap, there is no significant competition between them. Although the proposed merger would eliminate The National Bank of Orange, there would be no diminution in banking choices available to the public and no undue concentration of banking assets would result. The charter bank's share of deposits in the State will increase only slightly from 0.8 percent to 1.0 percent, while in its present service area its competitive ability will not be appreciably affected. Future competition will not be affected as Virginia State branching restrictions prohibit the charter bank from branching into Orange County, and prohibit the merging bank from branching beyond the borders of Orange County.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest. The application, therefore, is approved.

July 6, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest branch of NBT is 16 miles from a branch (or proposed branch) of Orange Bank. The only other bank in Orange County is Virginia National Bank, with deposits in its Orange County branches of about $16 million. There would appear to be a limited amount of direct competition between Orange Bank and NBT's office in Madison, located about 16 miles northwest of Orange. The proposed merger would eliminate this existing competition as well as potential competition which could develop between Orange Bank's proposed Gordonsville branch and NBT's Charlottesville offices—the distance between them being about 18 miles.

State law does not permit branching beyond the county in which the bank is located. A bank can establish branches elsewhere by merger with banks located in other counties. While NBT has branches located throughout the region, it could enter Orange County only by merger, or by becoming a holding company and chartering a bank in Orange County. Orange County has only moderate growth, however, and there are several other potential entrants in this manner.

Although two of the State's largest banks operate offices in this general section of Virginia, NBT has a very strong position in the counties surrounding Charlottesville. If the proposed merger is approved, NBT and Virginia National Bank will be the only commercial bank alternatives in Greene, Madison, Orange, Louisa and Fluvanna counties, which together separate the Charlottesville area from Culpepper and Fredericksburg to the northeast.

The proposed acquisition would eliminate a limited amount of existing competition as well as some potential for increased direct competition. For these reasons, the proposed merger may have and adverse effect on competition.

* * *

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Home Bank, Milwaukee, Wis., with	$24,740,760	1	....
and Midland National Bank, Milwaukee, Wis. (15510), which had	78,826,911	1	....
merged Sept. 1, 1970, under charter and title of the latter bank (15510). The merged bank at date of merger had	100,572,816	....	1

COMPTROLLER'S DECISION

On June 10, 1970, The Home Bank, Milwaukee, Wis., and Midland National Bank, Milwaukee, Wis., filed an application with the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Home Bank, Milwaukee, Wis., was chartered by the State of Wisconsin in 1910. As of December 31, 1969, The Home Bank had total deposits of $24 million, which equals about 0.8 percent of the total deposits in the Milwaukee market area. Located in the inner core area of Milwaukee, this bank is suffering from a continuing decline in deposits as an increasing number of its customers relocate to other sections of the city.

Midland National Bank, Milwaukee, Wis., was organized in May 1965. As of December 31, 1969, it had $66 million in total deposits, and ranked sixth, with 2.3 percent of the total deposits in the Milwaukee market area. Midland National Bank is located in the downtown business district of Milwaukee, 15 blocks south of The Home Bank. Although somewhat undercapitalized, it has deferred a capital increase program pending the outcome of this merger application.

Milwaukee is a large industrial center located near the geographic and population center of the country. The population of the metropolitan area is approximately 1.4 million. Manufacturing is the most important activity, with machinery and electrical machinery ranking first and second in employment, while the food and beer industry ranks third. Milwaukee, located on the Great Lakes-St. Lawrence Seaway, serves 200 cities in 20 midwestern states and two provinces of Canada.

There is no competition between the merging banks since they have been associated for several years by virtue of their common ownership.

Consummation of the merger will insubstantially increase Midland National Bank's share of the total deposits in the Milwaukee market area, and will move it from sixth to fifth position. The merger will strengthen Midland National Bank's capital structure and increase its lending limit, thereby putting it in a better position to serve the needs of its customers and to compete with the larger banks in Milwaukee.

State law does not permit the present office of The Home Bank to be maintained as a branch of the merged bank. However, the approval of a State charter for the North Milwaukee State Bank, to be located within the inner city, would appear to fill the void created by the closing of the office of the merging bank, and provide banking services especially attuned to the needs of the neighborhood residents.

Applying the statutory criteria, we find the proposal is in the public interest. The application is, therefore, approved.

JULY 22, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The two banks are located 15 blocks apart. The merger will eliminate some direct competition between the banks. An offsetting consideration is that it is proposed to sell the premises of Home Bank to a new bank which is presently seeking a charter. This new bank will have predominantly black ownership and management, in keeping with the character of the area in which Home's office is located. The merger will not, therefore, necessarily reduce the number of banks in Milwaukee.

Milwaukee banking is dominated by the "Big Three"—First Wisconsin, Marshall and Ilsley, and the Marine Corporation—which hold 74 percent of Milwaukee deposits. This merger would increase Midland's deposits share from 2.3 percent to 3.1 percent of Milwaukee deposits.

The proposed merger will eliminate some competition and increase concentration slightly, but it will also facilitate the creation of a new bank which may be better able to serve the area. Accordingly, we conclude that the proposed merger is not likely to have substantial adverse effects on competition.

* * *

CARLTON NATIONAL BANK, CARLTON, MINN., AND THE FIRST NATIONAL BANK OF CARLTON, CARLTON, MINN.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Carlton, Carlton, Minn. (6973), with	$6,803,122	1	
was purchased Sept. 9, 1970, by Carlton National Bank, Carlton, Minn. (15825), which had	350,000	1	
After the purchase was effected, the receiving bank had	6,614,372		1

COMPTROLLER'S DECISION

An application was made to the Comptroller of the Currency for permission for the Carlton National Bank, Carlton, Minn., to purchase assets and assume the deposit liabilities of The First National Bank of Carlton, Minn.

In accordance with the provisions of 12 U.S.C. 181 and 12 U.S.C. 1828(c), it is found that an emergency exists and that this Office must act immediately to prevent the probable failure of The First National Bank of Carlton and to protect its depositors, creditors, and shareholders.

Accordingly, the application is, hereby, approved.

SEPTEMBER 8, 1970.

NOTE: Due to the emergency nature of the situation, a report on the competitive factors was not requested.

* * *

NATIONAL BANK OF SOUTH DAKOTA, SIOUX FALLS, S. DAK., AND SECURITY BANK, MADISON, S. DAK.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Security Bank, Madison, S. Dak., with	$10,472,960	1	
and National Bank of South Dakota, Sioux Falls, S. Dak. (12881), which had	191,741,613	14	
merged Sept. 10, 1970, under charter and title of the latter bank (12881). The merged bank at date of merger had	202,214,573		15

COMPTROLLER'S DECISION

On June 17, 1970, the Security Bank, Madison, S. Dak., and the National Bank of South Dakota, Sioux Falls, S. Dak., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The National Bank of South Dakota, Sioux Falls, S. Dak., was organized in 1926, and in 1931 became an affiliate of First Bank System, Inc., a registered bank holding company with headquarters in Minneapolis, Minn. This bank, with IPC deposits of $141.1 million and 14 branches at locations throughout the State, is the largest in South Dakota.

The Security Bank, Madison, S.Dak., was organized in 1896, and operates from one office in Madison. It holds IPC deposits of $8.3 million. The relatively low lending limit of the merging bank has required it to meet the borrowing needs of its larger customers by selling participations. In general, the bank's customer services are relatively limited. With the exception of the president, all officers of the bank are beyond normal retirement age, and the bank must provide for successor management.

The market area of the Security Bank is the town of Madison and surrounding Lake County, which is almost completely agricultural. Madison, which is the only town in Lake County with a population in excess of 300, has a population estimated at 6,300, of whom 1,300 are students at a local State college.

The National Bank of South Dakota's nearest office to Madison is in Sioux Falls, 48 miles southeast of the merging bank. In addition, the charter bank's existing affiliates do not operate in the Madison area. There is, therefore, no competition between the participating banks or between the merging bank and the holding company affiliates of the charter bank. Approval of this application will not eliminate potential competition since the charter bank is unable, under State law, to establish *de novo* branches in Madison, while the provisions of federal banking law would not allow First Bank Systems, Inc., to charter a new bank in this town.

Consummation of the merger will provide the Lake County market area with another full-service bank offering a broader range of services, including computer services and expanded trust services, as well as a larger lending capacity. In addition, the merging bank's management succession needs will be supplied from the charter bank's management trainee pool. As a branch of the charter bank, the resulting bank will compete more effectively with the Madison branch of the Northwestern National Bank of Sioux Falls, a subsidiary of Northwestern Bancorporation, the Nation's fifth largest registered bank holding company.

Applying the statutory criteria to the proposed merger, we conclude that it will serve the public interest. The application is, therefore, approved.

August 11, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Madison is located 49 miles from the nearest office of the National Bank, which is also the nearest office of any subsidiary of First Bank Systems, Inc. The distance between the merging banks and the presence of other banks in the intervening area indicates that no substantial existing competition will be eliminated by the proposed merger.

National Bank is the largest bank in the State. It has the size and resources necessary to make *de novo* entry into any area of the State which it wishes to serve.

South Dakota State law would, however, prohibit National Bank from branching *de novo* into Madison; but it could enter the area by branching into any of several towns in Lake County which have no banking offices. Given the size and potential of the county, establishment of such offices is doubtful.

In addition, this merger is a not insubstantial addition to the dominant banking organization in the State which will have the effect of making it more difficult to create new banking organizations able to compete throughout the State.

* * *

OLD NATIONAL BANK OF WASHINGTON, SPOKANE, WASH., AND NORTH WEST BANK, SEATTLE, WASH.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
North West Bank, Seattle, Wash., with	$15,998,718	2	
and Old National Bank of Washington, Spokane, Spokane, Wash. (4668), which had	316,064,001	40	
merged Sept. 25, 1970, under charter and title of the latter bank (4668). The merged bank at date of merger had	332,062,719		42

COMPTROLLER'S DECISION

On March 31, 1970, the Old National Bank of Washington, Spokane, Wash., applied to the Office of the Comptroller of the Currency for permission to merge with North West Bank, Seattle, Wash., under the charter and with the title of the former.

The Old National Bank of Washington was organized in 1891. It now holds IPC deposits of $242.4 million, and operates 39 branches. Since the late 1950's, the charter bank has been expanding throughout eastern Washington, especially in the Tri-Cities and Columbia Basin regions. In the State of Washington, such expansion can occur only by merger, as a bank may not open a *de novo* branch outside its headquarters city or town into a community where another bank already exists. Old National Bank has been operating exclusively in the eastern part of the State, but due to its expansion it has been actively competing for a number of years with statewide branch banking systems headquartered in Seattle.

The charter bank has its headquarters in Spokane, Wash., the second largest city in the State, which has a population of about 300,000. Spokane is 288 miles east of Seattle, across the Cascade Mountain range in the generally arid part of the State. The economy of the eastern part of the State is based principally on agriculture, although there is some lumbering activity in the northeast sector. The Columbia Basin Irrigation Project has opened many acres for farming in this half of the State, and continued progress in the extension of farmland through irrigation is expected. Spokane is also considered to be the heart of the Inland Empire, which includes eastern Washington, northern Idaho, and western Montana. Agriculture, lumbering activity, light manufacturing, mining, military installations, and retail and wholesale trade activity provide diversification and stability to an economy which has good prospects.

North West Bank was organized in April 1963. During its first five years of operation, the bank experienced substantial asset problems; however, operations have improved since 1968, under new management. Because the bank's trade area is highly competitive, its growth has been slow. Deposits have remained steady at $12 million since 1964. Its lending limit of $273,000 is too small to service the needs of many local businesses, most of which operate on a national scale; consequently, it is primarily a retail bank. North West Bank opened its first branch in March 1970, also in the downtown area.

North West Bank, Seattle, Wash., is located in the central retail and financial district of downtown Seattle, in the western part of the State. The economy west of the Cascades is based on lumbering activity, forest products, the aerospace industry, manufacturing, retail, and international commerce. The population and economy of western Washington has expanded rapidly during recent years, but present data indicate that the expansion has peaked, and a moderate decline is expected in 1970. Sharp cutbacks at Boeing Company, and a depressed lumber market are primary causes for the decline.

As there is presently no competition between the applicant banks, the proposed merger will not diminish competition. A larger lending limit will enable the resulting bank to serve larger retailers in the Seattle area, and allow it to provide additional banking services, including trust services, credit card services, international trade services, and automobile dealer financing. The projected decline of the economy in western Washington will not affect it when offset by the anticipated growth of the economy in the area of the charter bank.

Approval of the application will enable the charter bank to compete more aggressively with the four large statewide branch banking systems operating out of Seattle and Tacoma, including the Seattle-First National Bank, Seattle, Wash., National Bank of Commerce of Seattle, Seattle, Wash., Washington Mutual Savings Bank, Seattle, Wash., Peoples National Bank of Washington, Seattle, Wash., and National Bank of Washington, Tacoma, Wash. The resulting bank will hold only 5.7 percent of the deposits and 5.3 percent of the loans in the State. Strong competition is felt throughout the State from savings and loan associations, finance companies, personal loan companies, credit unions, government lending agencies, insurance companies, and factors.

Charter bank will be the first bank headquartered in eastern Washington to enter the banking market of western Washington.

The expansion of the charter bank into a statewide system will greatly enhance banking competition. It is concluded that the proposal is in the public interest and meets the relevant statutory criteria. The merger is, therefore, approved.

AUGUST 12, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the merging banks are 120 miles apart. Consequently, it would not appear that the proposed merger would eliminate any significant direct competition between the participants. It would, however, bring about competition between Old National, the State's fifth largest commercial bank, and the big Seattle-based banks which include Washington's three largest commercial banks (two of which have deposits in excess of a billion dollars).

Under Washington law, entry of another bank into Seattle by *de novo* branching is prohibited. A bank not presently located in Seattle could enter only by acquiring an existing bank in the area, or by affiliating with a holding company which could then charter a new bank there. Old National is an affiliate of Washington Bancshares, which has the resources and capability to charter a new bank in the Seattle area.

However, entry by such a *de novo* chartering would be only slightly more procompetitive than this proposed acquisition, in view of North West Bank's very small share of the Seattle commercial banking market.

We conclude, therefore, that the proposed merger is not likely to have an adverse effect on competition.

* * *

THE PARK NATIONAL BANK OF NEWARK, NEWARK, OHIO, AND THE PEOPLES STATE BANK, GRANVILLE, OHIO

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Peoples State Bank, Granville, Ohio, with	$11,856,469	1	
was purchased Sept. 28, 1970, by The Park National Bank of Newark, Newark, Ohio (9179), which had	75,858,814	6	
After the purchase was effected, the receiving bank had	87,715,283		7

COMPTROLLER'S DECISION

On January 14, 1970, The Park National Bank of Newark, Newark, Ohio, applied to this Office for permission to purchase the assets and assume the liabilities of The Peoples State Bank, Granville, Ohio. Both banks are located in Licking County which has a population of approximately 109,000 and is situated near the geographical center of Ohio.

Newark, the home office city of charter bank, is located in the south central portion of the county and has a population estimated at 47,000. The buying bank operates two branches in Newark and one each in Heath, Hebron, and Kirkersville. Charter bank has IPC deposits of $56 million.

The selling bank, The Peoples State Bank, is a unit bank located in Granville, 7 miles west of Newark. Granville has a population of approximately 3,500. The bank has IPC deposits of approximately $8.8 million, a lending limit of $55,000, and is the only bank in Granville.

In addition to the purchasing bank, Newark is served by the $51 million First National Bank of Newark, an affiliate of BancOhio Corporation, a registered bank holding company located in Columbus, and by the $47 million Newark Trust Company, which is owned by Citizens Financial Corporation, a conglomerate operating primarily in the financial field. There are five other unit banks in Licking County, one each in Alexandria, Croton, Johnstown, Pataskala, and Utica. Two small out-of-county institutions, near Licking County's southern border in the small towns of Millersport and Thornville, also serve the county.

Although commercial banking competition is measured largely on a county-wide basis in Ohio, the small banks mentioned in the previous paragraph compete in Licking County, and increasing competition from the large Columbus banks has been noted. The acquisition will not affect the banking structure in Newark to any significant extent. It will, however, replace the relatively unaggressive, locally-owned bank in Granville with a branch of the Newark-based aggressive and progressive charter bank. The two banks do not compete to any great extent; a study of the business drawn by buying bank in the Granville area indicates that most of this business is not sought out on a competitive basis. Since the population of Granville is only 3,500, and it is served by the selling bank and will be served by a branch of The First National Bank of Newark, which has recently received permission to establish a branch in Granville, the number of banking offices in relation to the population indicates that Granville is more than adequately banked. This factor would prevent the buying bank from establishing a *de novo* branch in Granville. Therefore, potential competition between the applicant banks is not a factor in this proposal. Furthermore, the lending services offered by both banks are complementary rather than competitive. The buying bank lends heavily to commercial enterprises and to consumers, while the selling bank has a majority of its lending portfolio in residential real estate loans and farm loans.

In evaluating the competitive effects of the proposal, competition from savings and loan associations must be considered. As of June 30, 1969, deposits in savings and loans in Newark were 43 percent as large as commercial bank deposits. Approximately 40 percent of real estate mortgage loans made in Licking County during 1968 were made by savings and loan associations. Savings and loan associations are even more active in Columbus, which captures a degree of the Licking County market. Another factor worthy of note is that, although the buying bank is the largest commercial bank in Licking County, it is the smallest independent commercial bank in the town of Newark.

The acquisition will benefit the citizens of Granville in that modern, specialized services will be available. Computer services will be offered to the customers of the Granville bank, a bank credit card will be introduced, and trust services will become available. Furthermore, internal banking problems will be modified. Bookkeeping will be automated and the management successor deficiencies will be obviated.

In taking all of these factors into consideration, it appears that the proposal is in the public interest and it is, therefore, approved.

JULY 17, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the two banks are 7 miles apart, and Park National derives a not insubstantial amount of business from Granville, where the sole office of Peoples Bank is located.

Ohio law permits only county-wide branching, and commercial banking is highly concentrated in Licking County, where all the offices of the merging banks are located. The three largest banks hold 84 percent of county-wide total deposits. Peoples Bank holds the fourth largest share of county total deposits, with about 7 percent, and the fifth largest share of IPC demand deposits, with about 5 percent of the county-wide totals. As a result of the proposed merger, Park National, the county's largest bank would increase its share of county-wide IPC demand deposits from 44 percent to 48 percent, and its total deposit share would increase from 39 percent to 45 percent. Such increases in concentration are particularly harmful in light of restrictive State law in regard to branching.

The proposed merger will eliminate direct competition, increase concentration, and eliminate Peoples Bank as an independent competitor in an area where continued economic growth is expected. Accordingly, we conclude that the proposed merger would have a significantly adverse effect on competition.

* * *

MARINE NATIONAL BANK, ERIE, PA., AND THE FIRST NATIONAL BANK OF EDINBORO, EDINBORO, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Edinboro, Edinboro, Pa. (7312), with	$10,464,946	2	
and Marine National Bank, Erie, Pa. (870), which had	118,134,273	10	
merged Sept. 30, 1970, under charter and title of the latter bank (870). The merged bank at date of merger had	128,599,219		12

COMPTROLLER'S DECISION

On June 17, 1970, The First National Bank of Edinboro, Edinboro, Pa., and the Marine National Bank, Erie, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Marine National Bank, with IPC deposits of $92 million, is headquartered in Erie, Pa., and presently operates 11 branches in north-central and western Erie County and western Crawford County. In addition, the bank has three approved but unopened branches, one of which will be situated in Meadville, Pa., where the charter bank recently was granted approval to relocate its head office.

The charter bank is an aggressive, well-managed, growing institution. Under new management since 1964, the bank has more than doubled its total resources to the present level of $113 million.

The First National Bank of Edinboro, with IPC deposits of $8 million, was organized in 1904, and operates its head office in Edinboro, Pa., and a branch office in neighboring McKean, Pa. The merging bank has one approved but unopened branch and is presently the only commercial bank located in the immediate vicinity of Edinboro. The National Bank of North East, North East, Pa., recently was granted approval to establish a branch in Edinboro. Although the merging bank has grown during recent years, that growth has not been as spectacular as that of charter bank. The market area of the merging bank encompasses the borough of Edinboro and Washington Township. Edinboro is located 18 miles south of Erie, Pa., and 25 miles north of Meadville, Pa.

Competition between the participating banks is nominal. Few customers of the charter bank reside or do business in the merging bank's service area. None of the customers of the merging bank transact business with the charter bank, except in cases where the merging bank has requested the charter bank to participate in overline loans. Approval of this merger will not have the effect of foreclosing potential competition as the merging bank lacks the resources to penetrate the charter bank's market area, and because it appears doubtful that the area served by the merging bank could support *de novo* branch entry by the charter bank. After the merger is consummated, the resulting bank will increase its rank from fifth to fourth largest bank in the combined Erie-Crawford County market area, and will be a more effective competitor to the larger banks.

The proposed merger will replace a small, unaggressive, country bank with a larger institution which will provide the customers of the merging bank with a broader range of banking services. They will include a larger lending limit, lower service charges, trust services, bank credit card services, greater availability of funds for consumer lending, automation, and data processing services.

Applying the statutory criteria, we find the merger is in the public interest, and the application, therefore, is approved.

AUGUST 13, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the merging banks are located about 6 miles apart. According to the application, Marine National draws only a limited number of accounts from the Edinboro market area. However, the proximity of Edinboro Bank's McKean office to Erie indicates that increasing competition between the banks is likely.

As of June 30, 1968, nine commercial banks operated 41 banking offices in Erie County. Marine National, with 17.9 percent, held the third largest share of total deposits held by such banks, while Edinboro Bank held the eighth largest share, with about 1.8 percent.

In view of the proximity of the merging banks and the increase in concentration of banking in Erie County, we believe that the proposed merger may have an adverse effect on competition.

* * *

OLD NATIONAL BANK OF WASHINGTON, SPOKANE, WASH., AND FIRST NATIONAL BANK IN TONASKET, TONASKET, WASH.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
First National Bank in Tonasket, Tonasket, Wash. (14166), with	$9,455,004	1	
was purchased Sept. 30, 1970, by Old National Bank of Washington, Spokane, Spokane, Wash. (4668), which had	295,570,266	42	
After the purchase was effected, the receiving bank had	305,025,270		43

COMPTROLLER'S DECISION

On September 25, 1970, application was made to the Comptroller of the Currency for permission for the Old National Bank of Washington, Spokane, Spokane, Wash., to purchase assets and assume the deposit liabilities of the First National Bank in Tonasket, Tonasket, Wash.

In accordance with the provisions of 12 U.S.C. 181 and 12 U.S.C. 1828(c), it is found that an emergency exists and that this Office must act immediately to prevent the probable failure of the First National Bank in Tonasket and to protect its depositors, creditors, and shareholders.

Accordingly, the Old National Bank of Washington, Spokane, Wash., is authorized to proceed with the purchase and assumption transaction.

SEPTEMBER 25, 1970.

NOTE: Due to the emergency nature of the situation, a report on the competitive factors was not requested.

* * *

ZIONS FIRST NATIONAL BANK, SALT LAKE CITY, UTAH, AND BOUNTIFUL STATE BANK, BOUNTIFUL, UTAH

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bountiful State Bank, Bountiful, Utah, with	$12,860,037	3	
was purchased Sept. 30, 1970, by Zions First National Bank, Salt Lake City, Utah (4341), which had	272,307,425	22	
After the purchase was effected, the receiving bank had	285,167,462		25

COMPTROLLER'S DECISION

On May 28, 1970, Zions First National Bank, Salt Lake City, Utah, applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of Bountiful State Bank, Bountiful, Utah.

Zions First National Bank, Salt Lake City, Utah, with IPC deposits of $184 million, was organized in 1873. This bank, a subsidiary of Zions Utah Bancorporation, concentrates its activities in the Salt Lake City area. It also has offices in Spanish Fork, some 65 miles south of Salt Lake City; in Heber City, 50 miles southeast; in Provo, approximately 45 miles south; and in St. George, some 300 miles south.

Salt Lake City, Utah, is the county seat of Salt Lake County, and is the State's capital. With a population of almost 200,000, it ranks as Utah's largest city. The Salt Lake City Metropolitan Area, including the southern part of Davis County, where the selling bank is located, is Utah's major population, commercial, and industrial area, and has a population of about 500,000. The economy of the area is widely diversified, and includes mining, manufacturing, transportation, agriculture, commerce, and military activity. Salt Lake City is the home of the Mormon Church and the University of Utah, which has an enrollment of 21,000. Numerous defense projects are located in Salt Lake County, and Hill Air Force Base, the largest employer in the State, with 18,000 civilian employees, lies 25 miles to the south. In the immediate Salt Lake City area, the largest employer is Kennecott Copper Corporation, which employs about 7,000. Primary banking competition for the purchasing bank emanates from the $594.5 million First Security Bank of Utah, N.A., Salt Lake City, Utah, and the $308.1 million Walker Bank and Trust Company, Salt Lake City, Utah, the State's first and second largest banks.

Bountiful State Bank, Bountiful, Utah, with IPC deposits of $10.6 million, was organized in 1906. It operates two branches, one at North Salt Lake and one at Centerville.

The primary service area of the Bountiful State Bank is the southern part of Davis County, including the communities of Bountiful, West Bountiful, North Salt Lake, Centerville, Woods Cross, and, to some extent, Farmington, the county seat. The center of this area is approximately 10 miles north of the central business district of Salt Lake City. In 1960, Bountiful had a population of 17,000, which has increased to 27,800, according to 1970 preliminary census data. Davis County has grown by 34,000 people since 1960, when its population was 64,780. The Bountiful area is a "bedroom" community for persons employed in Salt Lake City and the manufacturing concerns in or near the area. Hill Air Force Base, which, as previously mentioned, is the State's largest employer, dominates the county's economy. Manufacturing activity has superseded agriculture and trade to become the county's second most important industry. Oil refineries in the area employ 1,300 persons. The principal competitors of the Bountiful State Bank are the Farmers State Bank, Woods Cross, Utah, with deposits of $12.7 million, and the South Davis Security Bank, Bountiful, Utah, with deposits of $6.6 million. In addition to the other banks operating in Davis County, competition derives from offices of savings and loan associations, industrial loan corporations, small loan companies, and credit unions.

This purchase and assumption transaction will benefit the Bountiful area by introducing services hitherto unavailable, including trust services and complete electronic data processing services. The purchasing bank will be better able to serve the credit needs of the Bountiful community with its larger lending limit and broader experience in all types of lending activity, as well as through the wider variety of banking services it offers.

Competition will not be adversely affected by consummation of this transaction. Although the Bountiful State Bank is located in the broader Salt Lake City Metropolitan Area, the participating banks' nearest offices are 10 miles apart, and there is little present competition between them. The purchasing bank will remain the third largest bank in the State and its proportionate share of deposits will increase only slightly. It will be in a slightly stronger competitive position with respect to the State's two largest banks, which are considerably larger than it. Potential competition will not be affected since the purchasing bank is unable, under State law, to branch *de novo* into Davis County, where the selling bank's service area is located.

It is concluded in the light of the statutory criteria, that the proposal is in the public interest. The application is, therefore, approved.

AUGUST 27, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

This merger involves one of the three largest banking organizations in Utah, and one of the largest banks in southern Davis County. According to the application, the home offices of the banks are 12 miles apart. However, North Salt Lake, site of a BSB branch, is less than 5 miles northwest of Salt Lake City, where Zions home office is located. The only banking alternative between Bountiful and Salt Lake City is a branch of the Bank of American Fork.

BSB derives a limited amount of deposits from Salt Like City. Zions derives "deposits on the order of 2 percent of those held by banks situated in the Bountiful area." Given that most residents of Bountiful work in Salt Lake City, the two banks provide clear alternatives to each other.

Hence, if the proposed merger is approved, some existing competition will be eliminated. In addition, the merger would eliminate the possibility of increased competition with BSB which Zions would cause by entering any of the communities in southern Davis County which are open to branching (i.e., any town without a bank headquartered in it).

For these reasons, we conclude that the proposed merger would have an adverse effect on banking competition.

* * *

NATIONAL BANK OF NORTH AMERICA, NEW YORK, N.Y., AND FIRST NATIONAL BANK IN YONKERS, YONKERS, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
First National Bank in Yonkers, Yonkers, N.Y. (13882), with	$140,426,794	11	
and National Bank of North America, New York, N.Y. (7703), which had	1,998,427,915	102	
consolidated Oct. 13, 1970, under charter and title of the latter bank (7703). The consolidated bank at date of consolidation had	2,138,854,709		113

On June 21, 1970, First National Bank in Yonkers, Yonkers, N.Y., and National Bank of North America, New York, N.Y., filed an application with the Comptroller of the Currency for permission to consolidate under the charter and title of the latter.

National Bank of North America, New York, N.Y., was organized in 1905 as the First National Bank of Freeport, and became the Meadow Brook National Bank in 1949. In 1967, the Meadow Brook National Bank was consolidated with the Bank of North America under the charter of the former and with its present title. The National Bank of North America operates 99 offices in the city of New York and the counties of Nassau and Suffolk. Although it has IPC deposits of $1,166 million, and ranks 10th among the 96 commercial banks in the area, it is a medium size bank in its market area.

First National Bank in Yonkers, Yonkers, N.Y., was organized in 1933. As of December 31, 1969, it had IPC deposits of $120 million, and ranked 52nd among the 96 commercial banks in the area. The bank operates 10 branches, all within the city of Yonkers. This bank is undercapitalized, and has a management succession problem. The three top officers are in their seventies. All attempts to find younger men who are qualified to succeed the present management have failed. In 1964, it attempted to affiliate with the Chemical Bank New York Trust Company, New York, N.Y. In 1969, it attempted to affiliate with a statewide holding company. Both attempts were rejected by the supervisory authorities on grounds not present in the proposed consolidation.

The New York City Metropolitan Area, consisting of the five boroughs of New York City and the counties of Nassau, Suffolk, and Westchester, is the leading financial center in the United States. Six of the 10 largest banks in the country are located in the area, as are the principal offices of all major insurance companies and investment banking and brokerage houses. In addition, many of the Nation's major manufacturing companies are headquartered in the area. The population of the area is approximately 11.5 million people.

Yonkers, with a population of 227,000 people, is located in the southwest corner of Westchester County, just north of the New York City line. It contains many manufacturing concerns, and is an important retail center for the Bronx and for Westchester County.

Consummation of the consolidation will increase competition in the New York City area in general, and in Yonkers in particular. It will increase National Bank of North America's share of the total deposits of the New York City area only slightly, from 1.80 percent to 1.94 percent.

New York State's "home office protection" law prevents any bank except First National Bank in Yonkers from opening an office in Yonkers until First National Bank in Yonkers becomes affiliated with a bank outside the city of Yonkers. The proposed consolidation would remove this barrier and allow other banks to open branches in Yonkers. A number of New York banks have made branch applications in anticipation of the approval of this consolidation application.

The possibility of potential competition between the subject banks appears to be slight. First National Bank in Yonkers could legally establish branches in New York City, but its capital and management limitations make this impractical. Because the city of Yonkers is presently closed to *de novo* branches, and because those possible branch locations close enough to the city of Yonkers to provide competition to First National Bank in Yonkers have been preempted by other banks, there appears little likelihood of potential competition being created through branching by National Bank of North America.

There is only a minimal amount of competition between the two banks. Their nearest offices are 7 miles apart, with numerous banking facilities located between them. C.I.T. Financial Corporation, of which National Bank of North America is a subsidiary, operates one small office in Westchester County, approximately 7 miles from the nearest branch of the First National Bank in Yonkers.

The combined bank will better serve the needs of the public in Yonkers. More commercial, industrial, and home improvement loans, all of which are especially important in an urban area, will be available. The increased lending limit will allow the combined bank to better serve the loan needs of the area. The established international department of National Bank of North America will be able to offer a full line of services to the businesses in Yonkers. National Bank of North America has a history of working to solve the problems in the urban areas it serves. It has helped to develop and attract new businesses, made loans to minority group businessmen, and financed low and middle income housing, all services which the Yonkers area needs. The consolidation will also resolve the capital problem of the Yonkers Bank, as well as its management succession problems.

Applying the statutory criteria, we find the proposal is in the public interest. The application is, therefore, approved.

SEPTEMBER 9, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

National Bank of North America has no offices in either the city of Yonkers or in Westchester County; its closest office to an office of First Yonkers is in the southern Bronx, 7 miles distant. Several competing commercial banks operate offices in the intervening area. National Bank of North America may be considered a banking alternative for Yonkers-Westchester residents who commute to New York City. However, according to the application, the New York City offices of National Bank of North America do limited banking business with Yonkers-Westchester banking customers. In like manner, Trade Bank and Trust Company, whose closest offices to Yonkers are in midtown Manhattan, holds relatively few Yonkers-Westchester accounts. According to supplemental information provided by the applicants, other subsidiaries of C.I.T. Financial Corp. do not do substantial business in the service area of First Yonkers.

It would appear that the proposed consolidation would eliminate no more than a limited amount of direct competition.

Under New York law, National Bank of North America could be permitted to open *de novo* branch offices in Westchester County, but not in any community wherein is located the head office of any commercial bank not affiliated with a registered bank holding company. Accordingly, the home office of First Yonkers itself prevents National Bank of North America (or any other commercial bank) from branching in Yonkers. However, National Bank of North America has the resources to enter other sections of Westchester County *de novo*, as have other major New York City banks, and indeed is one of the largest eligible banks not yet operating in the county.

The consolidation of First Yonkers and National Bank of North America will open Yonkers to *de novo* branching by banks headquartered in New York City as well as any banks in New York's Third Banking District. According to the application, a number of eligible banks are formulating plans to enter Yonkers in this manner if the proposed consolidation is approved.

* * *

FIRST NATIONAL BANK OF SOUTH JERSEY, EGG HARBOR TOWNSHIP, N.J., AND THE FIRST NATIONAL BANK OF PEDRICKTOWN, PEDRICKTOWN, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Pedricktown, Pedricktown, N.J. (8007), with	$6,273,493	2	
and First National Bank of South Jersey, Egg Harbor Township, N.J. (1326), which had	285,013,575	25	
merged Oct. 30, 1970, under charter and title of the latter bank (1326). The merged bank at date of merger had	291,287,068		27

COMPTROLLER'S DECISION

On July 20, 1970, The First National Bank of Pedricktown, Pedricktown, N.J., and the First National Bank of South Jersey, Egg Harbor Township, N.J., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The First National Bank of South Jersey, Egg Harbor Township, N.J., was organized in 1822, and now holds IPC deposits of $207.8 million. The bank operates 17 offices in Atlantic County, four in Gloucester County, one in Salem County, and another is approved but as yet unopened in Salem County.

The First National Bank of Pedricktown, Pedricktown, N.J., was organized in 1905, and now holds IPC deposits of $4.5 million. The bank's home office is in Salem County and it operates one branch in Gloucester County. In general, the merging bank's customer services are relatively limited.

The merging bank's $4.8 million in total deposits represents 5.4 percent of Salem County's aggregate deposits, and ranks the bank eighth in size among the 10 commercial banks in Salem County.

Pedricktown, N.J., is a rural, unincorporated town, with a population of 2,280, near the Delaware River, east of Wilmington, Del., and south of Philadelphia, Pa. The market area of the merging bank is gradually shifting from being predominantly agricultural into a manufacturing and residential economy. However, the bank's small lending limit of $55,000, and its lack of depth in management inhibit the bank from doing any substantial promotion of sizeable commercial banking business.

Banking competition in the Third Banking District, which is made up of five south-central New Jersey counties, will not be adversely affected by the proposed merger. The First National Bank of South Jersey, with total assets of $258.9 million, is the third largest bank in the Third Banking District. The two banks larger than the charter bank each possess assets exceeding the charter bank's by approximately $100 million. Competition between the proponents is slight, as their home offices are 60 miles apart, and their nearest offices are 12 miles apart. No potential competition between the participants will be eliminated as the merging bank's limited resources would be likely to preclude its expansion into the charter bank's market area, and the charter bank cannot branch *de novo* into the merging bank's market area as there is a "home office" protection provision in New Jersey law. Consummation of the proposed merger will not reduce the number of banking alternatives available to the public, but will substitute for the merging bank a full-service bank with a broad range of services, as well as the management depth and financial resources to serve commercial customers.

Applying the statutory criteria to the proposed merger, we conclude that it will serve the public interest. The application is, therefore, approved.

SEPTEMBER 28, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

First National's closest office to an office of Pedricktown Bank is located about 10 miles away, with several other banks in the intervening area. It would appear that the proposed merger would not eliminate significant existing competition between the two banks.

Pedricktown Bank serves primarily northwestern Salem County and western Gloucester County in the Third Banking District; accordingly, First National could be permitted to open *de novo* offices in these counties except in communities that are served by a head office of a bank or, where the population is under 7,500, by a branch office of a bank. Pedricktown and Logan Township are both closed to *de novo* branching, but other communities in these counties are open to First National.

Pedricktown Bank holds about 5.9 percent of total deposits held by commercial banks in Salem County. In view of the size and relative market position of Pedricktown Bank, we do not believe that the proposed merger would have a significantly adverse effect on potential competition.

* * *

HARTFORD NATIONAL BANK AND TRUST COMPANY, HARTFORD, CONN., AND GENERAL BANK AND TRUST COMPANY, NEW HAVEN, CONN.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
General Bank and Trust Company, New Haven, Conn., with	$8,076,269	4	
and Hartford National Bank and Trust Company, Hartford, Conn. (1338), which had	1,041,105,191	54	
merged Oct. 30, 1970, under charter and title of the latter bank (1338). The merged bank at date of merger had	1,048,981,460		58

COMPTROLLER'S DECISION

On June 25, 1970, General Bank and Trust Company, New Haven, Conn., and Hartford National Bank and Trust Company, Hartford, Conn., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The charter bank, with deposits of $821 million, is the second largest bank in Connecticut. It was orginally organized in 1792, and presently operates 50 branch offices that serve seven of the State's eight counties.

The merging bank, with IPC deposits of $7 million, is the smallest bank in New Haven. It was originally organized in 1928, and presently operates one branch office in Hamden. The bank is faced with a management succession problem. Direct banking competition is provided by four of the largest banks in the State: the Connecticut Bank and Trust Company of Hartford, with deposits of $830 million; the Union Trust Company of New Haven, with deposits of $445 million; The First New Haven National Bank, with deposits of $234 million; and the Second National Bank of New Haven, with deposits of $160 million.

New Haven, with a population of about 141,000, is situated on Long Island Sound, approximately 45 miles south of Hartford. Not only is it the leading retail center in south-central Connecticut, but it is also an important seaport, and the home of Yale University. While the city of New Haven has suffered a decline in population, the outlying areas continue to expand. The city's mixture of employment opportunities, which includes manufacturing, retail, and service industries, more than justifies healthy economic projections. Hamden, with a population of about 48,000, is situated 5 miles north of New Haven. That area has experienced rapid growth in recent years due to accelerated interest in suburban living.

There is no significant competition presently existing between the two banks which will be eliminated by consummation of the proposed merger. Their closest offices are about 20 road miles distant from each other; the charter bank has no offices in New Haven County. Since Connecticut law does not permit *de novo* branching into townships where there is already located the home office of another bank, both New Haven and Hamden are closed to *de novo* entry by the charter bank. The addition of $7 million in deposits to the charter bank will not have any significant effect on the overall banking structure. On the other hand, consummation of this merger will solve the management problem at the merging bank, and will provide a bank which will be more able to compete with the large New Haven-Hamden banks, and will be better able to meet the needs of those communities.

Applying the statutory criteria, we find that this proposal is in the public interest and the application is, therefore, approved.

SEPTEMBER 21, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

All the offices of General Bank are located in southern New Haven County. Hartford Bank has no New Haven County offices, and its closest office to an office of General Bank is at Westfield, some 20 miles distant. Several banks operate offices in this intervening area, and it appears from the application that neither of the merging banks obtains appreciable business from the areas immediately served by the other. Under these circumstances, significant direct competition probably does not exist between them.

Connecticut law does not permit a commercial bank to establish *de novo* branch offices in a township where there is already located the home office of another commercial bank. Under this law, both New Haven and Hamden are closed to *de novo* entry by Hartford Bank. Most of the townships surrounding New Haven and Hamden are similarly closed, but Hartford Bank could establish *de novo* offices in East and West Haven (adjoining New Haven to the south) and in Cheshire and Bethany (adjoining Hamden to the north). As Connecticut's largest commercial bank, Hartford National has the resources and capabilities for such *de novo* expansion. Indeed, it has shown a disposition in the past to enlarge its operations via *de novo* expansion. Since 1964, it has opened 12 such branches, and has approval for opening four more.

The proposed merger is essentially a market extension merger through which Hartford Bank proposes to enter the New Haven banking market by acquisition of the smallest by far of the five banks operating in New Haven. This type of entry will inject a strong new competitive force in New Haven, capable of challenging the local leaders in this concentrated market. Under these circumstances, we do not believe that this merger will have any significantly adverse effect upon potential competition.

* * *

THE WARREN NATIONAL BANK, WARREN, PA., AND THE GOLD STANDARD NATIONAL BANK OF MARIENVILLE, MARIENVILLE, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Gold Standard National Bank of Marienville, Marienville, Pa. (5727), with..	$3,077,259	1	....
was purchased Oct. 30, 1970, by The Warren National Bank, Warren, Pa. (4879), which had..........	103,434,682	9	....
After the purchase was effected, the receiving bank had..........	106,511,941	....	10

COMPTROLLER'S DECISION

On July 7, 1970, The Warren National Bank, Warren, Pa., applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of The Gold Standard National Bank of Marienville, Marienville, Pa.

The Warren National Bank, the purchasing bank, with IPC deposits of $51 million, was organized in 1893. In addition to its head office, situated in Warren, it operates nine branches. It has an approved but unopened office in North Warren.

The service area of the buying bank encompasses all of Warren County, western Forest County, southwestern McKean County, and northwestern Elk County, and has a population of 70,000. The borough of Warren, with a population of 14,505, is the county seat of Warren County, and dominates the area. A large portion of this section of northwestern Pennsylvania forms the Allegheny National Forest. The remaining land area is devoted primarily to agriculture. Industry is important to this section, but is confined to the widely separated larger communities and their environs.

Other commercial banks with offices in the buying bank's service area include Pennsylvania Bank & Trust Co., the only other bank in Warren, with 13 offices and total deposits of $106.2 million; the Hamlin Bank & Trust Co., with four offices and total deposits of $15.5 million; the Elk County Bank & Trust Co., with four offices and total deposits of $33.8 million; the Ridgway National Bank, a unit bank, with total deposits of $8 million; the Farmers & Merchants Bank, St. Marys, with total deposits of $8.2 million; the Bradford National Bank, with three offices and total deposits of $35.2 million; the Producers Bank & Trust Co., Bradford, with three offices and total deposits of $17.4 million; the First National Bank of Fryburg, with total deposits of $6.3 million; the First Seneca Bank & Trust Co., with 14 offices, one of which lies in the charter bank's service area, and total deposits of $109.2 million; and the Northwest Pennsylvania Bank & Trust Co., with 17 offices, one of which lies in the charter bank's service area, and total deposits of $129.3 million.

The Gold Standard National Bank of Marienville, the selling bank, with IPC deposits of $2.6 million, is a single office institution which began operating in 1901. This is a small, static, and unaggressive bank. This bank has not been able to reach out into other areas via *de novo* branching because of limited capital funds available for fixed asset investment and because of lack of qualified management. For years it has been experiencing difficulty in generating sufficient deposits to meet the demand for loans.

Marienville, home of the single office selling bank, is 33 miles south of Warren, in Forest County. The service area of the selling bank is considered to be southern Forest County, southeastern Elk County, and northeastern Clarion County. Forest County is the most sparsely populated county in Pennsylvania, with only 4,500 inhabitants. Of this number, 1,300 reside in Marienville. The Allegheny National Forest practically surrounds Marienville, and abounds with the resources for hunting and fishing. Of 266,340 acres in Forest County, 153,000 are owned by the State and Federal governments, and are used to produce lumber and wood products. Manufacturing accounts for 85 percent of those employed in Forest County, of which 18.9 percent are employed in the forest industries. A glass container plant is the principal industry in Marienville.

No banking competition exists in Marienville as the selling bank is the only bank located in its service area. The 20-mile distance over the rugged forest terrain of Allegheny National Forest which separates the nearest offices of the purchasing bank and the selling bank precludes any competition between them. Some competition comes from the Clarion offices of the First Seneca Bank and Trust Co. of Oil City, 27 miles southwest, and the Northwest Pennsylvania Bank and Trust Co.

The purchase will have an insignificant effect in the market area of the charter bank. This transaction will, however, benefit the Marienville community substantially, by replacing a small, static, and unaggressive bank with an office of a large, growing institution which will be able to provide the banking public in and around Marienville with modern, efficient banking services, funds for loans at more competitive rates, and higher rates on deposit money. Among the new services to be offered are trust services, which are presently unavailable to the citizens of the Marienville area. The purchasing bank will be in a better position to adequately handle reasonable loan requests, and thereby encourage growth and added prosperity to the economy of the selling bank's service area.

Applying the statutory criteria, it is concluded that the proposal is in the public interest. The application is, therefore, approved.

SEPTEMBER 22, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest office of Warren Bank to Gold Standard Bank is its branch at Tionesta, in western Forest County. Tionesta is 23 miles from Marienville, and the intervening area is sparsely populated. According to the application, distance and poor roadways result in neither bank drawing substantial deposits or loans from the area served by the other. Thus, the proposed transaction would not seem to eliminate significant existing competition between the two banks.

Pennsylvania law allows unlimited branching into contiguous counties. Although Warren Bank could, therefore, open *de novo* offices anywhere in Forest County, the limited economic base, combined with the lack of growth by Gold Standard Bank, indicates that Warren Bank is not a likely potential competitor by *de novo* branching.

Accordingly, we conclude that this transaction will not have a significantly adverse effect on competition.

* * *

THE CITIZENS NATIONAL BANK, BRYAN, OHIO, AND THE PIONEER BANKING COMPANY, PIONEER, OHIO

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Pioneer Banking Company, Pioneer, Ohio, with	$5,459,261	1	
and The Citizens National Bank, Bryan, Ohio (13740), which had	28,962,951	3	
merged Nov. 6, 1970, under charter and title of the latter bank (13740). The merged bank at date of merger had	34,383,265		4

COMPTROLLER'S DECISION

On July 31, 1970, The Pioneer Banking Company, Pioneer, Ohio, and The Citizens National Bank, Bryan, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Citizens National Bank, the charter bank, with IPC deposits of $7.2 million, was organized in 1933. It presently operates two branches, one in Bryan and one in West Unity. This bank is generally in good condition, but management, though competent, is without depth. It does not offer trust services but anticipates applying for trust powers.

The Pioneer Banking Company, the merging bank, with IPC deposits of $1.1 million, was chartered in 1913, and operates no branches. It is in satisfactory condition but offers no trust services. This bank has poor physical quarters and proposes to construct a new banking house. Management is also competent but lacking in depth or breadth. Its small loan limit has kept it from rendering adequate service to the community.

Bryan, Ohio, population 8,000, is the county seat of Williams County and is located in its south-central portion. Pioneer, Ohio, has a population of 900, and is located 16 miles due north of Bryan in the extreme north-central portion of the county. West Unity is 11 miles northeast of Bryan and 12 miles southeast of Pioneer. The combined service area of both banks includes all of William County, the northern parts of Defiance County, the western area of Fulton County, and the southern sections of Hillsdale County, Mich.

The economy of Williams County, which has a population of 33,000, is representative of the entire service area, and is largely dependent upon industrial and agricultural pursuits. In Bryan, the county's only city, and in several of the bigger towns and villages throughout the area, there are a significant number of industries, some of which have substantial payrolls and employ sizeable numbers of persons.

There are eight commercial banks operating a total of 11 banking offices in Williams County. A number of other commercial banks are located near the Williams County line in contiguous Defiance and Fulton counties, in Ohio, and Hillsdale County, in Michigan. In the combined service area there are 18 banking offices, 14 of which are operated by competing banks. Because all of the credit needs of the larger business, commercial, or industrial firms of the area are not met by local banks, the substantially larger banks in Toledo, Columbus, Cleveland, Fort Wayne, and Chicago that serve those needs can also be said to be operating in the area.

Consummation of this merger will create an institution more capable of adequately serving the credit needs of some of the area's larger firms than any existing institution in the area. The resulting bank will have managerial capability in greater depth than either merging bank. The resulting bank will be in a better position than the merging institution to provide the capital to build the needed new banking house in Pioneer. The services of the agricultural consultant employed by the charter bank will be made available in the Pioneer area. A data processing department is being placed in operation at the charter bank, and its facilities will be available to the merging bank's customers.

Competition will not be adversely affected. Because of the distance separating the merging banks' offices, there is little competition between them. The resulting bank will continue the charter bank's ranking as largest county bank, but its size will not be increased significantly. The merger should stimulate competition by recapturing part of the local business now lost to the large out-of-area, big-city banks. All other banks will continue to share in the area's economic growth and retain their proportionate shares of local banking business.

Applying the statutory criteria, it is concluded the proposed merger is in the public interest. The application is, therefore, approved.

October 5, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposal would merge the largest and seventh largest of the eight commercial banks in Williams County, Ohio. The fifth largest has just been acquired by the applicant. Thus, approval of the proposed merger would mean that, within the period of around a year, the number of independent banks would be reduced from nine to seven.

The main offices of the participating banks are about 16 miles apart, and applicant's newly acquired West Unity branch is about 12 miles from Pioneer.

The resulting banks would hold about 37.5 percent of Williams County deposits, and the largest four commercial banks would hold about 82.5 percent of these deposits. There was, and perhaps is, strong potential competition, as evidenced by an out-of-county bank holding company offering to purchase controlling interest in Pioneer.

The application notes that the merger would constitute a *de jure* recognition of the presently existing *de facto* "combination of the financial and managerial resources" of the two banks. We do not view prior direct or indirect stock acquisitions with a view toward merger, or the subsequent relationships which may thereby develop, as facts which demonstrate that a proposed merger will have no anticompetitive effects. Such a merger will permanently eliminate the potential for increased competition should the various stock control arrangements be terminated at some time in the future.

Because the merger would increase concentration and result in the elimination of Pioneer as a conduit for the introduction of potential competition into the market, it is our view that the proposed transaction will have an adverse effect upon competition.

* * *

Wells Fargo Bank, N.A., San Francisco, Calif., and The First National Bank of Holtville, Holtville, Calif.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Holtville, Holtville, Calif. (9770), with	$13,927,142	1	
and Wells Fargo Bank, National Association, San Francisco, Calif. (15660), which had	5,514,746,846	281	
merged Nov. 6, 1970, under charter and title of the latter bank (15660). The merged bank at date of merger had	5,527,924,917		282

COMPTROLLER'S DECISION

On June 25, 1970, The First National Bank of Holtville, Holtville, Calif., and Wells Fargo Bank, N.A., San Francisco, Calif., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The charter bank, with IPC deposits of $3.8 billion, was orginally organized in 1852, and is presently the third largest bank in the State. Most of the bank's 272 branch offices are located in northern California. Only recently, the bank expanded its activities to the southern part of the State and presently operates 26 branch offices in southern California.

The merging bank, with IPC deposits of $11.5 million, was organized in 1907, and is a single-office institution. Due to the limited services it is able to offer, the bank does not adequately serve the needs of its community. Although it cannot be said that the bank has a management problem, still it has never had a management development program, and must rely entirely on its president and directors. Commercial banking competition to the merging bank is provided by the four other banks in Imperial County, which operate a total of 15 offices. They include Bank of America, N.T. & S.A., with six offices in the county; Security Pacific National Bank and United California Bank, with three offices each; and Imperial Valley National Bank, with two offices. Competition is also provided by one savings and loan association, four finance companies, local offices of two insurance companies, a local federal land bank association, and a local production credit association.

Holtville, with an estimated population of 4,000, is located about 12 miles to the east of El Centro, the county seat and commercial center of Imperial County. The economy of this area, like the rest of the county, is predominately dependent on agriculture. The Holtville area contributed approximately 95 percent of the carrot production of Imperial County in 1969. Annual crop yields, coupled with livestock feeding, have made Imperial County the fourth highest agricultural producer in the Nation. The major crops include lettuce, cotton, alfalfa, sugar beets, and cantaloupes. Heavy industry is practically nonexistent in Imperial County. Several light manufacturing firms have operations in the area, including the Holly Sugar Corporation, the Valley Nitrogen Producers, Inc., and G. T. Schjeldahl Company, which is located in Holtville.

Because of the distance separating the participating banks, there is no competition presently existing between them. The closest office of the charter bank to the merging bank is located in San Diego, about 137 miles to the west of Holtville. Because of the difference in size between the participating banks, consummation of the proposed transaction will not eliminate potential competition between them. Moreover, a *de novo* branch of the charter bank in the Holtville area would serve to aggravate the problems at the merging bank. The addition of $11.5 million in deposits to the charter bank will have no significant effect on concentration of banking resources in the State. On the other hand, consummation of this merger will introduce into the Holtville area a bank more able to compete with the large banks operating in that area and better able to meet the needs and convenience of the banking public in that area.

Applying the statutory criteria, we find that the merger is in the public interest, and the application, therefore, is approved.

September 29, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Wells Fargo has no offices in the Holtville area; its nearest branch is in San Diego, 137 miles west of Holtville and numerous banking facilities separate the two. Consequently, the proposed merger would not eliminate any direct competition between the banks.

Wells Fargo is the largest bank in California not serving the Imperial Valley. It could make *de novo* entry into that area as it is doing into other areas of southern California. However, there would appear to be a number of other large banks capable of entering this area; therefore, the elimination of Wells Fargo as a potential *de novo* entrant should not have a significantly adverse competitive effect.

* * *

FIRST UNION NATIONAL BANK OF NORTH CAROLINA, CHARLOTTE, N.C., AND THE BANK OF FRENCH BROAD, MARSHALL, N.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Bank of French Broad, Marshall, N.C., with	$8,906,330	2	
and First Union National Bank of North Carolina, Charlotte, N.C. (15650), which had	1,042,875,218	141	
merged Nov. 14, 1970, under charter and title of the latter bank (15650). The merged bank at date of merger had	1,051,781,548		143

COMPTROLLER'S DECISION

On July 29, 1970, The Bank of French Broad, Marshall, N.C., and First Union National Bank of North Carolina, Charlotte, N.C., filed an application with the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The First Union National Bank is headquartered in Charlotte, the financial and distribution center of the State. Located in the south-central Piedmont section of North Carolina, Charlotte is one of the State leaders in manufacturing, and boasts the highest retail sales totals in the two Carolinas. It is one of the fastest growing cities in the southeastern United States.

First Union National Bank, with IPC deposits of $684 million, is the third largest bank in the State, and presently operates 137 banking offices in 66 communities in North Carolina. Principal banking competition for this bank is provided by the $1.6 billion Wachovia Bank and Trust Company, operating 130 offices in 51 communities; the $1.3 billion North Carolina National Bank, operating 91 offices in 27 communities; and the $665 million First-Citizens Bank and Trust Company, operating 130 offices in 57 communities. Competition to the charter bank is also provided by such strong regional banking systems as the $486 million The Northwestern Bank and the $247 million Branch Banking and Trust Company. Numerous other financial institutions also operate in the same areas and compete with the charter bank.

The merging bank, The Bank of French Broad, is headquartered in Marshall, Madison County, and presently operates a branch office in Weaverville, in bordering Buncombe County. The economy of Madison County is primarily supported by agriculture, with tobacco the main cash crop. The population is scattered and rapidly declining due to widespread unemployment; approximately 60 percent of the residents live on small farms. The personal income levels, housing conditions, median value of homes, and average value of farmland are considerably below the State norm. The creation of an environment conducive to growth and attractive to new business is of primary importance to the economic future of the area.

The Bank of French Broad, with IPC deposits of $7 million, was originally organized in 1903. The bank is faced with a management succession problem. Because of its limited experience and resources, it is doubtful that this bank can do much in the future to stimulate growth in its service area. The only other bank directly competing in the area of the merging bank is the Citizens Bank in Marshall, with deposits of $8.5 million.

There is no significant competition presently existing between the participating banks. The closest office of the charter bank to the merging bank is in Ashville, Buncombe County, and is approximately 12 miles from Weaverville. The elimination of whatever competition now exists between these banks can readily be outweighed by the benefits to follow. Although First Union National Bank could, under State law, branch *de novo* into the area of the merging bank, the small population and limited economic potential of the area do not warrant *de novo* entry.

Consummation of the proposed merger between First Union National Bank and The Bank of French Broad, in addition to solving the problems at the merging bank, will introduce a more viable institution in the service area of the merging bank. The resulting bank will not only provide a full range of banking services and a larger lending limit, but will also offer access to the capital resources that will be needed to assist future economic growth in the area.

Applying the statutory criteria, we find the proposal is in the public interest. The application, therefore, is approved.

October 9, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

First Union operates six offices in Buncombe County, five of which are in or very near Asheville. The Weaverville office of French Broad Bank is located about 12 miles north of Asheville, and about 8 miles north of the nearest First Union office. No other banking offices intervene, and the two areas are connected by good roads. Thus, there appears to be some existing competition between the two banks. The application indicates that French Broad Bank derives most of its Buncombe County business from the Weaverville area and points north, while First Union derives most of its business from the Asheville area and points south. The amount of business which First Union derives from the Weaverville area is not insubstantial, however, especially when compared to the total business held by the Weaverville office of French Broad Bank.

French Broad Bank operates its head office in Madison County. Citizens Bank (total deposits of $8.5 million) is the only other bank operating in the county, with offices in Mars Hill, Marshall, and Hot Springs. French Broad Bank holds around 34 percent of total county deposits. Although First Union is one of many potential entrants into Madison County, including all of the largest banks in North Carolina, the depressed state of the economy in Madison County, the decline in population, and the poor prospects for growth make *de novo* entry by any of the potential entrants, including First Union, unlikely.

There are presently six commercial banks operating in Buncombe County. As of June 30, 1968, First Union held approximately 24.1 percent of the total deposits held by all Buncombe County banking offices, while French Broad Bank held approximately 1.3 percent. The bank holding the largest share of Buncombe County deposits was Wachovia Bank & Trust Co., N.A., Charlotte (also the largest bank in the State, holding total deposits of $1,330.6 million on December 31, 1969), which held approximately 47.7 percent of total Buncombe County deposits. Thus, the merger would increase First Union's share of these deposits from 24.1 percent to 25.4 percent, and would increase the share held by the two largest banks in the county from 71.8 percent to 73.1 percent. Thus, the merger would cause a slight increase in the already high concentration in commercial banking in Buncombe County.

We conclude that the proposed merger would have an adverse effect on competition.

* * *

Virginia National Bank, Norfolk, Va., and Carroll County Bank, Hillsville, Va.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Carroll County Bank, Hillsville, Va., with	$14,747,939	1	
and Virginia National Bank, Norfolk, Va. (9885), which had	1,036,189,871	104	
merged Nov. 23, 1970, under charter and title of the latter bank (9885). The merged bank at date of merger had	1,050,427,829		105

COMPTROLLER'S DECISION

On August 18, 1970, Carroll County Bank, Hillsville, Va., and Virginia National Bank, Norfolk, Va., applied to the Comptroller of the Currency for permission to merger under the charter and with the title of the latter.

Virginia National Bank, with IPC deposits of $733 million, maintains 103 branches and two facilities scattered throughout Virginia. Although the charter bank is essentially a statewide banking institution, it draws approximately two-thirds of its deposits from the Tidewater-Charlottesville area. The applicant presently has no office within the service area of the merging bank.

Carroll County Bank, with IPC deposits of $11 million, was founded in 1890, and operates a single office in Hillsville, the county seat of Carroll County. The estimated population of the merging bank's service area, composed of Hillsville and the surrounding area, is 5,000 persons. Geographical and economic conditions in the region have hindered the bank in attracting qualified managerial personnel, and the bank's operations are almost wholly dependent upon the president, for whom no successor is immediately apparent.

Virginia National Bank is, to some degree, in competition with every major bank in the southeastern portion of the United States, for certain services. Principal competitors in Virginia are the $1.2 billion United Virginia Bankshares, Incorporated, a registered bank holding company, that controls 10 affiliated banks with 98 offices in 32 communities in Virginia; the $785 million First & Merchants National Bank, with 57 offices in 18 communities in Virginia; the 12 banks affiliated with Virginia Commonwealth Bankshares, the total resources of which amount to $679 million; the $555 million Dominion Bankshares Corporation, with six affiliated banks operating 53 offices in Virginia; the 11 banks affiliated with the First Virginia Bankshares Corporation, with 102 offices and resources of $507 million; and nine banks affiliated with Financial General Corporation, operating 40 offices in Virginia with total resources of $390 million. Further competition is provided by the smaller Fidelity-American Bankshares, Incorporated, which, at present, controls only two banks with 34 offices and combined resources of $283 million.

The principal competitors of the Carroll County Bank are the First National Bank in Galax, with two offices and total resources of $20 million, and the Merchants and Farmers Bank in Galax, with three offices and total resources of $16 million. The charter bank's closest offices to the merging bank are located in Pulaski, Va., approximately 26 miles north, and in Wytheville, approximately 30 miles northwest of Hillsville. Because each of the participating banks is prohibited by State statute from branching *de novo* into the trade area of the other, and because no direct competition exists at the present, this proposal will have no adverse effect upon any existing or potential competition.

Upon consummation of the merger, the resulting bank will be able to offer a wide variety of specialized banking services not heretofore available to residents and businesses of Carroll County. Such services include computer services, mortgage financing, a bond department, farm service department, educational loans, and trust services.

It is concluded that the merger will have no adverse competitive effect and is in the public interest. The application is, therefore, approved.

OCTOBER 22, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

County Bank is the only bank located in Carroll County, although there are two commercial banks in Galax, an independent city 12 miles southwest of Hillsville. Virginia National Bank, which is headquartered in Norfolk, 250 miles east of Carroll County, has its nearest offices at Pulaski, in Pulaski County, 23 miles north of Hillsville, and at Wytheville, in Wythe County, 31 miles northwest of Hillsville. According to the application, these offices draw small fractions of 1 percent of their business from Carroll County, and County Bank draws even smaller proportions of its business from Pulaski or Wythe counties. Thus, it would appear that only an insignificant amount of direct competition would be eliminated by the proposed merger.

Under Virginia law no bank in the State, including Virginia National Bank, is permitted to branch *de novo* into Hillsville. Virginia National Bank, however, could enter through establishment of a holding company and the acquisition of a newly chartered bank in the area. A community of 1,100 persons in a community with a declining population would not, however, appear to be a likely prospect for the introduction of a second commercial bank. The proposed merger would not appear to have an adverse effect on competition.

* * *

The Riddell National Bank of Brazil, Brazil, Ind., and The First National Bank of Center Point, Center Point, Ind.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Center Point, Center Point, Ind. (9250), with	$3,055,397	1	
and The Riddell National Bank of Brazil, Brazil, Ind. (5267), which had	22,782,237	1	
merged Dec. 1, 1970, under charter of the latter bank (5267) and title "The Riddell National Bank of Brazil, Indiana." The merged bank at date of merger had	25,428,913		2

COMPTROLLER'S DECISION

On May 28, 1970, The First National Bank of Center Point, Center Point, Ind., and The Riddell National Bank of Brazil, Brazil, Ind., applied to the Office of the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "The Riddell National Bank of Brazil, Indiana."

The Riddell National Bank of Brazil, Brazil, Ind., with IPC deposits of $17.2 million, was organized in 1885, and remains a unit bank. It serves Brazil, Ind., which has a population of 9,000 and is the county seat of Clay County. Brazil is about 55 miles southwest of Indianapolis and 20 miles east of Terre Haute, in the northern part of Clay County. Eight industrial plants located in Brazil employ about 1,100, and many other residents commute to nearby Terre Haute, Ind., and other cities, for employment.

The First National Bank of Center Point, Center Point, Ind., with IPC deposits of $2.4 million, was organized on October 6, 1908. This unit bank is a small, unaggressive institution with an inadequate lending limit. It has been unable to provide for management succession.

Center Point, Ind., is located near the center of Clay County, about 12 miles southeast of Brazil. It has an estimated population of 300. The economy of this area is agricultural. The merging bank is the only bank in the town.

Both banks are located in Clay County, which has an estimated population of 24,000, and is located in the west-central part of Indiana. Although agriculture is the principal source of economic support in the county, there are also, within the county, coal producing strip mines, and 12 commercial and manufacturing firms. Five of those companies manufacture clay products, and three are directly associated with farming. However, about 70 percent of the county's labor force is employed in Terre Haute, Indianapolis, Greencastle, Bloomington, and other neighboring cities.

Two other banks are located in Clay County. They are the First Bank and Trust Company of Clay County, Brazil, Ind., which operates its main office and a drive-in branch in Brazil, and another branch at Clay City, in the southern part of the county, and which has total deposits of $22.2 million; and The Poland State Bank, Poland, Ind., which is in the extreme eastern part of the county, and which has deposits of $1.5 million.

In the applicant's trade area there are 16 banks operating 36 offices. Of those, the charter bank ranks eighth in size. Among its principal competitors are the Terre Haute First National Bank, the largest bank in the area, which has total deposits of almost $97 million; The Merchants National Bank of Terre Haute, with total deposits of $58.3 million; and the Indiana State Bank of Terre Haute, with total deposits of almost $39 million. There are also eight savings and loan associations in the service area which together have total resources of $89 million as well as numerous sales finance and personal loan companies. In addition, it is estimated that the Federal Land Bank has $2 million in loans outstanding to farmers in Clay County.

Consummation of this merger will solve a serious management problem in the merging bank. The customers of the merging bank will benefit from higher lending limits, increased interest on time deposits, trust facilities, improved services, and the assurance of a continuing banking outlet in their community which the merger will provide.

Applying the statutory criteria, we find the merger to be in the public interest, and the application, therefore, is approved.

SEPTEMBER 18, 1970

SUMMARY OF REPORT BY ATTORNEY GENERAL

The participating banks are located 12 miles apart. There are no banks in the intervening area.

Thus, it would appear that some direct competition between the banks would be eliminated by the proposed merger. Furthermore, under Indiana law, which permits county-wide branching, Riddell Bank could establish a branch in Center Point and, thus, compete more directly with First National.

Riddell Bank and First National are, respectively, the second and third largest banks in Clay County. First National's share of the total deposits in this county, 41 percent, will increase some 6 percent, as a result of the merger. The resulting bank will still be the second largest in the county. Even though banks located outside the county offer some competition in various areas, State law does not allow them to branch into the county.

The proposed merger would eliminate some direct competition between the participants and it would reduce the number of banks able to compete within the county to three. Thus, we conclude that this merger is likely to have an adverse effect on competition.

* * *

FIRST NATIONAL STATE BANK OF NEW JERSEY, NEWARK, N.J., AND ORANGE VALLEY BANK, ORANGE, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Orange Valley Bank, Orange, N.J., with	$7,051,864	2	
and First National State Bank of New Jersey, Newark, N.J. (1452), which had	861,185,593	29	
merged Dec. 4, 1970, under charter and title of the latter bank (1452). The merged bank at date of merger had	866,967,712		31

COMPTROLLER'S DECISION

On April 17, 1970, Orange Valley Bank, Orange, N.J., and First National State Bank of New Jersey, Newark, N.J., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

First National State Bank of New Jersey, Newark, N.J., with IPC deposits of $662.3 million, was founded in 1812 as the State Bank of Newark, and assumed its present name in 1965. The charter bank operates 29 offices, all of which are located in Essex County. This bank has experienced good growth over the last 20 years, its assets have increased from $172 million, in 1950, to $883 million as of year-end 1969.

The primary service area of the charter bank is the greater Newark area, which consists of Essex County, most of Union County, and parts of Morris and Hudson counties. The city of Newark has 400,000 of Essex County's total population of 972,000. Essex County ranks as one of the world's greatest commercial and industrial centers, and is surrounded by the counties of Hudson, Bergen, Passaic, Morris, and Union, each of which is also highly industrialized and commercialized. Newark Airport is one of the Nation's most active and, in the near future, will be undergoing a major redevelopment program designed to make it one of the world's most modern. The port of Newark handled about 5.5 million long tons of cargo in 1969. Essex County is a major educational center of the State with eight colleges, a major medical center, and 16 modern hospitals located within its boundaries.

The charter bank competes in its service area with Fidelity Union Trust Company, Newark, N.J., with $731 million in total assets; National Newark and Essex Bank, Newark, N.J., with $688 million in total assets; and the Howard Savings Institution, Newark, N.J., with $907 million in total assets. It also faces aggressive competition from the large, billion-dollar New York City banks, as well as offices of smaller institutions. The First National State Bank of New Jersey holds only 7.7 percent and 7.2 percent, respectively, of the $10.4 billion in total assets and $9.1 billion in total deposits in the First Banking District of New Jersey.

Orange Valley Bank, with IPC deposits of $6.2 million, was founded in 1917, and presently operates, in addition to its main office, one drive-in facility located directly across the street. Bank management has been very conservative, and as a result, the bank has experienced slow growth, and its earnings are below those of other banks of comparable size operating in the general area. The merging bank does not have a pension plan or the other fringe benefits essential to attract officer candidates, with the result that it faces a management succession problem owing to the imminent retirement of its four top officers.

The primary service area of the merging bank consists of the four Oranges, including Orange, West Orange, East Orange, and South Orange. Those four municipalities are situated in the central part of Essex County, about 4 miles west-northwest of downtown Newark, and cover an area of 21 square miles and a total population of 15,000 people. West Orange and East Orange are devoted mainly to manufacturing, although retail merchandising activity is also important. South Orange is mainly residential, and East Orange houses the main, or branch, offices of a number of insurance companies, a considerable number of office buildings, and a number of luxury apartment buildings.

At the present time, there are 20 offices of five competing banks in the Oranges, including one savings bank with two offices, and one branch of the charter bank, in addition to the merging Orange Valley Bank. National Newark and Essex Bank has an office in Orange, and Fidelity Union Trust Company has three offices in East Orange. The Second National Bank of Orange, Orange, N.J., with $37 million in total assets, has three offices in Orange, and the Essex County State Bank, West Orange, N.J., with assets of $8 million, maintains two offices in West Orange.

The banking needs of the Orange communities will be better served by a branch of First National State Bank of New Jersey. Many additional banking services will be provided which are now unavailable through the merging bank, including trust services, automated accounting, specialized lending services, a much higher lending limit, and higher interest paid on time deposits. The management succession problem of Orange Valley Bank will be solved, and the pension plan and other fringe benefits of the charter bank will be made available to present employees of the Orange Valley Bank.

Competition will not be adversely affected by this merger. Although the First National Bank of New Jersey is the largest bank in the State, it is not in a position to dominate banking in New Jersey or in its service area. If the merger is approved, the charter bank will hold 12.1 percent of deposits in its service area, as compared with 12 percent presently. Although one competing institution will be eliminated, adequate banking alternatives will remain. Competition in the charter bank's service area outside of the Oranges will be little affected by this merger. In the Oranges, however, competition will be increased by the addition of a branch of the strong and aggressive First National State Bank, replacing a small, nonaggressive, noncompetitive independent bank not now responsive to the banking needs of its community. Potential competition will not be affected since State branch restrictions prohibit the *de novo* branching of the charter bank into Orange, the home office city of the merging Orange Valley Bank.

Applying the statutory criteria, we find the merger to be in the public interest, and the application, therefore, is approved.

NOVEMBER 2, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The nearest office of First National to Orange Valley is the Orange office located 1.1 miles away. First National presently has no other offices in the geographic market area of Orange Valley (Orange, West Orange, East Orange, and South Orange). Under New Jersey law, First National is prohibited from opening *de novo* branches in Orange, West Orange, and South Orange because of home office protection provisions. According to the application, it is seeking a location for a branch in East Orange. First National derives $4.7 million in total deposits from Orange, $4.4 million from West Orange, $10 million from East Orange and $4.2 million from South Orange, or $23.3 million in total deposits from the service area of Orange Valley. Loans drawn from the same area total $16 million. In view of the fact that First National draws substantial amounts of banking business from Orange Valley's geographic market area, we conclude that the proposed merger would eliminate substantial direct competition between First National and Orange Valley.

Twenty-one commercial banks operate a total of 141 branches in Essex County. Five savings institutions operate a total of 23 banking offices. Under New Jersey law, savings banks are empowered to accept demand deposits. In fact, however, savings banks hold a minimal percentage of county IPC demand deposits; as of June 30, 1968, savings banks in Essex County held only about $22 million in IPC demand deposits, and commercial banks held over $1 billion.

As of December 31, 1968, the three largest commercial banks in Essex County held approximately 83 percent of county IPC demand deposits and approximately 51 percent of county total deposits. These same banks operated about 65 percent of all commercial bank offices and about 55 percent of all offices of both commercial and savings banks. First National held the largest shares, approximately 29 percent of county IPC demand deposits, and approximately 19 percent of county total deposits. Merger with Orange Valley would increase these shares by only a small amount.

The proposed merger would eliminate direct competition and increase concentration in Essex County. Although Orange Valley is a relatively small bank, its absorption by a leader in the area may have an adverse effect on competition.

* * *

NATIONAL BANK & TRUST COMPANY OF CENTRAL PENNSYLVANIA, YORK, PA., AND THE READING TRUST COMPANY, READING, PA., AND LANCASTER COUNTY FARMERS NATIONAL BANK, LANCASTER, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Lancaster County Farmers National Bank, Lancaster, Pa. (683), with	$157,188,189	13	
The Reading Trust Company, Reading, Pa., with	158,827,533	11	
and National Bank & Trust Company of Central Pennsylvania, York, Pa. (694), which had	281,850,571	22	
consolidated Dec. 7, 1970, under charter of the latter bank (694) and title "National Central Bank." The consolidated bank at date of consolidation had	597,866,293		46

The "Comptroller's Decision" and the "Summary of Report by Attorney General" for this case appeared in the 1969 Annual Report under the heading "Approved, but in litigation."

* * *

FIRST CITIZENS NATIONAL BANK, MANSFIELD, PA., AND GRANGE NATIONAL BANK OF POTTER COUNTY, ULYSSES, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Grange National Bank of Potter County, Ulysses, Pa. (8739), with	$5,872,245	2	
and First Citizens National Bank, Mansfield, Pa. (13618), which had	19,052,692	2	
merged Dec. 31, 1970, under charter and title of the latter bank (13618). The merged bank at date of merger had	24,924,937		4

COMPTROLLER'S DECISION

On October 8, 1970, Grange National Bank of Potter County, Ulysses, Pa., and First Citizens National Bank, Mansfield, Pa., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

First Citizens National Bank, the charter bank, with IPC deposits of $13.6 million, was organized in 1932, and presently operates one branch, located in Blossburg, 10 miles south of Mansfield.

Mansfield, the home of the charter bank, has a population of 2,650 and is located 50 miles north of Williamsport and serves as a trading center for all of eastern Tioga County and the extreme western portion of Bradford County. It is the home of Mansfield State College, a State teachers college, which has an enrollment of 3,200, a faculty of 240, and an administration staff of 256. The service area is characterized by dairy farms and timberland. Several small manufacturing and coal mining firms scattered throughout the area provide employment for a limited segment of the population. A number of persons residing in the northern portions of the service area find steady and substantial employment in the nearby New York State industrial communities of Corning and Elmira.

The charter bank is third in size among banks operating in its service area. The two banks greater in size are Commonwealth Bank and Trust Company, Muncy, Pa., with deposits of $44.5 million, and Northern National Bank and Trust Company, Wellsboro, with deposits of $25.5 million. Those three are the only banks with offices in Tioga County. Commercial banks and other financial institutions in the Corning-Elmira area provide intense competition for the deposit dollar in the charter bank's service area.

Grange National Bank of Potter County, the merging bank, with total IPC deposits of $4.5 million, was organized in 1907, and presently operates one branch in Genesee, Pa. This bank is beset with many problems. Its management has been unable to prevent the erosion of its capital structure and to maintain the confidence of the community in the bank. Many depositors have placed money elsewhere, and thus funds available for lending are restricted. The merging bank is simply unable to meet the legitimate and growing credit needs or to offer expanded and specialized services to its banking public. Ulysses, Pa., home of the merging bank, is a small rural community, 50 miles west of the charter bank. The merging bank's service area consists of an area of northeastern Potter County and a narrow strip of New York State, immediately north of Potter County. The economy of the service area is keyed to dairy and potato farming. Industry and commerce are virtually nonexistent. Much of Potter County is characterized by vast tracts of timberland.

The merging bank is fifth in size in its service area. It is preceded in size by the two abovementioned competing banks operating in the charter bank's service area which also operate branches in the merging bank's service area, as well as The First National Bank of Coundersport, Coundersport, Pa., with deposits of $6.5 million, and the Citizens Bank, Coundersport, with deposits of $5.9 million.

The merger would replace the faltering merging institution with offices of the financially sound, well-managed, and thriving charter bank. The result should be improved service to the Ulysses community in general. The resulting bank will be in a position to meet the legitimate credit needs and to offer needed expanded and specialized services to the banking public which the merging bank cannot offer.

Competition will not be adversely affected. Because the two banks are over 50 miles apart there is no present competition between them. The resulting bank in the combined service area will continue to be the third largest bank in charter bank's own service area, and competing banks will not be disadvantaged. As the merging bank is presently an ineffectual competitor, replacing it should improve competition rather than reduce it.

Applying the statutory criteria, it is concluded that the proposal is in the public interest. The application is, therefore, approved.

NOVEMBER 27, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the merging banks are over 50 miles apart. The application indicates that Grange draws some business from western sections of Tioga County, but not from areas of the county served by First Citizens. The proposed merger would not appear to eliminate substantial direct competition.

Pennsylvania law permits commercial banks to open *de novo* branches in their home counties and in counties contiguous thereto. Thus, Grange and First Citizens could be permitted to open new offices in each other's service area. In view of its size and recent financial difficulties, however, Grange could not be considered a likely potential entrant into eastern Tioga County.

There are also a number of other banks eligible to open new branches in the Ulysses-Genesee area, which does not appear to be an attractive site for such activity at present.

First Citizens, itself a relatively small bank, is not among the larger banks legally eligible to enter the service area of Grange. In view of this fact, and of the size of Grange and the rural characteristics of its service area, we conclude that the proposed merger would be unlikely to have a significantly adverse effect on potential competition.

* * *

First National Bank of Central Jersey, Somerville, N.J., and The First National Bank of Roselle, Roselle, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Roselle, Roselle, N.J. (8483), with	$17,830,469	2	
and First National Bank of Central Jersey, Somerville, N.J. (3866), which had	119,994,993	8	
consolidated Dec. 31, 1970, under charter and title of the latter bank (3866). The consolidated bank at date of consolidation had	137,775,462		10

COMPTROLLER'S DECISION

On July 9, 1970, the First National Bank of Central Jersey, Somerville, N.J., and The First National Bank of Roselle, Roselle, N.J., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The charter bank, with IPC deposits of $81.7 million, was originally organized in 1888, and presently operates eight banking offices in Somerset County. The bank ranks first in size among the seven commercial banks operating in that county, and 11th among the 64 commercial banks in the Second Banking District. Those 64 banks have total aggregate deposits of $3.9 billion.

The area served by the charter bank has a population of about 434,000, and includes all of Somerset County and several communities located in bordering counties. This area has experienced rapid industrial, commercial, and residential expansion in recent years. Due to Somerset County's strategic location between New York and Philadelphia, it is expected that the area will continue to enjoy excellent economic growth.

The trade area presently served by The First National Bank of Roselle is located in the heart of Union County. Union County, with a population of about 577,000, is one of the smaller counties in the State, and is located in the extreme eastern portion of New Jersey, adjacent to the harbors serving the port of New York and the immediate New York Metropolitan Area. In contrast to Somerset County, Union County is substantially developed, and there is little vacant land remaining for additional development. Although Union County has substantial industries of its own, its proximity to New York places it within the orbit of that metropolitan area.

The First National Bank of Roselle, with IPC deposits of $14.5 million, was originally organized in 1906, and presently operates two banking offices in Roselle. The bank ranks 10th in size among Union County's 11 commercial banks which together have total deposits of $1.1 billion. It ranks 52nd among the 64 banks located in the banking district, holding about 0.4 percent of the total bank deposits in the district. During the period from 1964 to 1969, the bank has experienced a decline in deposits. It is presently faced with a serious management succession problem. Due to the proximity of its trade area to Newark, the financial center of New Jersey, the bank is also faced with competition from the large banks based in that city. Competition in Union County is also provided by several savings and loan associations, savings banks, personal finance companies, sales finance companies, and credit unions.

There is no significant competition presently existing between the participating banks. The charter bank has no offices in Union County, and its closest office to The First National Bank of Roselle is 8 miles distant. The elimination of whatever competition may now exist between these banks can readily be outweighed by the benefits to follow. Consummation of the proposed transaction will not eliminate potential competition between the two banks. Because New Jersey law provides home office protection, *de novo* entry by the charter bank into Roselle and seven other communities in Union County is precluded. Moreover, the size and problems faced by The First National Bank of Roselle prevent it from being an effective competitor. The addition of $14.5 million in deposits to the charter bank will not have a significant effect on concentration of banking resources in the area.

Consummation of the proposed consolidation, besides solving the management problem at The First National Bank of Roselle, will introduce into the Roselle area a more viable, competing institution, with greater resources and able to provide a full line of banking services. The resulting bank, with its greater resources, will be in a better position to aid the growing industries in the area of the charter bank, by making available to them the needed local capital funds.

Applying the statutory criteria to the proposed consolidation, we conclude that it serves the public interest and the application is, therefore, approved.

OCTOBER 7, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the consolidating banks are about 12 miles apart, and are separated by numerous offices of other commercial banks. The application indicates that each draws no more than minimal banking business from the service area of the other. It is unlikely that any substantial direct competition will be eliminated by the proposed merger.

Under New Jersey law, each of the consolidating banks could be permitted to open *de novo* branches anywhere in the Second Banking District in which they are both located, except in communities subject to home or branch office protection. However, Roselle Bank, as one of the smallest banks in Union County and in the entire district, could not be considered among the most significant potential entrants into areas served by Central Jersey Bank.

Central Jersey Bank is the largest commercial bank headquartered in Somerset County, and, as of June 30, 1968, was the 12th largest bank in the Second Banking District. Its pattern of growth in recent years has included substantial *de novo* branching, and it would appear to be capable of further expansion in this manner. It could not, however, open a *de novo* office in Roselle. In view of the size of Roselle Bank, and its small share (about 1.5 percent) of commercial bank deposits in Union County, we conclude that the proposed consolidation would be unlikely to have any significantly adverse effect on potential competition.

* * *

THE LITTLETON NATIONAL BANK, LITTLETON, N.H., AND LISBON NATIONAL BANK, LISBON, N.H.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Lisbon National Bank, Lisbon, N.H. (15737), with	$3,156,818	2	
and The Littleton National Bank, Littleton, N.H. (1885), which had	8,807,562	1	
merged Dec. 31, 1970, under charter and title of the latter bank (1885). The merged bank at date of merger had	12,037,090		3

COMPTROLLER'S DECISION

On July 13, 1970, Lisbon National Bank, Lisbon, N.H., and The Littleton National Bank, Littleton, N.H., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Littleton, N.H., home of the charter bank, is located in Grafton County, in the northwest section of the State, approximately equidistant from Burlington, Vt.; Portland, Maine; Boston, Mass.; and Montreal, Canada. It has a population of almost 5,100, and is one of a number of towns in the upper Connectitcut River Valley with an area population of better than 23,000. The general area is one of scenic river valleys and wooded areas dotted by small urban centers surrounded by rural communities. Historically, agriculture and the lumber industry dominated the economy. Although agriculture has declined, the wood products industry continues to be important. Smaller and more diversified industry has grown up in the area, and Littleton provides the largest concentration of manufacturing and commercial concerns. It also serves as retail hub for a 15- to 20-mile radius. Tourism and recreationally-oriented industries and construction also contribute to the area's economy.

The Littleton National Bank, the charter bank, with IPC deposits of $5.5 million, was organized in 1871, and is a unit bank.

Other banking institutions in Littleton include The Peoples National Bank of Littleton, organized in 1966, with deposits of about $4 million; The Littleton Savings Bank, with deposits of $29.1 million; and The Littleton Cooperative Bank.

Beneficial Finance Co. of Littleton and M.A.C. Finance Plan of Littleton, Inc., also operate in this town.

Lisbon also lies near the foothills of the White Mountains, about 10 miles southwest of Littleton, and has a population of about 1,500. Sugar Hill, where the merging bank's branch is located, lies 5 miles from Lisbon and 12 miles from Littleton. Adjacent to Sugar Hill, and included in the merging bank's service area, is Franconia, which is situated in the heart of the White Mountains and is a four-season recreational area with a number of lodges, motels, and inns catering to skiers, hunters, tourists, and vacationers.

Lisbon National Bank, the merging bank, with IPC deposits of $2.5 million, was organized in 1889, under a State charter. It became a National bank in 1969. In addition to its head office, which is the only bank in Lisbon, it operates one branch in Sugar Hill.

Competitors for the Lisbon bank are the abovementioned banks in Littleton. Also competing with both banks are nine other banks located between 11 and 40 miles from Lisbon and between 11 and 30 miles from Littleton. Because of easy accessibility to the area by means of superhighways, a number of the larger banks in Concord and Manchester, N.H., are constantly soliciting local deposits and loans, in some cases offering more attractive financial arrangements.

This merger would benefit the communities where both banks presently exist by creating a larger institution more capable of meeting the area's banking needs. Trust facilities will be expanded in Littleton, and introduced actively in Lisbon as a result of this merger. The marshalling of the resources of the two banks will permit a modest data processing system to be installed. The larger lending limit will mean that fewer loan participations will be necessary. Development of management in depth will help to improve existing services, as well as provide new ways of satisfying customer needs. The merged institution should be in a position to pay higher salaries and thus attract more capable people. The normal operating economies resulting from such a merger would generally make available better service at lower cost.

Competition will not be adversely affected. Although one banking alternative will be eliminated, the combination of these two small banks should not significantly disadvantage competing institutions as many alternatives will remain. A larger bank will be in a better position to meet the competitive challenges within and outside the area.

Applying the statutory criteria, it is concluded the proposed merger is in the public interest. The application is, therefore, approved.

NOVEMBER 30, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The towns of Littleton (population 5,000) and Lisbon (population 1,500) are located in the northern part of Grafton County, and are approximately 10 miles apart. Sugar Hill (population 400), where Lisbon National operates a branch office, is 10 miles from Lisbon and 12 miles from Littleton. Littleton is the trading center for the smaller towns within a radius of 15 to 20 miles; and there are a considerable number of other small banks in this broad area. Economic growth in the Littleton-Lisbon area is slow. There are a few industrial firms in Littleton, primarily lumber and apparel manufacturers.

This proposed merger involves two small banks located in small communities approximately 10 miles apart. Lisbon National is the only bank in Lisbon. There are two banks in Littleton: The Peoples National Bank of Littleton (total deposits $3.3 million) and Littleton National. There are no other banks in the intervening area. Thus, the proposed merger would eliminate direct competition between the merging banks; and, for this reason, would have an adverse effect on competition in the Littleton-Lisbon area.

* * *

II. Mergers consummated pursuant to corporate reorganization, involving a single operating bank

COSHOCTON NATIONAL BANK, COSHOCTON, OHIO, AND NATIONAL BANK OF COSHOCTON, COSHOCTON, OHIO

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Coshocton National Bank, Coshocton, Ohio (13923), with	$45,738,949	3	
and National Bank of Coshocton, Coshocton, Ohio (13923), which had	120,000	0	
merged Jan. 3, 1970, under charter of the latter bank (13923) and title "Coshocton National Bank." The merged bank at date of merger had	45,858,949		3

COMPTROLLER'S DECISION

On September 10, 1969, the Coshocton National Bank, Coshocton, Ohio, and the National Bank of Coshocton (organizing), Coshocton, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Coshocton National Bank, the merging bank, is headquartered in Coshocton, and has two branches, both in Coshocton. This bank, with total resources of $43.6 million and IPC deposits of $36.4 million, was originally chartered in 1892.

National Bank of Coshocton, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the First Banc Group of Ohio, Inc. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently conducted by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

NOVEMBER 25, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which First Banc Group of Ohio, Inc., a registered bank holding company, proposes to acquire all of the voting shares of National Bank of Coshocton (organizing), a non-operating institution, and as a contemporaneous transaction, to effect the merger of Coshocton National Bank into National Bank of Coshocton (organizing). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by First Banc Group of Ohio, Inc., the proposed merger would have no effect on competition.

* * *

FIRST NATIONAL BANK OF CAMBRIDGE, CAMBRIDGE, OHIO, AND THE GUERNSEY COUNTY NATIONAL BANK, CAMBRIDGE, OHIO

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
First National Bank of Cambridge, Cambridge, Ohio (6566), with	$28,898,008	2	
and The Guernsey County National Bank, Cambridge, Ohio (6566), which had	120,000	0	
merged Jan. 3, 1970, under charter of the latter bank (6566) and title "First National Bank of Cambridge." The merged bank at date of merger had	29,018,008		2

COMPTROLLER'S DECISION

On September 9, 1969, the First National Bank of Cambridge, Cambridge, Ohio, and The Guernsey County National Bank (organizing), Cambridge, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

First National Bank of Cambridge is headquartered in Cambridge, and operates one drive-in branch, located in Cambridge. The bank, which was chartered in 1863, now has total resources of $25.9 million, and IPC deposits of $20.9 million.

The Guernsey County National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the First Banc Group of Ohio, Inc., a registered bank holding company. The charter bank will not be operating prior to the merger.

Since the merging bank is the only operating bank involved in the proposed transaction, no adverse effect on competition can result from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as is presently used by the merging bank.

Applying the statutory criteria, we find that the proposed merger is in the public interest and the application is, therefore, approved.

NOVEMBER 25, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which First Banc Group of Ohio, Inc., a registered bank holding company, proposes to acquire all of the voting shares of Guernsey County National Bank (organizing), a non-operating institution, and as a contemporaneous transaction, to effect the merger of First National Bank of Cambridge into Guernsey County National Bank (organizing). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by First Banc Group of Ohio, Inc., the proposed merger would have no effect on competition.

* * *

FIRST NATIONAL BANK OF NEW JERSEY, NEWARK, N.J., AND NATIONAL STATE BANK OF NEW JERSEY, NEWARK, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
First National State Bank of New Jersey, Newark, N.J. (1452), with	$837,613,392	29	
and National State Bank of New Jersey, Newark, N.J. (1452), which had	256,000	0	
merged Jan. 14, 1970, under charter of the latter bank (1452) and title "First National State Bank of New Jersey." The merged bank at date of merger had	837,620,610		29

COMPTROLLER'S DECISION

On August 18, 1969, the National State Bank of New Jersey (organizing), Newark, N.J., applied to the Office of the Comptroller of the Currency for permission to merge with the First National State Bank of New Jersey, Newark, N.J., under the charter of the former and with the title of the latter.

The First National State Bank of New Jersey, the merging bank, is located in Newark, N.J., a city of 400,000. The bank was chartered in 1812, and presently has IPC deposits of $586.9 million. At the time of the application it had 27 active branches in addition to the main office.

The National State Bank of New Jersey, the charter bank, which is owned by First National State Bancorporation, a holding company, is being organized as a means to transfer ownership of the First National State Bank of New Jersey to the holding company. Prior to the merger, the organizing bank will not be operational. With the exception of the directors' qualifying shares, all of the shares of the resulting bank will be owned by First National State Bancorporation.

Because the merging bank is the only operating bank in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will continue to conduct the merging bank's business at the present locations, under title of the First National State Bank of New Jersey.

The application is, therefore, approved.

DECEMBER 9, 1969

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan by which an existing bank will become a wholly-owned subsidiary of First National State Bancorporation. It would combine an existing bank with a nonoperating institution, As such, it is merely a step in what is essentially a corporate reorganization and will have no effects on competition.

* * *

GALLATIN NATIONAL BANK, UNIONTOWN, PA., AND BLYTHE NATIONAL BANK, UNIONTOWN, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Gallatin National Bank, Uniontown, Pa. (5034), with	$148,702,947	20	
and Blythe National Bank, Uniontown, Pa. (5034), which had	120,000	0	
merged Feb. 24, 1970, under charter of the latter bank (5034) and title "Gallatin National Bank." The merged bank at date of merger had	148,708,580		20

COMPTROLLER'S DECISION

On October 21, 1969, the Blythe National Bank (organizing), Uniontown, Pa., applied to the Office of the Comptroller of the Currency for permission to merge with the Gallatin National Bank, Uniontown, Pa., under the charter of the former and with the title of the latter.

The Gallatin National Bank, the merging bank, is located in Uniontown, Pa., a city of 17,900. The bank was chartered in 1896, and presently has IPC deposits of $126.4 million. At the time of the application it had 19 active branches and one approved, but unopened, facility.

The Blythe National Bank, Uniontown, Pa., owned by the GNB Corporation, is being organized as a means to transfer ownership of the Gallatin National Bank to the holding corporation. Prior to the merger, the organizing bank will not be operational. With the exception of the directors' qualifying shares, all of the shares of the resulting bank will be owned by the GNB Corporation.

Because the Gallatin National Bank is the only operating bank in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will continue to conduct the merging bank's business at the present locations, under title of the Gallatin National Bank.

The application is, therefore, approved.

DECEMBER 19, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely part of a corporate reorganization, and as such will have no effect on competition.

* * *

COLUMBUS NATIONAL BANK OF RHODE ISLAND, PROVIDENCE, R.I., AND RHODES NATIONAL BANK, PROVIDENCE, R.I.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Columbus National Bank of Rhode Island, Providence, R.I. (13981), with	$47,231,200	8	
and Rhodes National Bank, Providence, R.I. (13981), which had	258,700	0	
merged Feb. 27, 1970, under charter of the latter bank (13981) and title "Columbus National Bank of Rhode Island." The merged bank at date of merger had	47,395,936		8

COMPTROLLER'S DECISION

On August 29, 1969, the Rhodes National Bank (organizing), Providence, R.I., applied to the Office of the Comptroller of the Currency for permission to merge with the Columbus National Bank of Rhode Island, Providence, R.I., under the charter of the former and with the title of the latter.

The Columbus National Bank of Rhode Island, the merging bank, is located in Providence, R.I., a city of 200,000. The bank was chartered in 1934 and presently has IPC deposits of $34.8 million. At the time of the application it had seven active branches, one approved but under construction, and an application pending for another facility.

The Rhodes National Bank, Providence, R.I., owned by National Columbus Bancorporation, is being organized as a means to transfer ownership of the Columbus National Bank of Rhode Island to the National Columbus Bancorporation. Prior to the merger, the organizing bank will not be operational. With the exception of the directors' qualifying shares, all of the shares of the resulting bank will be owned by the National Columbus Bancorporation.

Because the Columbus National Bank of Rhode Island is the only operating bank in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the merging bank's business at the present locations, under title of the Columbus National Bank of Rhode Island.

The application is, therefore, approved.

JANUARY 5, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely part of a corporate reorganization, and as such will have no effect on competition.

* * *

CUMBERLAND COUNTY NATIONAL BANK AND TRUST COMPANY, NEW CUMBERLAND, PA., AND CCNB NATIONAL BANK, NEW CUMBERLAND, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Cumberland County National Bank and Trust Company, New Cumberland, Pa. (14542), with	$100,992,134	11	
and CCNB National Bank, New Cumberland, Pa. (14542), which had	123,500	0	
merged Mar. 25, 1970, under charter of the latter bank (14542) and title "Cumberland County National Bank and Trust Company." The merged bank at date of merger had	101,115,634		11

COMPTROLLER'S DECISION

On October 2, 1969, the CCNB National Bank (organizing), New Cumberland, Pa., applied to the Office of the Comptroller of the Currency for permission to merge with Cumberland County National Bank and Trust Company, New Cumberland, Pa., under the charter of the former and with the title of the latter.

The Cumberland County National Bank and Trust Company, the merging bank, is located in New Cumberland, Pa., a town of 9,250. The bank received its National charter in April 1946, and presently has IPC deposits of $86.6 million. At the time of the application it had nine active branches and two facilities.

The CCNB National Bank, owned by CCNB Corporation, is being organized as a means to transfer ownership of the Cumberland County National Bank and Trust Company to the CCNB Corporation. Prior to the merger, the organizing bank will not be operational. With the exception of the directors' qualifying shares, all of the shares of the resulting bank will be owned by the CCNB Corporation.

Because the Cumberland County National Bank and Trust Company is the only operating bank in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will continue to conduct the merging bank's business at the present locations under title of Cumberland County National Bank and Trust Company. The application is, therefore, approved.

DECEMBER 16, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely part of a corporate reorganization, and as such will have no effect on competition.

* * *

THE CITIZENS NATIONAL BANK OF CHILLICOTHE, CHILLICOTHE, MO., AND CHILLICOTHE NATIONAL BANK, CHILLICOTHE, MO.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Citizens National Bank of Chillicothe, Chillicothe, Mo. (4111), with	$39,078,164	1	
and Chillicothe National Bank, Chillicothe, Mo. (4111), which had	129,638	0	
merged Apr. 30, 1970, under charter of the latter bank (4111) and title "The Citizens National Bank of Chillicothe." The merged bank at date of merger had	39,230,582		1

COMPTROLLER'S DECISION

On May 13, 1969, The Citizens National Bank of Chillicothe, Chillicothe, Mo., and the Chillicothe National Bank (organizing), Chillicothe, Mo., filed an application with the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The Citizens National Bank was chartered in 1889, and now holds IPC deposits of $28 million.

The Chillicothe National Bank is an non-operating institution organized as a step in the corporate reorganization of the merging bank. With the exception of the directors' qualifying shares, all of the stock of the charter bank is owned by Citizens Bancshares Corporation, a Missouri corporation.

Since the charter bank is a non-operating institution, approval of this application will have no effect on competition. Service to the public will not be affected by this transaction as the resulting bank will operate through the personnel and physical facilities of the merging bank. Approval of the merger will, however, facilitate the corporate reorganization of the merging bank.

Applying the statutory criteria, we find that this proposal is in the public interest and the application is, therefore, approved.

JULY 10, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely part of a corporate reorganization and as such will have no effect on competition.

* * *

THE FORT WORTH NATIONAL BANK, FORT WORTH, TEX., AND BANK OF FORT WORTH, N.A., FORT WORTH, TEX.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Fort Worth National Bank, Fort Worth, Tex. (3131), with	$553,845,040	1	
and Bank of Fort Worth, N.A., Fort Worth, Tex. (3131), which had	250,000	0	
merged Apr. 30, 1970, under charter of the latter bank (3131), and title "The Fort Worth National Bank." The merged bank at date of merger had	554,095,040		1

COMPTROLLER'S DECISION

On February 2, 1970, the Bank of Fort Worth, N.A. (organizing), Fort Worth, Tex., applied to the Office of the Comptroller of the Currency for permission to merge with The Fort Worth National Bank, Fort Worth, Tex., under the charter of the former and with the title of the latter.

The Fort Worth National Bank, the merging bank, is located in Fort Worth, Tex., a city of 360,000. The bank was chartered in 1873, and presently has IPC deposits of $292.7 million.

The Bank of Fort Worth, N.A., owned by Fort Worth National Corporation, is being organized as a means to transfer ownership of The Fort Worth National Bank to the holding company. Prior to the merger, the organizing bank will not be operational. With the exception of the directors' qualifying shares, all of the shares of the resulting bank will be owned by the Fort Worth National Corporation.

Because the merging bank is the only operating bank in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will continue to conduct the merging bank's business at the present locations, under the title of The Fort Worth National Bank. The application is, therefore, approved.

MARCH 17, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a transaction which will result in Fort Worth National Bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, this merger is merely part of a corporate reorganization and as such will have no effect on competition.

* * *

THE FIRST NATIONAL BANK OF ST. JOSEPH, ST. JOSEPH, MO., AND FIRST NATIONAL BANK OF BUCHANAN COUNTY, ST. JOSEPH, MO.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of St. Joseph, St. Joseph, Mo. (4939), with	$60,902,363	2	
and First National Bank of Buchanan County, St. Joseph, Mo. (4939), which had	236,800	0	
merged May 1, 1970, under charter of the latter bank (4939) and title "The First National Bank of St. Joseph." The merged bank at date of merger had	61,573,596		2

COMPTROLLER'S DECISION

On January 13, 1970, the First National Bank of St. Joseph, St. Joseph, Mo., and the First National Bank of Buchanan County (organizing), St. Joseph, Mo., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The First National Bank of St. Joseph, the merging bank, has total resources of $62 million, and IPC deposits of $43 million. The First National Bank of Buchanan County, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the First Midwest Bancorp., Inc. The charter bank will not be operating as a commercial bank prior to merging.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same location and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

MARCH 25, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan of a corporate reorganization of First National Bank of St. Joseph and will combine an existing bank with a non-operating institution. As such, it will have no effect on competition.

* * *

NATIONAL NEWARK & ESSEX BANK, NEWARK, N.J., AND ESSEX BANK, N.A., NEWARK, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
National Newark & Essex Bank, Newark, N.J. (1316), with	$694,373,972	37	....
and Essex Bank, N.A., Newark, N.J. (1316), which had	250,000	0	....
merged June 12, 1970, under charter of the latter bank (1316) and title "National Newark & Essex Bank." The merged bank at date of the merger had	694,623,972	....	37

COMPTROLLER'S DECISION

On March 13, 1970, the National Newark & Essex Bank, Newark, N.J., and the Essex Bank, N.A. (organizing), Newark, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

National Newark and Essex Bank, the merging bank, is headquartered in Newark, N.J., and has offices located throughout Essex County. This bank, with total resources of $710 million, and IPC deposits of $543 million, was chartered originally in 1865.

Essex Bank, N.A., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Midlantic Banks, Inc. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

MAY 11, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which Midlantic Banks, Inc., a registered bank holding company, proposes to acquire all of the voting shares of Essex Bank, N.A. (org.), a non-operating institution, and, as a contemporaneous transaction, to effect the merger of National Newark & Essex Bank into Essex Bank, N.A. (org.). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by Midlantic Banks, Inc., the proposed merger would have no effect on competition.

* * *

RARITAN VALLEY NATIONAL BANK, EDISON TOWNSHIP, N.J., AND SECOND RARITAN VALLEY NATIONAL BANK, EDISON TOWNSHIP, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Raritan Valley National Bank, Edison Township, N.J. (15430), with	$24,562,416	4	....
and Second Raritan Valley National Bank, Edison Township, N.J. (15430), which had	250,000	0	....
merged June 12, 1970, under charter of the latter bank (15430) and title "Raritan Valley National Bank." The merged bank at date of merger had	24,812,416	....	4

COMPTROLLER'S DECISION

On March 13, 1970, the Second Raritan Valley National Bank (organizing), Edison Township, N.J., applied to the Office of the Comptroller of the Currency for permission to merge with the Raritan Valley National Bank. Edison Township, N.J., under the charter of the former and with the title of the latter.

The Raritan Valley National Bank, the merging bank, is located in Edison Township, N.J., a city of 68,750. The bank was chartered in 1964, and presently has IPC deposits of $16.5 million. At the time of the application, it had three active branches and one approved but unopened facility.

The Second Raritan Valley National Bank, owned by Midlantic Banks, Inc., is being organized as a means to transfer ownership of Raritan Valley National Bank to the holding company. With the exception of the directors' qualifying shares, all of the shares of the resulting bank will be owned by the Midlantic Banks, Inc. Prior to the merger, the organizing bank will not be operational.

Because the Raritan Valley National Bank is the only operating bank in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will continue to conduct the merging bank's business at the present locations under title of Raritan Valley National Bank.

The application is, therefore, approved.

MAY 11, 1970

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which Midlantic Banks, Inc., a registered bank holding company, proposes to acquire all of the voting shares of Second Raritan Valley National Bank (organizing), a non-operating institution, and, as a contemporaneous transaction, to effect the merger of Raritan Valley National Bank into Second Raritan Valley National Bank (organizing). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by Midlantic Banks, Inc., the proposed merger would have no effect on competition.

* * *

THE SUSSEX AND MERCHANTS NATIONAL BANK OF NEWTON, NEWTON, N.J., AND THE SECOND SUSSEX AND MERCHANTS NATIONAL BANK OF NEWTON, NEWTON, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Sussex and Merchants National Bank of Newton, Newton, N.J. (925), with..	$51,962,403	5	....
and The Second Sussex and Merchants National Bank of Newton, Newton, N.J. (925), which had........	125,000	0	....
merged June 12, 1970, under charter of the latter bank (925) and title "The Sussex and Merchants National Bank of Newton." The merged bank at date of merger had........	52,087,403	....	5

COMPTROLLER'S DECISION

On March 17, 1970, The Sussex and Merchants National Bank of Newton, Newton, N.J., and The Second Sussex and Merchants National Bank of Newton (organizing), Newton, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The Sussex and Merchants National Bank of Newton, the merging bank, is headquartered in Newton, N.J., and has five offices and one approved but unopened office located in Sussex County. This bank, with total resources of $50 million, and IPC deposits of $41 million, was established in 1818.

The Second Sussex and Merchants National Bank of Newton, Newton, N.J., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Midlantic Banks, Incorporated, Newark, N.J. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

MAY 11, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which Midlantic Banks, Inc., a registered bank holding company, proposes to acquire all of the voting shares of Second Sussex and Merchants National Bank of Newton (organizing), a non-operating institution and, as a contemporaneous transaction, to effect the merger of Sussex and Merchants National Bank of Newton into Second Sussex and Merchants National Bank of Newton (organizing). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by Midlantic Banks, Inc., the proposed merger would have no effect on competiton.

* * *

NEW ENGLAND MERCHANTS NATIONAL BANK OF BOSTON, BOSTON, MASS., AND NEW ENGLAND MERCHANTS BANK (N.A.), BOSTON, MASS.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
New England Merchants National Bank of Boston, Boston, Mass. (475), with....	$936,819,917	15	....
and New England Merchants Bank (National Association), Boston, Mass. (475), which had..........	250,000	0	....
merged June 18, 1970, under charter of the latter bank (475) and title "New England Merchants National Bank." The merged bank at date of merger had..	937,069,917	....	15

COMPTROLLER'S DECISION

On March 3, 1969, the New England Merchants National Bank of Boston, Boston, Mass., and the New England Merchants Bank (N.A.) (organizing), Boston, Mass., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "New England Merchants National Bank."

New England Merchants National Bank of Boston, the merging bank, is headquartered in Boston, and has three branches in Boston and one in Revere. The bank, with total resources of $921.2 million, and IPC deposits of $495.2 million, was originally chartered in 1831.

New England Merchants Bank (N.A), the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the New England Merchants Company, Inc. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

APRIL 21, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a transaction which will result in New England Merchants National Bank of Boston becoming a wholly-owned subsidiary of a one-bank holding company. Thus, this merger is merely part of a corporate reorganization and, as such, will have no effect on competition.

* * *

First National Bank of Warren, Warren, Mich., and Warren National Bank, Warren, Mich.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
First National Bank of Warren, Warren, Mich. (15611), with	$25,354,056	3	
and Warren National Bank, Warren, Mich. (15611), which had	250,000	0	
merged July 1, 1970, under charter of the latter bank (15611) and title "First National Bank of Warren." The merged bank at date of merger had	25,604,056		3

COMPTROLLER'S DECISION

On April 22, 1970, First National Bank of Warren, Warren, Mich., and Warren National Bank (organizing), Warren, Mich., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

First National Bank of Warren, the merging bank, is headquartered in Warren, Mich., and maintains two branches there. This bank, with total resources of $20 million, and IPC deposits of about $10 million, was chartered in 1966.

Warren National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the First National Bancorporation, an Ohio corporation. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

May 28, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which First National Bancorp., a registered bank holding company, proposes to acquire all of the voting shares of Warren National Bank (org.), a non-operating institution, and, as a contemporaneous transaction, to effect the merger of First National Bank of Warren into Warren National Bank (org.). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by First National Bancorp., the proposed merger would have no effect on competition.

* * *

The National Bank of Auburn, Auburn, N.Y., and Bank of Auburn, N.A., Auburn, N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The National Bank of Auburn, Auburn, N.Y. (1345), with	$34,911,915	4	
and Bank of Auburn, National Association, Auburn, N.Y. (1345), which had	240,000	0	
merged July 28, 1970, under charter of the latter bank (1345) and title "The National Bank of Auburn." The merged bank at date of merger had	34,656,987		4

COMPTROLLER'S DECISION

On August 1, 1969, The Bank of Auburn, N.A., (organizing), Auburn, N.Y., applied to this Office for permission to merge with The National Bank of Auburn, Auburn, N.Y., under the charter of the former and with the title of the latter.

The National Bank of Auburn, the merging bank, is located in Auburn, N.Y., a city of 32,953. The bank was chartered in 1817, and presently has IPC deposits of $26.8 million. At the time of the application, it had two drive-in branches in Auburn, and a branch in Locke, N.Y.

The Bank of Auburn, N.A., Auburn, N.Y., is being organized as a means to transfer ownership of the National Bank of Auburn to the Security New York State Corporation. Prior to the merger, the organizing bank will not be operational. With the execption of the directors' qualifying shares, all of the shares of the resulting bank will be owned by the holding company.

Because the merging bank is the only operating bank in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will continue to conduct the merging bank's business at the present locations under the title of The Bank of Auburn, N.A. The application is, therefore, approved.

June 11, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which Security New York State Corporation, a registered bank holding company, proposes to acquire all of the voting shares of Bank of Auburn (organizing), a non-operating institution and, as a contemporaneous transaction, to effect the merger of National Bank of Auburn into Bank of Auburn (organizing). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by Security New York State Corporation, the proposed merger would have no effect on competition.

* * *

The Peoples National Bank and Trust Company, Dover, Ohio, and The F.B.G. National Bank of Dover, Dover, Ohio

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Peoples National Bank and Trust Company, Dover, Ohio (4293), with	$43,190,998	4	
and The F.B.G. National Bank of Dover, Dover, Ohio (4293), which had	120,000	0	
merged Aug. 31, 1970, under charter of the latter bank (4293) and title "The Peoples National Bank and Trust Company." The merged bank at date of merger had	43,191,034		4

COMPTROLLER'S DECISION

On April 25, 1970, The Peoples National Bank and Trust Company, Dover, Ohio, and The F.B.G. National Bank of Dover (organizing), Dover, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The Peoples National Bank and Trust Company, the merging bank, is headquartered in Columbus, Ohio, and has offices located in New Philadelphia and Newcomerstown. This bank, with total resources of $41 million, was chartered originally in 1890.

The F.B.G. National Bank of Dover, the charter bank, is being organized to facilitate the acquisition of the merging bank by First Banc Group. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest, and the application is, therefore, approved.

July 9, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which First Banc Group of Ohio, Inc., a registered bank holding company, proposes to acquire all of the voting shares of F.B.G. National Bank of Dover (org.), a non-operating institution and, as a contemporaneous transaction, to effect the merger of Peoples National Bank & Trust Company into F.B.G. National Bank of Dover (org.). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by First Banc Group of Ohio, Inc., the proposed merger would have no effect on competition.

* * *

PEOPLES NATIONAL BANK OF MONMOUTH COUNTY, HAZLET TOWNSHIP, N.J., AND SECOND PEOPLES NATIONAL BANK OF MONMOUTH COUNTY, HAZLET TOWNSHIP, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Peoples National Bank of Monmouth County, Hazlet Township, N.J. (4147), with	$33,985,363	6	
and Second Peoples National Bank of Monmouth County, Hazlet Township, N.J. (4147), which had	116,467	0	
merged Sept. 30, 1970, under charter of the latter bank (4147) and title "Peoples National Bank of Monmouth County." The merged bank at date of merger had	33,977,506		6

COMPTROLLER'S DECISION

On July 8, 1970, the Peoples National Bank of Monmouth County, Hazlet Township, N.J., and the Second Peoples National Bank of Monmouth County (organizing), Hazlet Township, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Peoples National Bank of Monmouth County, the merging bank, is headquartered in Hazlet Township, N.J., and has offices located throughout the Atlantic shore area of Monmouth County, N.J. This bank, with IPC deposits of 24.3 million, was chartered originally in 1889.

Second Peoples National Bank of Monmouth County, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the United Jersey Banks, a New Jersey corporation organized as a proposed registered bank holding company. The charter bank will not operate as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

AUGUST 27, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which United Jersey Banks, a registered bank holding company, proposes to acquire all of the voting shares of Second Peoples National Bank of Monmouth County (organizing), a non-operating institution and, as a contemporaneous transaction, to effect the merger of Peoples National Bank of Monmouth County and Second Peoples National Bank of Monmouth County (organizing). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by United Jersey Banks, the proposed merger would have no effect on competition.

* * *

THE CUMBERLAND NATIONAL BANK OF BRIDGETON, BRIDGETON, N.J., AND CUMBERLAND COUNTY NATIONAL BANK, BRIDGETON, N.J.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Cumberland National Bank of Bridgeton, Bridgeton, N.J. (1346), with	$31,083,446	3	
and Cumberland County National Bank, Bridgeton, N.J. (1346), which had	120,000	0	
merged Sept. 30, 1970, under charter of the latter bank (1346) and title "The Cumberland National Bank of Bridgeton." The merged bank at date of merger had	31,153,207		3

COMPTROLLER'S DECISION

On July 8, 1970, The Cumberland National Bank of Bridgeton, Bridgeton, N.J., and the Cumberland County National Bank (organizing), Bridgeton, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The Cumberland National Bank of Bridgeton, the merging bank, is headquartered in Bridgeton, and operates three offices in Cumberland County. This bank, with IPC deposits of $23 million, was organized in 1816.

Cumberland County National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to United Jersey Banks, a New Jersey corporation organized as a proposed registered bank holding company. The charter bank will not operate as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name and personnel as are presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

AUGUST 27, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which United Jersey Banks, a registered bank holding company, proposes to acquire all of the voting shares of Cumberland County National Bank (organizing), a non-operating institution and, as a contemporaneous transaction, to effect the merger of Cumberland National Bank of Bridgeton and Cumberland County National Bank (organizing). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by United Jersey Banks, the proposed merger would have no effect on competition.

* * *

THE THIRD NATIONAL BANK & TRUST COMPANY OF CAMDEN, CAMDEN, N.J., AND THE FOURTH NATIONAL BANK & TRUST COMPANY OF CAMDEN, CAMDEN, N.J.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Third National Bank & Trust Company of Camden, Camden, N.J. (13203), with	$26,720,278	4	
and The Fourth National Bank & Trust Company of Camden, Camden, N.J. (13203), which had	240,000	0	
merged Sept. 30, 1970, under charter of the latter bank (13203) and title "The Third National Bank and Trust Company of Camden, New Jersey." The merged bank at date of merger had	26,960,278		4

COMPTROLLER'S DECISION

On July 8, 1970, The Third National Bank & Trust Company of Camden, Camden, N.J., and The Fourth National Bank and Trust Company of Camden, Camden, N.J., (organizing), applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The Third National Bank & Trust Company of Camden, the merging bank, is headquartered in Camden, N.J., and has offices located throughout the Camden Metropolitan Area. This bank, with IPC deposits of $19.6 million, was chartered originally in 1928.

The Fourth National Bank and Trust Company of Camden, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the United Jersey Banks, a New Jersey corporation organized as a proposed registered bank holding company. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name and personnel as are presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

AUGUST 27, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which United Jersey Banks, a registered bank holding company, proposes to acquire all of the voting shares of Fourth National Bank & Trust Co. of Camden (organizing), a non-operating institution and, as a contemporaneous transaction, to effect the merger of Third National Bank & Trust Co. of Camden and Fourth National Bank & Trust Co. of Camden (organizing). The effect of these transactions will be transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by United Jersey Banks, the proposed merger would have no effect on competition.

* * *

BANK OF THE SOUTHWEST NATIONAL ASSOCIATION, HOUSTON, TEX., AND SOUTHWEST BANK, N.A., HOUSTON, TEX.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bank of the Southwest National Association, Houston, Houston, Tex. (8645), with	$763,638,469	1	
and Southwest Bank, National Association, Houston, Tex. (8645), which had	261,392	0	
merged Dec. 10, 1970, under charter of the latter bank (8645) and title "Bank of the Southwest National Association, Houston." The merged bank at date of merger had	763,638,469		1

COMPTROLLER'S DECISION

On January 21, 1970, the Southwest Bank, National Association (organizing), Houston, Tex., applied to the Office of the Comptroller of the Currency for permission to merge with the Bank of the Southwest National Association, Houston, Tex., under the charter of the former and with the title of the latter.

The Bank of the Southwest, the merging bank, is located in Houston, Tex., a city of 1.1 million. The bank was chartered in 1907, and presently has IPC deposits of $441 million.

The Southwest Bank, National Association, owned by Southwest Bancshares, Inc., is being organized as a means to transfer ownership of the merging bank to the holding company. Prior to the merger, the organizing bank will not be operational. With the exception of the directors' qualifying shares, all of the shares of the resulting bank will be owned by Southwest Bancshares, Inc.

Because the merging bank is the only operating bank in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will continue to conduct the merging bank's business at the present location under title of the Bank of the Southwest National Association. The application is, therefore, approved.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a transaction which will result in Bank of the Southwest National Association, Houston, becoming a wholly-owned subsidiary of a one-bank holding company. Thus, this merger is merely part of a corporate reorganization and as such will have no effect on competition.

* * *

THE FIRST NATIONAL BANK AT EAST PALESTINE, EAST PALESTINE, OHIO, AND EAST PALESTINE NATIONAL BANK, EAST PALESTINE, OHIO

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank at East Palestine, East Palestine, Ohio (13850), with...	$10,101,092	3	....
and East Palestine National Bank, East Palestine, Ohio (13850), which had.....	120,000	0	....
merged Dec. 16, 1970, under charter of the latter bank (13850) and title "The First National Bank at East Palestine." The merged bank at date of merger had..	10,331,092	....	3

COMPTROLLER'S DECISION

On September 17, 1970, The First National Bank at East Palestine, East Palestine, Ohio, and East Palestine National Bank (organizing), East Palestine, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The First National Bank at East Palestine, with IPC deposits of $9.2 million, was organized in 1933. It currently operates two branch offices, one in East Palestine and one in Negley, both in Columbiana County.

East Palestine National Bank is being organized to provide a vehicle to transfer ownership of The First National Bank at East Palestine to BancOhio Corporation. East Palestine National Bank will not be operating as a commercial bank prior to the merger.

Because The First National Bank at East Palestine is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger.

Applying the statutory criteria, it is concluded that the proposed merger is the public interest. The application is, therefore, approved.

NOVEMBER 16, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which BancOhio Corporation, a registered bank holding company, proposes to acquire all of the voting shares of East Palestine National Bank (organizing), a non-operating institution and, as a contemporaneous transaction, to effect the merger of First National Bank at East Palestine and East Palestine National Bank (organizing). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by BancOhio Corporation, the proposed merger would have no effect on competition.

* * *

City National Bank, Hackensack, N.J., and First National State Bank of North Jersey, Hackensack, N.J.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
City National Bank, Hackensack, N.J. (12014), with	$54,804,637	3	
and First National State Bank of North Jersey, Hackensack, N.J. (12014), which had	124,000	0	
merged Dec. 21, 1970, under charter and title of the latter bank (12014). The merged bank at date of merger had	54,808,637		3

COMPTROLLER'S DECISION

On September 25, 1970, City National Bank, Hackensack, N.J., and First National State Bank of North Jersey (organizing), Hackensack, N.J., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

City National Bank, the merging bank, is headquartered in Hackensack, N.J., and has two operating branches, one located in Hackensack and one in Little Ferry; and one approved but unopened branch located in Wallington. All offices are located in Bergen County. This bank, with total resources of $45.4 million, and total IPC deposits of $37.7 million, was chartered originally in 1921.

First National State Bank of North Jersey, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to First National Bancorporation. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

November 2, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which First National State Bancorporation, a registered bank holding company, proposes to acquire all of the voting shares of First National State Bank of North Jersey (organizing), a non-operating institution and, as a contemporaneous transaction, to effect the merger of City National Bank and First National State Bank of North Jersey (organizing). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by First National State Bancorporation, the proposed merger would have no effect on competition.

* * *

First National Bank of Spring Lake, Spring Lake, N.J., and First National State Bank of Spring Lake, Spring Lake, N.J.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
First National Bank of Spring Lake, Spring Lake, N.J. (13898), with	$21,992,135	2	
and First National State Bank of Spring Lake, Spring Lake, N.J. (13898), which had	125,000	0	
merged Dec. 21, 1970, under charter and title of the latter bank (13898). The merged bank at date of merger had	21,992,135		2

COMPTROLLER'S DECISION

On September 25, 1970, First National Bank of Spring Lake, Spring Lake, N.J., and First National State Bank of Spring Lake (organizing), Spring Lake, N.J., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

First National Bank of Spring Lake, the merging bank, is headquartered in Spring Lake, and has one branch which is located in Sea Girt. This bank, with total resources of $19.6 million and IPC deposits of $17.1 million, was chartered originally in 1933.

First National State Bank of Spring Lake, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the First National State Bancorporation. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

November 2, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which First National State Bancorporation, a registered bank holding company, proposes to acquire all of the voting shares of First National State Bank of Spring Lake (organizing), a non-operating institution and, as a contemporaneous transaction, to effect the merger of First National Bank of Spring Lake, and First National State Bank of Spring Lake (organizing). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by First National State Bancorporation, the proposed merger would have no effect on competition.

* * *

The Edison Bank, South Plainfield, N.J., and The Edison Bank, N.A., South Plainfield, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Edison Bank, South Plainfield, N.J. (15845), with	$74,017,262	9	
and The Edison Bank, National Association, South Plainfield, N.J. (15845), which had	140,000	0	
merged Dec. 21, 1970, under charter and title of the latter bank (15845). The merged bank at date of merger had	74,021,762		9

COMPTROLLER'S DECISION

On September 25, 1970, The Edison Bank, South Plainfield, N.J., and The Edison Bank, N.A. (organizing), South Plainfield, N.J., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Edison Bank, the merging bank, is headquartered in South Plainfield, and has eight branches located in Middlesex County. This bank, with total resources of $68.3 million, and IPC deposits of $53.3 million, was chartered originally in 1956.

The Edison Bank, N.A., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the First National State Bancorporation. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

NOVEMBER 2, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which First National State Bancorporation, a registered bank holding company, proposes to acquire all of the voting shares of Edison Bank, N.A. (organizing), a non-operating institution and, as a contemporaneous transaction, to effect the merger of Edison Bank and Edison Bank, N.A. (org.). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by First National State Bancorporation, the proposed merger would have no effect on competition.

* * *

THE WARREN COUNTY NATIONAL BANK, WASHINGTON, N.J., AND THE SECOND WARREN COUNTY NATIONAL BANK, WASHINGTON, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Warren County National Bank, Washington, N.J. (860), with	$40,272,832	3	
and The Second Warren County National Bank, Washington, N.J. (860), which had	126,501	0	
merged Dec. 21, 1970, under charter of the latter bank (860) and title "The Warren County National Bank." The merged bank at date of merger had	40,399,333		3

COMPTROLLER'S DECISION

On January 8, 1970, The Warren County National Bank, Washington, N.J., and The Second Warren County National Bank (organizing), Washington, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The Warren County National Bank, the merging bank, is headquarterd in Washington, and presently has two branch offices located in Hackettstown, N.J. This bank, with total resources of $34.8 million, and IPC deposits of $29.2 million, was chartered originally in 1865.

The Second Warren County National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the First National State Bancorporation. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

OCTOBER 27, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which First National State Bancorporation, a proposed registered bank holding company, proposes to acquire all of the voting shares of Second Warren County National Bank, a non-operating institution, and to effect the merger of Warren County National Bank and Second Warren County National Bank. The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by First National State Bancorporation, the proposed merger would have no effect on competition.

* * *

III. Additional Approvals

A. Approved, but in litigation.

Catamount National Bank, North Bennington, Vt., and The County National Bank of Bennington, Bennington, Vt.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Catamount National Bank, North Bennington, Vt. (194), with	$20,893,674	4	....
and The County National Bank of Bennington, Bennington, Vt. (2395), which had	17,548,669	2	....
applied for permission to consolidate July 15, 1970, under charter of the latter bank (2395) and title "Catamount National Bank." The application was approved Oct. 9, 1970. The pending consolidation was challenged by Justice Department November 5, 1970, and is presently in litigation.			

COMPTROLLER'S DECISION

On July 15, 1970, Catamount National Bank, North Bennington, Vt., and The County National Bank of Bennington, Bennington, Vt., applied to the Office of the Comptroller of the Currency for permission to consolidate under the charter of the latter and with the title of the former.

The County National Bank of Bennington, the charter bank, with IPC deposits of $14.5 million, was organized in 1878. In addition to its head office, this bank has a branch office in Arlington which is located in the central portion of Bennington County, approximately 15 miles north of the town of Bennington.

Catamount National Bank, the consolidating bank, with IPC deposits of $17.5 million, was organized in 1864. In addition to its head office located in North Bennington, it operates an installment loan branch in a shopping center a short distance from its North Bennington headquarters; a branch in Manchester, in the northern portion of Bennington County approximately 11 miles above Arlington; and a branch in Brattleboro, approximately 40 miles east of Bennington, in Windham County.

The service areas of the two banks, although appearing to overlap, are not coextensive. The natural market area of the combined bank would be Bennington and Windham, the two southernmost counties in Vermont, and abutting fringe areas of adjacent States and counties. Catamount National Bank had substantial deposits and loans from Manchester, Brattleboro, and other areas in Vermont. Any new business it seeks must come in large measure from beyond the southwest corner of Vermont; Catamount National Bank vigorously solicits business in the border areas of the State of New York and in the northwest area of Massachusetts.

The population of the area served by these banks is estimated at 79,000, of which 32,500 reside in Windham County. Bennington has a population of 14,000, Brattleboro, 15,000, and Manchester, 2,500. The economy of the western, or Greater Bennington portion of the service area is well diversified, with 40 industries producing a wide assortment of products. It also has the usual service and support establishments. In the eastern, or Brattleboro area, situated along the New Hampshire border, manufacturing, retail trade, and agriculture all contribute significantly. In both areas, recreation and induced economic activity are important income producing factors. Restaurants, gift shops, and motels are found in profusion throughout the market area, and the vacation homes industry has been thriving in recent years.

Chief banking competition for the consolidating banks stems from two Brattleboro-based banks, both of which operate branches in Bennington. Those banks, two of the largest banks in the State, are the Vermont Bank & Trust Company, with deposits of $70.2 million, and the Vermont National Bank, with deposits of $65.4 million. In the combined service areas of the consolidating banks there are 24 different commercial banks, ranging in size from the National Commercial Bank and Trust Company and the State Bank of Albany, each with over

$800 million in assets, to the Cambridge Valley National Bank, with only $5.4 million in assets. The consolidating banks rank 12th and 14th in size, and after their consolidation would rank 10th. In addition, a number of mutual savings banks, savings and loan associations, industrial banks, insurance companies, credit unions, finance companies, personal loan companies, and several lending agencies of the Federal Government also do business in the area.

The consolidation of these two banks will not have an adverse effect on competition. Since the services which the two offer are more complementary than competitive, their combination will not have a significant impact on the market structure. While their service areas overlap, they are not coextensive. The Catamount National Bank, for example, operates a branch in Brattleboro, and County National does not. In downtown Bennington, the Catamount National Bank has very little business and does not compete to any great extent with the County National Bank because three banking offices, including offices of the two largest banks in southern Vermont, Vermont Bank and Trust Company, and Vermont National Bank, are strategically and conveniently located. A third large bank in the area, such as will result from this consolidation, will doubtlessly enhance competition in the area, providing a greater challenge to the Vermont National Bank and the Vermont Bank and Trust Company, and will bring better services and so benefit the entire community. Because of the many banking outlets presently operating in the area, the elimination of one independent banking source will have a negligible effect.

This consolidation is necessary to enable both banks to deal with such problems as the need for larger lending limits, the recruitment of personnel with specialized skills, and, particularly, the problem of holding management personnel with special skills. Even more important, the consolidation is necessary to allow these banks to obtain enough muscle to withstand the inroads of the larger banks canvassing the area for business and seeking new banking outlets. The consolidation of these two banks is a better competitive solution than an increase in concentration among the larger banks.

Applying the statutory criteria, we conclude that the proposal is in the public interest. The application is, therefore, approved.

OCTOBER 9, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the applicant banks are located about 5 miles apart, with only one bank in the intervening area. It appears that the proposed merger will eliminate substantial direct competition between County National and Catamount National in Bennington County.

Bennington County is presently served by five banks operating 10 banking offices. As of June 30, 1968, the three leading banks in the county held about 75 percent of the total deposits in the county. Catamount National and County National held the second and third leading positions in the county, with 24.4 percent and 24.1 percent of total county deposits, respectively. The resulting bank would hold by far the dominant position in the county, with 48.5 percent of the total county deposits, and 50 percent of the county's banking offices. Its share of county deposits would be twice that of its closest competitor.

Even these substantial concentration statistics may understate the competitive effects of this merger, for its major impact would be in the service area of County National, which, according to the application, is limited to the southern section of Bennington County. As of June 30, 1968, Catamount National and County National held 30.7 percent and 30.3 percent, respectively, of the total deposits in this area. If the proposed merger is approved, the resulting bank will operate four of the seven banking offices there, and will hold about 61 percent of area deposits, again twice that of its closest competitor.

According to the application, competing commercial banks in nearby states provide some amount of banking competition in southern Bennington County. It is unlikely, however, that these banks draw sufficient business from the area to substantially reduce the marked increase in concentration in commercial banking that would result from the proposed merger.

For these reasons, we conclude that the proposed merger would have a significantly adverse effect on competition.

* * *

B. Approved, but consummation deferred due to related litigation.

THE PEOPLES NATIONAL BANK OF MANASSAS, MANASSAS, VA., AND MANASSAS BANK, N.A., MANASSAS, VA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Peoples National Bank of Manassas, Manassas, Va. (6748), with	$22,086,934	4	....
and Manassas Bank, N.A., Manassas, Va. (6748), which had	125,000	0	....
applied for permission to merge August 1, 1969, under charter of the latter bank (6748) and title "United Virginia Bank/Peoples National." The application was approved Feb. 2, 1970, but consummation was deferred due to related litigation.			

COMPTROLLER'S DECISION

On August 1, 1969, the Peoples National Bank of Manassas, Manassas, Va., and Manassas Bank, N.A., (organizing), Manassas, Va., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "United Virginia Bank/Peoples National."

The Peoples National Bank of Manassas, the merging bank, is headquartered in Manassas, Va., and operates five offices. This bank, with deposits of $18 million, was organized in 1903.

Manassas Bank, N.A., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to United Virginia Bankshares holding company. The charter bank will not be operating as a commercial bank prior to the merger. Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from confirmation of the proposed merger. The resulting bank will conduct the same banking business at the same locations.

Applying the statutory criteria, it is concluded that the proposed merger is in the public interest and the application is, therefore, approved.

FEBRUARY 2, 1970.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which United Virginia Bankshares, Inc., a registered bank holding company, proposes to acquire all of the voting shares of Manassas Bank, N.A., a non-operating institution, and as a contemporaneous transaction, to effect the merger of The Peoples National Bank of Manassas into Manassas Bank, N.A. The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non-operating institution; as such, and without regard to acquisition of the surviving bank by United Virginia Bankshares, Inc., the proposed merger would have no effect on competition.

* * *

APPENDIX B

Statistical Tables

Statistical Tables

Table B–1

Comptrollers of the Currency, 1863 to the present

No.	Name	Date of appointment	Date of resignation	State
1	McCulloch, Hugh	May 9, 1863	Mar. 8, 1865	Indiana
2	Clarke, Freeman	Mar. 21, 1865	July 24, 1866	New York
3	Hulburd, Hiland R	Feb. 1, 1867	Apr. 3, 1872	Ohio
4	Knox, John Jay	Apr. 25, 1872	Apr. 30, 1884	Minnesota
5	Cannon, Henry W	May 12, 1884	Mar. 1, 1886	Minnesota
6	Trenholm, William L	Apr. 20, 1886	Apr. 30, 1889	South Carolina
7	Lacey, Edward S	May 1, 1889	June 30, 1892	Michigan
8	Hepburn, A. Barton	Aug. 2, 1892	Apr. 25, 1893	New York
9	Eckels, James H	Apr. 26, 1893	Dec. 31, 1897	Illinois
10	Dawes, Charles G	Jan. 1, 1898	Sept. 30, 1901	Illinois
11	Ridgely, William Barret	Oct. 1, 1901	Mar. 28, 1908	Illinois
12	Murray, Lawrence O	Apr. 27, 1908	Apr. 27, 1913	New York
13	Williams, John Skelton	Feb. 2, 1914	Mar. 2, 1921	Virginia
14	Crissinger, D. R	Mar. 17, 1921	Apr. 30, 1923	Ohio
15	Dawes, Henry M	May 1, 1923	Dec. 17, 1924	Illinois
16	McIntosh, Joseph W	Dec. 20, 1924	Nov. 20, 1928	Illinois
17	Pole, John W	Nov. 21, 1928	Sept. 20, 1932	Ohio
18	O'Connor, J. F. T	May 11, 1933	Apr. 16, 1938	California
19	Delano, Preston	Oct. 24, 1938	Feb. 15, 1953	Massachusetts
20	Gidney, Ray M	Apr. 16, 1953	Nov. 15, 1961	Ohio
21	Saxon, James J	Nov. 16, 1961	Nov. 15, 1966	Illinois
22	Camp, William B	Nov. 16, 1966	....	Texas

Table B–2

Administrative Assistants to the Comptroller of the Currency and Deputy Comptrollers of the Currency

No.	Name	Dates of tenure		State
	ADMINISTRATIVE ASSISTANTS TO THE COMPTROLLER			
1	Larsen, Arnold E	Dec. 24, 1961	July 1, 1962	Nebraska.
2	Faulstich, Albert J	July 2, 1962	July 18, 1965	Louisiana.
3	Chase, Anthony G	July 21, 1965	Feb. 25, 1967	Washington.
4	Wickman, Wayne G	Feb. 27, 1967	Aug. 17, 1968	Texas.
5	Nicoll, John	Aug. 19, 1968	Nov. 28, 1969	New York.
6	Howland, Jr., W. A	Dec. 1, 1969	....	Georgia.
	DEPUTY COMPTROLLERS OF THE CURRENCY			
1	Howard, Samuel T	May 9, 1863	Aug. 1, 1865	New York.
2	Hulburd, Hiland R	Aug. 1, 1865	Jan. 31, 1867	Ohio.
3	Knox, John Jay	Mar. 12, 1867	Apr. 24, 1872	Minnestoa.
4	Langworthy, John S	Aug. 8, 1872	Jan. 3, 1886	New York.
5	Snyder, V. P	Jan. 5, 1886	Jan. 3, 1887	New York.
6	Abrahams, J. D	Jan. 27, 1887	May 25, 1890	Virginia.
7	Nixon, R. M	Aug. 11, 1890	Mar. 16, 1893	Indiana.
8	Tucker, Oliver P	Apr. 7, 1893	Mar. 11, 1896	Kentucky.
9	Coffin, George M	Mar. 12, 1896	Aug. 31, 1898	South Carolina.
10	Murray, Lawrence O	Sept. 1, 1898	June 27, 1899	New York.
11	Kane, Thomas P	June 29, 1899	Mar. 2, 1923	Dist. of Columbia.
12	Fowler, Willis J	July 1, 1908	Feb. 14, 1927	Indiana.
13	McIntosh, Joseph W	May 21, 1923	Dec. 19, 1924	Illinois.
14	Collins, Charles W	July 1, 1923	June 30, 1927	Illinois.
15	Stearns, E. W	Jan. 6, 1925	Nov. 30, 1928	Virginia.
16	Awalt, F. G	July 1, 1927	Feb. 15, 1936	Maryland.
17	Gough, E. H	July 6, 1927	Oct. 16, 1941	Indiana.
18	Proctor, John L	Dec. 1, 1928	Jan. 23, 1933	Washington.
19	Lyons, Gibbs	Jan. 24, 1933	Jan. 15, 1938	Georgia.
20	Prentiss, William, Jr	Feb. 24, 1936	Jan. 15, 1938	California.
21	Diggs, Marshall R	Jan. 16, 1938	Sept. 30, 1938	Texas.
22	Oppegard, G. J	Jan. 16, 1938	Sept. 30, 1938	California.
23	Upham, C. B	Oct. 1, 1938	Dec. 31, 1948	Iowa.
24	Mulroney, A. J	May 1, 1939	Aug. 31, 1941	Iowa.
25	McCandless, R. B	July 7, 1941	Mar. 1, 1951	Iowa.
26	Sedlacek, L. H	Sept. 1, 1941	Sept. 30, 1944	Nebraska.
27	Robertson, J. L	Oct. 1, 1944	Feb. 17, 1952	Nebraska.
28	Hudspeth, J. W	Jan. 1, 1949	Aug. 31, 1950	Texas.
29	Jennings, L. A	Sept. 1, 1950	May 16, 1960	New York.
30	Taylor, W. M	Mar. 1, 1951	Apr. 1, 1962	Virginia.
31	Garwood, G. W	Feb. 18, 1952	Dec. 31, 1962	Colorado.
32	Fleming, Chapman C	Sept. 15, 1959	Aug. 31, 1962	Ohio.
33	Haggard, Hollis S	May 16, 1960	Aug. 3, 1962	Missouri.
34	Camp, William B	Apr. 2, 1962	Nov. 15, 1966	Texas.
35	Redman, Clarence B	Aug. 4, 1962	Oct. 26, 1963	Connecticut.
36	Watson, Justin T	Sept. 3, 1962	....	Ohio.
37	Miller, Dean E	Dec. 23, 1962	....	Iowa
38	DeShazo, Thomas G	Jan. 1, 1963	....	Virginia.
39	Egertson, R. Coleman	July 13, 1964	June 30, 1966	Iowa.
40	Blanchard, Richard J	Sept. 1, 1964	....	Massachusetts.
41	Park, Radcliffe	Sept. 1, 1964	June 1, 1967	Wisconsin.
42	Faulstich, Albert J	July 19, 1965	....	Louisiana.
43	Motter, David C	July 1, 1966	....	Ohio.
44	Gwin, John D	Feb. 21, 1967	....	Mississippi.

TABLE B–3

Regional Administrators of National banks

Region	Name	Headquarters	States
1	John L. Donovan	Boston, Mass	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.
2	Charles M. Van Horn	New York, N.Y	New Jersey, New York.
3	R. Coleman Egertson	Philadelphia, Pa	Pennsylvania, Delaware.
4	John W. Shaffer, Jr	Cleveland, Ohio	Indiana, Kentucky, Ohio.
5	Page Cranford	Richmond, Va	District of Columbia, Maryland, North Carolina, Virginia, West Virginia.
6	Joseph M. Ream	Atlanta, Ga	Florida, Georgia, South Carolina.
7	Joseph G. Lutz	Chicago, Ill	Illinois, Michigan.
8	Kenneth W. Leaf	Memphis, Tenn	Alabama, Arkansas, Louisiana, Mississippi, Tennessee.
9	Donald B. Smith	Minneapolis, Minn	Minnesota, North Dakota, South Dakota, Wisconsin.
10	John R. Burt	Kansas City, Mo	Iowa, Kansas, Missouri, Nebraska.
11	Michael Doman	Dallas, Tex	Oklahoma, Texas.
12	John R. Thomas	Denver, Colo	Arizona, Colorado, New Mexico, Utah, Wyoming.
13	H. Joe Selby	Portland, Oreg	Alaska, Idaho, Montana, Oregon, Washington.
14	Arnold E. Larsen	San Francisco, Calif	California, Hawaii, Nevada.

TABLE B-4

Changes in the structure of the National Banking System, by States, 1863–1970

	Organized and opened for business 1863–1970	Consolidated and merged under 12 U.S.C. 215		Insolvencies	Liquidated	12 U.S.C. 214		In operation Dec. 31, 1970
		Consolidated	Merged			Converted to State banks	Merged or consolidated with State banks	
United States	15,853	710	489	2,820	6,741	159	313	4,621
Alabama	204	4	4	45	62	0	0	89
Alaska	8	0	0	0	2	0	1	5
Arizona	33	1	0	6	21	1	1	3
Arkansas	166	1	2	39	55	0	0	69
California	608	21	45	66	394	4	18	60
Colorado	270	5	0	56	86	1	0	122
Connecticut	137	11	8	7	69	1	15	26
Delaware	32	0	0	1	18	0	8	5
District of Columbia	39	8	0	7	13	0	0	11
Florida	303	2	1	43	42	0	0	215
Georgia	209	8	2	42	87	8	0	62
Hawaii	7	1	0	0	4	1	0	1
Idaho	112	0	2	35	65	1	2	7
Illinois	981	20	8	227	299	12	1	414
Indiana	450	14	5	98	205	2	4	122
Iowa	565	4	2	205	243	11	1	99
Kansas	459	6	2	77	198	5	0	171
Kentucky	250	11	2	37	110	8	2	80
Louisiana	122	4	0	16	53	0	0	49
Maine	128	8	8	13	79	0	1	19
Maryland	157	3	15	17	69	0	11	42
Massachusetts	388	41	14	28	207	1	11	86
Michigan	355	11	4	77	157	0	5	101
Minnesota	519	8	0	116	193	3	0	199
Mississippi	98	5	4	16	35	0	0	38
Missouri	328	13	6	58	148	4	1	98
Montana	206	4	1	76	76	0	0	49
Nebraska	413	2	1	83	199	3	0	125
Nevada	18	1	0	4	8	0	1	4
New Hampshire	86	3	7	5	23	0	0	48
New Jersey	459	52	41	60	152	1	24	129
New Mexico	97	1	1	25	37	0	0	33
New York	1,026	126	73	130	441	11	76	169
North Carolina	163	8	22	44	58	0	9	22
North Dakota	263	3	0	100	118	0	0	42
Ohio	725	32	20	112	336	2	6	217
Oklahoma	781	12	5	85	454	22	0	203
Oregon	153	2	3	31	103	0	4	10
Pennsylvania	1,295	107	97	211	492	6	83	299
Rhode Island	70	3	2	2	58	0	0	5
South Carolina	136	8	13	43	49	1	3	19
South Dakota	224	13	2	93	81	2	0	33
Tennessee	221	9	1	36	94	2	2	77
Texas	1,344	45	8	142	574	41	4	530
Utah	46	4	0	6	21	3	2	10
Vermont	85	3	3	17	29	1	6	26
Virginia	284	23	47	28	74	1	10	101
Washington	244	19	8	51	140	0	1	25
West Virginia	202	11	0	38	68	0	0	85
Wisconsin	303	9	0	54	115	0	0	125
Wyoming	79	0	0	12	26	0	0	41
Virgin Islands	1	0	0	0	0	0	0	1
Puerto Rico	1	0	0	0	1	0	0	0

TABLE B–5

Charters, liquidations, and changes in issued capital stock of National banks, calendar 1970

	Number of banks	Capital stock: Common	Capital stock: Preferred	Capital notes and debentures
Increases:				
Banks newly chartered:				
Primary organization	*64	$20,551,020	....	....
Conversions of State banks	12	11,579,514	....	....
Capital stock:				
Preferred: 2 cases by new issue	....	....	$300,000	....
Common:				
443 cases by statutory sale	....	30,324,840	....	....
669 cases by statutory stock dividends	....	214,309,815	....	....
7 cases by statutory consolidation	....	10,291,240	....	....
44 cases by statutory merger	....	18,645,995	....	....
5 cases by conversion of preferred stock	....	14,098	....	....
46 cases by conversion of capital notes	....	1,297,405	....	....
Capital notes and debentures: 67 cases by new issue	....	....	....	$69,480,500
Total increases	76	307,013,927	300,000	69,480,500
Decreases:				
Banks ceasing operations:				
Voluntary liquidations:				
Succeeded by National banks	4	1,272,000	....	....
Succeeded by State banks	3	4,450,000	....	....
Statutory consolidations	8	....	....	....
Statutory mergers	†53	....	....	....
Converted into State banks	41	16,188,487	....	543,700
Merged or consolidated with State banks	8	3,801,250	....	....
Insolvent	1	625,000	....	....
Capital stock:				
Preferred: 6 Retired	....	....	79,366	....
Common:				
4 cases by statutory reduction	....	1,952,949	....	....
3 cases by statutory consolidation	....	2,897,800	....	....
7 cases by statutory merger	....	3,464,188	....	....
Capital notes and debentures:				
46 Retirements	....	....	....	9,576,932
46 Converted to common stock	....	....	....	6,729,241
Total decreases	118	34,651,674	79,366	16,849,873
Net change	−42	272,362,253	220,634	52,630,627
Charters in force Dec. 31, 1969, and issued capital	4,671	r 6,165,757,000	r 62,453,000	r 1,119,738,000
Charters in force Dec. 31, 1970, and issued capital	4,629	6,438,119,253	62,673,634	1,172,368,627

*Includes 25 reorganized banks with capital stock of $4,453,520.
†Includes 24 reorganized banks.
r Revised.

NOTE: Premium on sale of common stock...... $107,494,392 (440 cases)
Premium on convertible notes......... 5,431,839 (46 cases)

$112,926,231 (486 cases)

TABLE B–6

*Applications for National bank charters, approved and rejected, by States, calendar 1970**

	Approved	Rejected
ALABAMA		
Hamilton		June 4
ARKANSAS		
Metropolitan National Bank, Little Rock	Apr. 1	
CALIFORNIA		
Ventura		Mar. 24
Arcadia		May 14
COLORADO		
Fort Collins National Bank, Fort Collins	Jan. 12	
Lakewood		Apr. 8
Unincorporated Area of Adams County		Oct. 15
Skyline National Bank, Denver	Nov. 16	
Colorado Springs		Nov. 25
Aurora		Dec. 16
Aurora		Dec. 16
FLORIDA		
Worth Avenue National Bank, Palm Beach	Jan. 16	
Southeast National Bank of Orlando, Orlando	Jan. 21	
Security National Bank, Fort Myers Villas	Jan. 22	
Security First National Bank, Plantation	Jan. 27	
First National Bank of Hallandale, Hallandale	Mar. 17	
Lauderdale Lakes National Bank, Lauderdale Lakes	May 13	
Midway National Bank, Unincorporated Area of Dade County	June 17	
Charlotte County National Bank, Port Charlotte	July 20	
Port Charlotte		July 20
Orlando		July 21
Unincorporated Area of Dade County		Sept. 11
East First National Bank, Fort Myers	Sept. 24	
Barnett Mall Bank, N.A., Winter Park	Oct. 6	
Sarasota		Oct. 6
Fort Lauderdale		Nov. 25
GEORGIA		
Warner Robins		July 23
McDonough		Nov. 25
ILLINOIS		
Rolling Meadows		May 11
Suburban National Bank of Elk Grove Village, Elk Grove Village	May 11	
Tollway-Arlington National Bank of Arlington Heights, Arlington Heights	May 11	
National Bank of Urbana, Urbana	June 17	
Village of Schaumburg		Nov. 12
INDIANA		
Midwest National Bank, Indianapolis	Feb. 13	
LOUISIANA		
Kentwood		Jan. 30
MARYLAND		
Gaithersburg		Dec. 16
MASSACHUSETTS		
The Colonial National Bank of Danvers, Danvers	Jan. 26	
MICHIGAN		
National Bank of Marshall, Marshall	Jan. 16	
First National Bank of Bad Axe, Bad Axe	Mar. 31	
The Niles National Bank and Trust Company, Niles	June 18	
Meridian National Bank, Meridian Township	Aug. 7	
MINNESOTA		
Eden Prairie		Aug. 18
Carlton National Bank, Carlton	Sept. 3	
Dawson		Sept. 11
Burnsville		Sept. 16
MISSOURI		
St. Louis		Feb. 10
Frontenac		Dec. 16
NEW JERSEY		
Voorhees Township		Mar. 25
Jefferson National Bank, Passaic	Mar. 30	
Bridgewater National Bank, Bridgewater Township	Apr. 22	
Mid-Jersey National Bank, Woodbridge Township	Apr. 24	
Woodbridge Township		Apr. 24
Fairfield National Bank, Fairfield	June 9	
Burlington Township		June 18
Pan American National Bank, Union City	July 15	
Montville Township		Aug. 18
Montville Township		Aug. 18
NEW YORK		
New York		July 16
Oyster Bay		July 17
Universal National Bank, Hempstead	Aug. 3	
Vanguard National Bank, Hempstead Village	Aug. 3	
Westhampton Beach		Nov. 25
NORTH CAROLINA		
Greensboro National Bank, Greensboro	May 12	
TENNESSEE		
Mountain City		Mar. 27
TEXAS		
People's National Bank of Spring Branch, Houston	Feb. 16	
First National Bank of Tomball, Tomball	Feb. 19	
San Benito		May 12
Promenade National Bank, Richardson	May 13	
Guaranty National Bank, Houston	June 3	
Bergstrom Air Force Base		July 2
Bergstrom Air Force Base		July 2
Farmers Branch		July 16
Woodway		Sept. 16
The Village Bank (National Association), Dallas	Sept. 17	
Brookhollow National Bank, Dallas	Oct. 20	
Dallas		Oct. 20
Montgomery County		Oct. 20
The Village National Bank, Houston	Dec. 17	
Houston		Dec. 17
Houston		Dec. 17
VIRGINIA		
Atlantic National Bank, Norfolk	Mar. 26	
WASHINGTON		
Lynnwood		Mar. 23
Olympia		June 26
Olympia		June 26
WEST VIRGINIA		
Middletown National Bank, Middletown Mall, Route 250 South, Marion County	June 8	
WISCONSIN		
Hartland National Bank, Hartland	July 24	
West Allis		Sept. 16
University National Bank, Milwaukee	Nov. 10	

*Excludes conversions, and charters to be issued pursuant to corporate reorganizations.

Table B–7

Applications for National bank charters, by States, pursuant to corporate reorganizations, calendar 1970

	Approved	Rejected
ALABAMA		
Jefferson County National Bank, Birmingham	Dec. 8	....
CALIFORNIA		
The Concord National Bank, Concord	Mar. 23	....
LOUISIANA		
NBC National Bank, New Orleans	Sept. 9	....
MASSACHUSETTS		
The Massachusetts Bank, National Association, Boston	Aug. 19	....
MICHIGAN		
Warren National Bank, Warren	Feb. 24	....
MISSOURI		
Locust National Bank, St. Louis	June 16	....
American Bank of St. Joseph, National Association, St. Joseph	July 23	....
Belt Bank of St. Joseph, National Association, St. Joseph	July 23	....
First Bank of Joplin National Association, Joplin	Oct. 19	....
NEW JERSEY		
Second Raritan Valley National Bank, Edison Township	Feb. 13	....
Essex Bank, N.A., Newark	Feb. 13	....
The Second Sussex and Merchants National Bank of Newton, Newton	Feb. 17	....
Cumberland County National Bank, Bridgeton	Apr. 30	....
The Fourth National Bank & Trust Company of Camden, New Jersey, Camden	Apr. 30	....
Second Peoples National Bank of Monmouth County, Hazlet Township	Apr. 30	....
NEW JERSEY—continued		
The National Bank of New Jersey, New Brunswick, New Brunswick	May 4	....
The Edison Bank, National Association, Borough of South Plainfield	Aug. 5	....
First National State Bank of Spring Lake, Spring Lake	Aug. 5	....
Second Citizens National Bank of South Jersey, Borough of Woodbine	Aug. 7	....
First National State Bank of North Jersey, Hackensack	Aug. 17	....
Second New Jersey National Bank, Trenton	Nov. 13	....
NEW YORK		
Bank of Ithaca, National Association, Ithaca	Aug. 26	....
OHIO		
The F.B.G. National Bank of Dover, Dover	Jan. 8	....
East Palestine National Bank, East Palestine	Aug 3	....
The F.B.G. National Bank of Wapakoneta, Wapakoneta	Nov. 4	....
The F.B.G. National Bank of Portsmouth, Portsmouth	Nov. 10	....
The F.B.G. National Bank of Wooster, Wooster	Nov. 12	....
TEXAS		
Southwest Bank, National Association, Houston	Jan. 9	....
Commerce Bank National Association, Houston	Nov. 24	....
Second Southwest National Bank of El Paso, El Paso	Dec. 16	....
VIRGINIA		
Bank of Williamsburg, N.A., Williamsburg	Nov. 4	....

TABLE B–8

*Newly organized National banks, by States, calendar 1970**

Charter No.	Title and location of bank	Total capital accounts
	Total, United States: 39 banks	$34,946,000
	ARKANSAS	
15836	Metropolitan National Bank, Little Rock	1,250,000
	COLORADO	
15815	First National Bank in Aspen, Aspen	300,000
	FLORIDA	
15787	Second National Bank of Delray Beach, Delray Beach	750,000
15826	Eglin National Bank, Fort Walton Beach	750,000
15778	Citizens First National Bank of Citrus County, Inverness	625,000
15803	Central Park First National Bank, Orlando	500,000
15814	Southeast National Bank of Orlando, Orlando	2,000,000
15782	Congress National Bank, Palm Springs	750,000
	Total: 6 banks	5,375,000
	GEORGIA	
15794	First National Bank of Doraville, Doraville	600,000
	ILLINOIS	
15824	Peoples National Bank of Springfield, Springfield	500,000
15843	National Bank of Urbana, Urbana	500,000
	Total: 2 banks	1,000,000
	MICHIGAN	
15840	First National Bank of Bad Axe, Bad Axe	500,000
15801	First Independence National Bank of Detroit, Detroit	1,500,000
15822	The Niles National Bank and Trust Company, Niles	1,001,000
	Total: 3 banks	3,001,000
	MINNESOTA	
15825	Carlton National Bank, Carlton	350,000
15779	Park-Grove National Bank, Cottage Grove	500,000
15800	Suburban National Bank of Roseville, Roseville	1,500,000
	Total: 3 banks	2,350,000
	MISSISSIPPI	
15850	First National Bank of Lucedale, Lucedale	250,000
	MISSOURI	
15793	Springfield National Bank, Springfield	750,000
	NEW JERSEY	
15781	Atlantic National Bank, Atlantic City	3,000,000
15835	Jefferson National Bank, Passaic	1,500,000
15839	The First National Bank, Piscataway, Piscataway Township	1,500,000
15838	Mid-Jersey National Bank, Woodbridge Township	2,000,000
	Total: 4 banks	8,000,000

See footnote at end of table.

Table B-8—Continued

*Newly organized National banks, by States, calendar 1970**

Charter No.	Title and location of bank	Total capital accounts
	TEXAS	
15832	Bank of Harris County, N.A., Aldine	$ 1,000,000
15820	American National Bank, Corpus Christi	800,000
15834	Guaranty National Bank, Houston	1,000,000
15802	Houston Intercontinental National Bank, Houston	600,000
15812	Madison-Southern National Bank, Houston	720,000
15818	Pan American National Bank, Houston	1,000,000
15833	Peoples National Bank of Spring Branch, Houston	1,000,000
15809	American National Bank, Humble	500,000
15827	First National Bank of Tomball, Tomball	500,000
	Total: 9 banks	7,120,000
	VIRGINIA	
15819	Jefferson National Bank, Lynchburg	1,500,000
	WEST VIRGINIA	
15842	Middletown National Bank, Middletown Mall	500,000
15810	The Suncrest National Bank, Morgantown	750,000
	Total: 2 banks	1,250,000
	WISCONSIN	
15823	Southridge National Bank of Greendale, Greendale	600,000
15785	Tri-City National Bank of Hales Corners, Hales Corners	500,000
15837	Hartland National Bank, Hartland Village	500,000
15831	First Wisconsin National Bank of West Towne, Madison	600,000
	Total: 4 banks	2,200,000

*Excludes charters issued pursuant to corporate reorganizations.

Table B–9

National bank charters issued and mergers consummated pursuant to corporate reorganizations, by States, calendar 1970*

Effective date of merger	Operating bank New bank Resulting bank	Total capital accounts	Total assets
	MASSACHUSETTS		
	New England Merchants National Bank of Boston, Boston New England Merchants Bank (National Association), Boston Charter issued June 15, 1970		
June 18, 1970	New England Merchants National Bank, Boston	$69,257,415	$937,069,917
	MICHIGAN		
	First National Bank of Warren, Warren Warren National Bank, Warren Charter issued June 29, 1970		
July 1, 1970	First National Bank of Warren, Warren	2,134,556	25,604,056
	MISSOURI		
	The Citizens National Bank of Chillicothe, Chillicothe Chillicothe National Bank, Chillicothe Charter issued April 21, 1970		
Apr. 30, 1970	The Citizens National Bank of Chillicothe, Chillicothe	2,801,472	39,230,582
	The First National Bank of St. Joseph, St. Joseph First National Bank of Buchanan County, St. Joseph Charter issued April 28, 1970		
May 1, 1970	The First National Bank of St. Joseph, St. Joseph	5,603,826	61,573,596
	NEW JERSEY		
	First National State Bank of New Jersey, Newark National State Bank of New Jersey, Newark Charter issued January 12, 1970		
Jan. 14, 1970	First National State Bank of New Jersey, Newark	75,602,053	837,629,610
	Raritan Valley National Bank, Edison Township Second Raritan Valley National Bank, Edison Township Charter issued June 10, 1970		
June 12, 1970	Raritan Valley National Bank, Edison Township	1,685,283	24,812,416
	National Newark & Essex Bank, Newark Essex Bank, National Association, Newark Charter issued June 10, 1970		
June 12, 1970	National Newark & Essex Bank, Newark	57,339,828	694,623,972
	The Sussex and Merchants National Bank of Newton, Newton The Second Sussex and Merchants National Bank of Newton, Newton Charter issued June 10, 1970		
June 12, 1970	The Sussex and Merchants National Bank of Newton, Newton	3,342,532	52,087,403
	The Cumberland National Bank of Bridgeton, Bridgeton Cumberland County National Bank, Bridgeton Charter issued September 28, 1970		
Sept. 30, 1970	The Cumberland National Bank of Bridgeton, Bridgeton	3,490,963	31,153,207

See footnote at end of table.

TABLE B-9—Continued

National bank charters issued and mergers consummated pursuant to corporate reorganizations, by States, calendar 1970*

Effective date of merger	*Operating bank* *New bank* *Resulting bank*	*Total capital accounts*	*Total assets*
	NEW JERSEY—continued		
	The Third National Bank & Trust Company of Camden, Camden The Fourth National Bank & Trust Company of Camden, Camden Charter issued September 28, 1970		
Sept. 30, 1970	The Third National Bank and Trust Company of Camden, Camden	$ 1,939,271	$ 26,960,278
	Peoples National Bank of Monmouth County, Hazlet Township Second Peoples National Bank of Monmouth County, Hazlet Township Charter issued September 28, 1970		
Sept. 30, 1970	Peoples National Bank of Monmouth County, Hazlet Township	2,226,998	33,977,506
	City National Bank, Hackensack First National State Bank of North Jersey, Hackensack Charter issued December 17, 1970		
Dec. 21, 1970	First National State Bank of North Jersey, Hackensack	3,581,752	54,808,637
	The Edison Bank, South Plainfield The Edison Bank, National Association, South Plainfield Charter issued December 17, 1970		
Dec. 21, 1970	The Edison Bank, National Association, South Plainfield	6,242,148	74,021,762
	First National Bank of Spring Lake, Spring Lake First National State Bank of Spring Lake, Spring Lake Charter issued December 17, 1970		
Dec. 21, 1970	First National State Bank of Spring Lake, Spring Lake	1,583,352	21,992,135
	The Warren County National Bank, Washington The Second Warren County National Bank, Washington Charter issued December 17, 1970		
Dec. 21, 1970	The Warren County National Bank, Washington	3,045,118	40,399,333
	NEW YORK		
	The National Bank of Auburn, Auburn Bank of Auburn, National Association, Auburn Charter issued July 27, 1970		
July 28, 1970	The National Bank of Auburn, Auburn	2,857,715	34,656,987
	OHIO		
	First National Bank of Cambridge, Cambridge The Guernsey County National Bank, Cambridge Charter issued December 29, 1969		
Jan. 3, 1970	First National Bank of Cambridge, Cambridge	2,261,848	29,018,008
	Coshocton National Bank, Coshocton National Bank of Coshocton, Coshocton Charter issued December 29, 1969		
Jan. 3, 1970	Coshocton National Bank, Coshocton	3,366,770	45,858,949

See footnote at end of table.

TABLE B-9—Continued

National bank charters issued and mergers consummated pursuant to corporate reorganizations, by States, calendar 1970*

Effective date of merger	*Operating bank* *New bank* *Resulting bank*	*Total capital accounts*	*Total assets*
	OHIO—continued		
	The Peoples National Bank and Trust Company, Dover The F. B. G. National Bank of Dover, Dover Charter issued August 26, 1970		
Aug. 31, 1970	The Peoples National Bank and Trust Company, Dover	$ 2,614,948	$ 43,191,034
	The First National Bank at East Palestine, East Palestine East Palestine National Bank, East Palestine Charter issued December 15, 1970		
Dec. 16, 1970	The First National Bank at East Palestine, East Palestine	1,048,169	10,331,092
	PENNSYLVANIA		
	Gallatin National Bank, Uniontown Blythe National Bank, Uniontown Charter issued February 20, 1970		
Feb. 24, 1970	Gallatin National Bank, Uniontown	10,908,069	148,708,580
	Cumberland County National Bank and Trust Company, New Cumberland CCNB National Bank, New Cumberland Charter issued March 23, 1970		
Mar. 25, 1970	Cumberland County National Bank and Trust Company, New Cumberland	6,990,839	101,115,634
	RHODE ISLAND		
	Columbus National Bank of Rhode Island, Providence Rhodes National Bank, Providence Charter issued February 27, 1970		
Feb. 27, 1970	Columbus National Bank of Rhode Island, Providence	3,535,730	47,395,936
	TEXAS		
	The Fort Worth National Bank, Fort Worth Bank of Fort Worth, National Association, Fort Worth Charter issued April 27, 1970		
Apr. 30, 1970	The Fort Worth National Bank, Fort Worth	45,074,804	554,095,040
	Bank of the Southwest, National Association, Houston, Houston Southwest Bank, National Association, Houston Charter issued December 8, 1970		
Dec. 10, 1970	Bank of the Southwest, National Association, Houston, Houston	80,787,107	763,638,469

*Includes only charter issuances related to mergers consummated during 1970. For a full listing of all charters issued during 1970, pursuant to corporate reorganizations, see Table B-11.

Table B–10

*State-chartered banks converted to National banks, calendar 1970**

Charter No.	Title and location of bank	State	Effective date of charter 1970	Outstanding capital stock	Surplus, undivided profits and reserves	Total assets
	Total: 12 banks			$11,579,514	$18,801,857	$249,945,160
15789	Mercantile National Bank, Atlanta Conversion of Mercantile City Bank.	Ga.	Feb. 28	415,625	688,109	7,068,472
15784	Citizens National Bank of Grant County, Marion Conversion of The Van Buren Bank.	Ind.	Mar. 2	200,000	394,862	5,320,176
15786	First National Bank, Evergreen Conversion of Evergreen State Bank.	Colo.	Mar. 2	250,000	426,718	7,927,462
15790	Bank of Passaic and Clifton, N.A., Passaic Conversion of Bank of Passaic and Clifton.	N.J.	Mar. 13	3,891,885	7,300,528	145,953,479
15791	University National Bank, Denver Conversion of University Hills Bank.	Colo.	Mar. 26	800,000	1,139,985	27,421,984
15797	First National Bank, Brewton Conversion of Citizens-Farmers & Merchants Bank, Inc.	Ala.	Apr. 30	330,000	1,002,034	15,945,719
15799	First National Bank, Fontanelle Conversion of State Savings Bank.	Iowa	May 1	80,000	270,000	4,391,359
15804	Montana National Bank of Butte, Butte Conversion of Security Bank.	Mont.	May 20	180,000	300,289	6,795,697
15813	First National Bank of Chugwater, Chugwater Conversion of Chugwater Valley Bank.	Wyo.	July 17	50,000	74,566	1,374,622
15817	Thumb National Bank and Trust Company, Pigeon Conversion of Pigeon State Bank.	Mich.	Aug. 12	275,000	449,042	11,327,476
15847	Old Colony Trust N.A., Boston Conversion of Old Colony Trust Company.	Mass.	Dec. 31	5,000,000	6,668,721	14,765,009
15851	First National Bank, Rosedale Conversion of Bank of Beulah.	Miss.	Dec. 29	107,004	87,003	1,653,705

*The Edison Bank, South Plainfield, N.J., became a National bank, The Edison Bank, National Association, during a corporate reorganization pursuant to the establishment of a one-bank holding company (see Table B–9).

Table B–11

National bank charters issued pursuant to corporate reorganizations, by States, calendar 1970

Charter No.	Title and location of bank	Date of issuance
	Total: 26 banks	
	LOUISIANA	
13689	NBC National Bank, New Orleans	Dec. 29
	MASSACHUSETTS	
200	Massachusetts Bank, National Association, Boston	Dec. 30
475	New England Merchants Bank (National Association), Boston	June 15
	MICHIGAN	
15611	Warren National Bank, Warren	June 29
	MISSOURI	
4111	Chillicothe National Bank, Chillicothe	Apr. 21
4939	First National Bank of Buchanan County, St. Joseph	Apr. 28
	NEW JERSEY	
1346	Cumberland County National Bank, Bridgeton	Sept. 28
13203	The Fourth National Bank & Trust Company of Camden, Camden	Sept. 28
15430	Second Raritan Valley National Bank, Edison Township	June 10
12014	First National State Bank of North Jersey, Hackensack	Dec. 17
4147	Second Peoples National Bank of Monmouth County, Hazlet Township	Sept. 28
1452	National State Bank of New Jersey, Newark	Jan. 12
1316	Essex Bank, National Association, Newark	June 10
587	The National Bank of New Jersey, New Brunswick	Dec. 30
925	The Second Sussex and Merchants National Bank of Newton, Newton	June 10
15845	The Edison Bank, National Association, South Plainfield	Dec. 17
13898	First National State Bank of Spring Lake, Spring Lake	Dec. 17
860	The Second Warren County National Bank, Washington	Dec. 17
	NEW YORK	
1345	Bank of Auburn, National Association, Auburn	July 27
	OHIO	
4293	The F.B.G. National Bank of Dover, Dover	Aug. 26
13850	East Palestine National Bank, East Palestine	Dec. 15
	PENNSYLVANIA	
14542	CCNB National Bank, New Cumberland	Mar. 23
5034	Blythe National Bank, Uniontown	Feb. 20
	RHODE ISLAND	
13981	Rhodes National Bank, Providence	Feb. 27
	TEXAS	
3131	Bank of Fort Worth, National Association, Fort Worth	Apr. 27
8645	Southwest Bank, National Association, Houston	Dec. 8

Table B–12

National banks reported in voluntary liquidation, calendar 1970

Title and location of bank	*Date of liquidation*	*Total capital accounts of liquidated banks*
Total: 7 National banks	....	$12,463,170
Southland National Bank, Yucaipa, Calif. (15488) absorbed by United States National Bank, San Diego, Calif. (10391)	Jan. 30	1,552,640
Commonwealth National Bank, San Francisco, Calif. (15330) absorbed by Union Bank, Los Angeles, Calif	Apr. 24	6,265,338
Umpqua National Bank, Reedsport, Oreg. (10676) absorbed by The Oregon Bank, Portland, Oreg	May 1	1,196,061
The First National Bank of Carlton, Carlton, Minn. (6973) absorbed by Carlton National Bank, Carlton, Minn. (15825)	Sept. 9	141,496
First National Bank in Tonasket, Tonasket, Wash. (14166) absorbed by Old National Bank of Washington, Spokane, Wash. (4668)	Sept. 30	748,788
Gold Standard National Bank of Marienville, Marienville, Pa. (5727) absorbed by The Warren National Bank, Warren, Pa. (4879)	Oct. 30	328,579
Republic National Bank and Trust Company, Beverly Hills, Calif. (15331) absorbed by The Hongkong & Shanghai Banking Corporation of California, San Francisco, Calif	Dec. 15	2,230,268

Table B–13

National banks merged or consolidated with State banks, calendar 1970

Title and location of bank	*Effective date*	*Total capital accounts of National banks*
Total: 8 banks	....	$11,085,491
The Peoples National Bank of Hackettstown, Hackettstown, N.J. (8267) merged into Peoples Trust of New Jersey, Hackensack, N.J., under the title "Peoples Trust of New Jersey"	May 25	1,757,526
The First National Bank of Salamanca, Salamanca, N.Y. (2472) merged into First Trust Union Bank, Wellsville, N.Y., under the title of "First Trust Union Bank"	Aug. 31	788,664
National City Bank of Baltimore, Baltimore, Md. (15102) merged into Suburban Trust Company, Hyattsville, Md., under the title of "Suburban Trust Company"	Sept. 11	3,192,033
Metropolitan National Bank of Maryland, Wheaton, Md. (14985) merged into Union Trust Company of Maryland, Baltimore, Md., under the title "Union Trust Company of Maryland"	Oct. 19	1,277,961
The First National Bank in Frackville, Frackville, Pa. (13992) merged into American Bank and Trust Company of Reading, Reading, Pa., under the title "American Bank and Trust Company"	Oct. 19	906,255
First National Bank in New Egypt, New Egypt, N.J. (13910) merged into Bordentown Banking Company, Bordentown Township, N.J., under the title "The Bank of Mid-Jersey"	Oct. 23	710,457
Citrus National Bank of West Covina, West Covina, Calif. (15216) merged into Golden State Bank of Bell Gardens, Los Angeles, Calif., under the title "Golden State Bank"	Oct. 30	1,536,368
The National Bank of Eaton Rapids, Eaton Rapids, Mich. (13995) consolidated into the American Bank and Trust Company, Lansing, Mich., under the title "American Bank and Trust Company"	Dec. 31	916,227

TABLE B–14

National banks converted into State banks, calendar 1970

Title and location of bank	*Effective date*	*Total capital accounts of National banks*
Total: 41 banks	....	$53,200,254
City National Bank, Tulsa, Okla. (14908) converted into City Bank and Trust Company	Jan. 2	1,811,456
The Farmers National Bank of Fayetteville, Fayetteville, Tex. (10954) converted into Fayetteville Bank	Jan. 2	233,131
First National Bank of Owasso, Owasso, Okla. (15006) converted into First Bank of Owasso	Jan. 2	486,214
The First National Bank of Milford, Milford, Tex. (12685) converted into First State Bank, Milford	Jan. 9	163,914
First National Bank in Atoka, Atoka, Okla. (15093) converted into First Bank in Atoka	Jan. 15	246,975
First National Bank in Sulphur, Sulphur, Okla. (11016) converted into First Oklahoma Bank and Trust Company in Sulphur	Jan. 15	868,203
Founders National Bank of Oklahoma City, Oklahoma City, Okla. (15333) converted into Founders Bank and Trust Company	Feb. 4	1,121,936
First Strawn National Bank, Strawn, Tex. (12775) converted into Strawn Security Bank	Feb. 16	172,837
The Edgar County National Bank and Trust Company, Paris, Ill. (2100) converted into The Edgar County Bank and Trust Company	Feb. 24	1,692,377
The Security National Bank of Cairo, Cairo, Ill. (13804) converted into Security Bank and Trust Company	Feb. 24	450,848
The National Bank of Verden, Verden, Okla. (8859) converted into The Bank of Verden	Mar. 2	78,194
The Batavia National Bank, Batavia, Ill. (9500) converted into Batavia Bank	Mar. 2	665,348
First National Bank of Haskell, Haskell, Okla. (7822) converted into First Bank of Haskell	Mar. 2	243,310
Guaranty National Bank of Oklahoma City, Oklahoma City, Okla. (15207) converted into Guaranty Bank and Trust Company	Mar. 9	1,267,275
Commercial National Bank of Victoria, Victoria, Tex. (15130) converted into Commercial Bank of Victoria	Mar. 19	961,775
First National Bank of Holly, Holly, Colo. (7704) converted into First Bank and Trust	Apr. 1	207,340
The Kingston National Bank, Kingston, Pa. (14023) converted into State Bank of Eastern Pennsylvania	Apr. 8	2,107,018
The Solomon National Bank, Solomon, Kans. (9794) converted into The Solomon State Bank	Apr. 15	345,392
Commonwealth National Bank, Boston, Mass. (15399) converted into Commonwealth Bank and Trust Company	Apr. 16	3,882,762
Doylestown National Bank and Trust Company, Doylestown, Pa. (573) converted into Continental Bank	Apr. 17	3,990,093
First National Bank in Spirit Lake, Spirit Lake, Iowa (13020) converted into First Bank and Trust	May 5	824,332
The East Stroudsburg National Bank, East Stroudsburg, Pa. (4011) converted into Pocono Bank	May 18	2,557,705
The National Bank of Commerce of Tulsa, Tulsa, Okla. (9942) converted into Bank of Commerce of Tulsa	June 1	2,315,803
The First National Bank in Hawarden, Hawarden, Iowa (13939) converted into First State Bank	June 1	396,611
The First National Bank of Wagoner, Wagoner, Okla. (5016) converted into First Wagoner Bank and Trust Company	June 8	757,038
The First National Bank and Trust Company of Mount Vernon, Mount Vernon, Ill. (13864) converted into First Bank and Trust Company	June 8	2,530,564
The Farmers National Bank of Carnegie, Carnegie, Okla. (12059) converted into The Farmers Bank	July 1	281,523
The First National Bank of Sentinel, Sentinel, Okla. (9995) converted into Southwest State Bank	July 1	337,558
First National Bank of Oak Brook, Oak Brook, Ill. (15596) converted into Oak Brook Bank	July 1	1,120,290
Continental National Bank, Phoenix, Ariz. (15364) converted into Continental Bank	July 31	3,985,722
The First National Bank of Minco, Minco, Okla. (8644) converted into The First American Bank	Aug. 3	230,977
Hillside National Bank of Dallas, Dallas, Tex. (15101) converted into Hillside Bank and Trust Company	Aug. 11	1,237,866
Commercial National Bank and Trust Company, Muskogee, Okla. (12890) converted into Commercial Bank and Trust Company	Aug. 31	3,391,499
National Bank of Commerce of Spartanburg, Spartanburg, S.C. (15619) converted into First-Citizens Bank and Trust Company of South Carolina	Sept. 30	2,023,008
First National Bank of Cleveland, Cleveland, Tex. (10276) converted into Cleveland Bank and Trust	Oct. 12	1,013,334
American National Bank in Pryor, Pryor, Okla. (14615) converted into American Bank of Oklahoma	Nov. 2	1,018,979
The Havelock National Bank of Lincoln, Lincoln, Nebr. (9772) converted into Havelock Bank	Nov. 12	782,063
The Lawndale National Bank of Chicago, Chicago, Ill. (10247) converted into The Lawndale Trust and Savings Bank	Nov. 25	3,177,346
The First National Bank in Seagraves, Seagraves, Tex. (14646) converted into The First State Bank in Seagraves	Dec. 1	324,143
The Citizens National Bank of Tunkhannock, Tunkhannock, Pa. (6438) converted into United Penn Bank	Dec. 4	893,662
Orange National Bank, Orange, Tex. (5890) converted into Orange Bank	Dec. 30	3,003,833

TABLE B–15

Purchases of State banks by National banks, calendar 1970

Title and location of banks	*Effective date*	*Total capital accounts of State banks*
Total: 6 banks		$3,741,259
First National Bank in Mansfield, Mansfield, La. (11669) purchased the Bank of Grand Cane, Grand Cane, Louisiana	Apr. 11	54,945
Zions First National Bank, Salt Lake City, Utah (4341) purchased the Bank of Commerce, Magna, Utah	May 29	216,431
Zions First National Bank, Salt Lake City, Utah (4341) purchased the Bank of St. George, St. George, Utah	June 30	1,137,638
Peoples National Bank of Washington, Seattle, Wash. (14394) purchased the Langley State Bank, Langley, Washington	July 6	403,265
Park National Bank of Newark, Newark, Ohio (9179) purchased the Peoples State Bank, Granville, Ohio	Sept. 28	935,860
Zions First National Bank, Salt Lake City, Utah (4341) purchased the Bountiful State Bank, Bountiful, Utah	Sept. 30	993,120

TABLE B–16

Consolidations of National banks, or National and State banks, calendar 1970*

Effective date	*Consolidating banks* *Resulting bank*	*Outstanding capital stock*	*Surplus*	*Undivided profits and reserves*	*Total assets*
	Total: 10 consolidations				
	CALIFORNIA				
Aug. 7	National Bank of Agriculture, Delano (15450)	$503,750	$304,688	$103,811	$12,832,543
	The First National Bank of Caruthers, Caruthers (11330)	100,000	200,000	153,119	4,087,442
	National Bank of Agriculture, Fresno (11330)	603,750	504,687	257,270	17,971,623
	INDIANA				
June 30	The First National Bank of Cedar Lake, Cedar Lake (14813)	173,250	326,750	198,795	7,984,358
	State Bank of Whiting, Whiting	300,000	700,000	430,370	23,399,108
	Northwest Bank of Indiana, N.A., Whiting (14813)	750,000	750,000	629,165	31,383,466
	NEW JERSEY				
July 10	Trust Company National Bank, Morristown (4274)	4,012,848	4,013,437	4,185,362	187,631,441
	Montclair National Bank and Trust Company, Montclair (9339)	4,488,430	5,500,000	5,182,545	153,852,352
	American National Bank & Trust, Montclair (4274)	8,321,740	9,701,165	9,512,596	340,612,870
Dec. 31	The First National Bank of Roselle, Roselle (8483)	300,000	300,000	1,115,391	17,830,469
	First National Bank of Central Jersey, Somerville (3866)	3,093,750	3,906,250	1,736,788	119,944,993
	First National Bank of Central Jersey, Somerville (3866)	3,693,750	3,906,250	2,852,179	137,775,462

See footnote at end of table.

Table B–16—Continued

Consolidations of National banks, or National and State banks, calendar 1970*

Effective date	Consolidating banks / Resulting bank	Outstanding capital stock	Surplus	Undivided profits and reserves	Total assets
	NEW YORK				
July 6	National Bank of North America, New York (7703)	$24,995,835	$45,004,165	$40,563,634	$1,711,720,943
	Trade Bank and Trust Company, New York	7,462,760	5,787,240	5,330,073	230,671,731
	National Bank of North America, New York (7703)	29,029,750	60,970,250	39,143,707	1,942,392,675
Oct. 13	National Bank of North America, New York (7703)	29,029,750	60,970,250	46,126,458	1,988,427,915
	First National Bank in Yonkers, Yonkers (13882)	1,397,550	2,396,228	-0-	140,426,794
	National Bank of North America, New York (7703)	30,918,330	69,081,670	39,920,236	2,138,854,709
	PENNSYLVANIA				
Jan. 1	The Delaware County National Bank, Chester (355)	1,753,290	2,548,000	4,843,731	161,059,614
	National Bank of Chester County and Trust Company, West Chester (552)	1,018,500	4,281,500	2,160,516	103,691,564
	Southeast National Bank of Pennsylvania, Chester (355)	3,026,415	6,829,500	6,749,622	264,751,178
June 30	The First National Bank of Westmoreland, Greensburg (14055)	1,496,000	2,640,000	2,022,690	78,418,692
	The Peoples National Bank of Tarentum, Tarentum (5351)	500,000	1,050,000	546,119	26,640,833
	Southwest National Bank of Pennsylvania, Greensburg (5351)	3,144,000	2,500,000	2,675,809	105,059,524
Dec. 7	Lancaster County Farmers National Bank, Lancaster (683)	2,682,570	6,392,430	4,182,409	157,188,189
	The Reading Trust Company, Reading	1,676,290	6,323,170	2,552,175	158,827,533
	National Bank and Trust Company of Central Pennsylvania, York (694)	7,367,020	9,310,382	9,843,973	281,850,571
	National Central Bank, York (694)	15,211,900	22,026,522	13,091,639	597,866,293
	WASHINGTON				
Aug. 17	The Pacific National Bank of Seattle, Seattle (13230)	9,000,000	9,531,737	7,695,564	454,265,462
	National Bank of Washington, Tacoma (3417)	7,368,262	11,000,000	7,299,000	254,292,665
	Pacific National Bank of Washington, Seattle (3417)	13,750,000	23,250,000	14,894,564	708,296,502

*Excludes consolidations involving only 1 operating bank, effected pursuant to corporate reorganizations.

TABLE B-17

Mergers of National banks, or National and State banks, by States, calendar 1970*

Effective date	*Merging banks* *Resulting bank*	*Outstanding capital stock*	*Surplus*	*Undivided profits and reserves*	*Total assets*
	Total: 60 merger actions				
	CALIFORNIA				
Apr. 10	Los Padres National Bank, Santa Maria (15271).....	$500,000	$375,000	$356,628	$12,438,566
	Wells Fargo Bank, National Association, San Francisco (15660)................................	91,757,810	185,242,820	56,400,610	5,436,787,409
	Wells Fargo Bank, National Association, San Francisco (15660)................................	92,257,810	185,542,420	56,757,238	5,449,225,975
June 11	Gateway National Bank, El Segundo (15239)........	1,595,226	1,126,314	265,311	31,745,184
	Southern California First National Bank, San Diego (3050)...................................	7,062,495	13,285,305	12,044,200	601,086,646
	Southern California First National Bank, San Diego (3050)...................................	7,062,495	13,285,305	15,031,052	632,831,830
July 31	Bank of Sacramento, Sacramento..................	2,262,750	2,447,250	127,667	42,497,359
	Security Pacific National Bank, Los Angeles (2491)...	168,000,000	182,000,000	122,362,960	6,722,389,757
	Security Pacific National Bank, Los Angeles (2491)...	170,262,750	189,737,250	116,522,457	6,758,034,271
Nov. 6	The First National Bank of Holtville, Holtville (9770).	400,000	400,000	179,980	13,927,142
	Wells Fargo Bank, National Association, San Francisco (15660)................................	92,419,970	185,455,260	65,490,961	5,514,746,846
	Wells Fargo Bank, National Association, San Francisco (15660)................................	92,859,970	185,815,260	65,670,942	5,527,924,917
	CONNECTICUT				
Apr. 17	The Atlantic National Bank, Stamford (15584).......	350,000	650,000	176,318	19,569,744
	The Connecticut National Bank, Bridgeport (335)....	6,451,225	12,000,000	4,159,177	360,808,344
	The Connecticut National Bank, Bridgeport (335)....	7,151,225	12,900,000	4,164,714	380,378,088
Oct. 30	General Bank and Trust Company, New Haven......	400,000	400,000	150,000	8,076,269
	Hartford National Bank and Trust Company, Hartford (1338)...............................	17,693,525	44,306,475	15,593,199	1,041,105,191
	Hartford National Bank and Trust Company, Hartford (1338)...............................	17,993,525	44,806,475	17,743,299	1,048,981,460
	IDAHO				
May 18	Lava Hot Springs State Bank, Lava Hot Springs.....	25,000	80,000	11,252	739,857
	The Cassia National Bank of Burley, Burley (12256)..	250,000	350,000	290,343	13,081,949
	The Cassia National Bank of Burley, Burley (12256)..	360,000	350,000	290,343	13,821,806
July 1	Fidelity National Bank of Twin Falls, Twin Falls (11100)....................................	1,000,000	1,000,000	848,701	27,413,294
	The Idaho First National Bank, Boise (1668)........	8,002,315	17,000,000	6,958,357	500,740,908
	The Idaho First National Bank, Boise (1668)........	8,714,815	18,000,000	8,094,559	524,045,759

See footnote at end of table.

TABLE B-17—Continued

Mergers of National banks, or National and State banks, by States, calendar 1970*

Effective date	*Merging banks Resulting bank*	*Outstanding capital stock*	*Surplus*	*Undivided profits and reserves*	*Total assets*
	INDIANA				
Dec. 1	The First National Bank of Center Point, Center Point (9250)	$25,000	$125,000	$229,948	$3,055,397
	The Riddell National Bank of Brazil, Brazil (5267)	400,000	400,000	1,218,484	22,782,237
	The Riddell National Bank of Brazil, Brazil (5267)	475,000	525,000	1,389,554	25,428,913
	KANSAS				
July 31	Exchange State Bank of Kansas City, Kansas City	500,000	500,000	343,067	15,619,327
	The Commercial National Bank of Kansas City, Kansas City (6311)	3,000,000	3,000,000	3,896,406	108,190,718
	The Commercial National Bank of Kansas City, Kansas City (6311)	3,475,000	4,000,000	3,764,473	117,021,889
	MAINE				
June 2	The First National Bank of Houlton, Houlton (2749)	400,000	600,000	788,414	20,433,149
	The First National Bank of Fort Fairfield, Fort Fairfield (13843)	157,500	210,000	230,155	8,986,563
	The First National Bank of Aroostook, Fort Fairfield (13843)	610,000	1,493,078	269,922	29,541,440
Aug. 14	The First National Bank of Pittsfield, Pittsfield (13777)	250,000	250,000	576,648	12,129,152
	Maine National Bank, Portland (4128)	5,020,330	6,479,670	3,894,441	190,482,404
	Maine National Bank, Portland (4128)	5,420,330	6,729,960	4,471,090	202,611,556
	MARYLAND				
May 1	The First National Bank of Harford County, Bel Air (13680)	700,000	1,100,000	790,561	38,156,284
	The First National Bank of Maryland, Baltimore (1413)	12,123,760	25,376,240	14,385,656	727,720,018
	The First National Bank of Maryland, Baltimore (1413)	12,526,260	27,473,740	12,699,081	761,510,201
July 6	Montgomery Banking Trust Company, Rockville	1,000,000	500,000	93,102	11,181,628
	University National Bank, Rockville (15365)	1,434,000	1,999,630	212,551	39,207,224
	University National Bank, Rockville (15365)	2,394,000	2,632,732	212,551	48,536,914
	MASSACHUSETTS				
June 30	Bristol County Trust Company, Taunton	750,000	1,371,800	691,069	38,417,295
	The First National Bank of Attleboro, Attleboro (2232)	1,000,000	1,000,000	1,233,829	32,267,252
	First Bristol County National Bank, Taunton (2232)	2,400,000	2,400,000	1,411,457	70,584,400
	MICHIGAN				
Mar. 18	The Armada State Bank, Armada	150,000	150,000	254,485	5,983,449
	First National Bank in Mt. Clemens, Mt. Clemens (12971)	1,320,000	1,320,000	1,299,784	75,588,838
	First National Bank in Mt. Clemens, Mt. Clemens (12971)	1,488,750	1,961,250	1,299,784	81,827,802

See footnote at end of table.

TABLE B-17—Continued

Mergers of National banks, or National and State banks, by States, calendar 1970*

Effective date	*Merging banks Resulting bank*	*Outstanding capital stock*	*Surplus*	*Undivided profits and reserves*	*Total assets*
	NEW HAMPSHIRE				
Aug. 14	The Wilton National Bank, Wilton (13247)	$100,000	$370,000	$344,684	$10,266,204
	The Indian Head National Bank of Nashua, Nashua (1310)	997,775	4,502,225	540,136	61,808,730
	The Indian Head National Bank of Nashua, Nashua (1310)	1,104,900	5,000,000	612,516	72,071,608
Dec. 31	Lisbon National Bank, Lisbon (15737)	75,000	75,000	77,275	3,156,868
	Littleton National Bank, Littleton (1885)	150,000	200,000	225,792	8,807,562
	The Littleton National Bank, Littleton (1885)	225,000	275,000	260,420	12,037,090
	NEW JERSEY				
Jan. 2	The Bank of Sussex County, Franklin	777,600	1,410,400	110,375	55,387,215
	National Community Bank of Rutherford, Rutherford (5005)	8,093,750,	12,000,000	4,830,125	374,309,033
	National Community Bank of Rutherford, Rutherford (5005)	10,361,750	15,000,000	2,337,297	430,173,045
Jan. 9	Peoples National Bank of Sussex County, Sparta (15375)	245,400	222,700	124,960	8,599,317
	New Jersey Bank (National Association), Clifton (15709)	7,923,366	12,138,938	9,760,327	506,883,752
	New Jersey Bank (National Association), Clifton (15709)	8,125,821	12,404,583	9,885,288	515,199,963
Feb. 27	Jersey State Bank, River Edge	444,672	555,325	349,992	20,516,992
	New Jersey Bank (National Association), Clifton (15709)	8,164,728	12,574,359	10,621,472	506,259,053
	New Jersey Bank (National Association), Clifton (15709)	8,714,728	13,024,359	10,971,465	526,776,046
Apr. 30	Union National Bank and Trust Company, Mount Holly (2343)	1,224,000	988,000	921,244	34,499,979
	South Jersey National Bank, Camden (1209)	5,076,563	11,923,437	7,339,194	305,339,193
	South Jersey National Bank, Camden (1209)	5,765,063	13,446,938	8,260,438	339,637,141
May 11	New Jersey National Bank and Trust Company, Neptune (15297)	3,687,592	3,562,408	3,239,609	134,280,383
	First Trenton National Bank, Trenton (1327)	5,925,160	8,376,720	11,273,656	508,284,242
	New Jersey National Bank, Trenton (1327)	8,998,155	12,553,725	14,513,266	642,564,625
May 22	The Vineland National Bank and Trust Company, Vineland (2918)	600,000	1,400,000	1,210,202	29,709,165
	Peoples National Bank of New Jersey, Westmont (12022)	2,186,379	3,736,103	1,975,335	131,715,508
	Peoples National Bank of New Jersey, Westmont (12022)	3,502,629	3,736,103	1,691,704	166,461,909

See footnote at end of table.

TABLE B–17—Continued

Mergers of National banks, or National and State banks, by States, calendar 1970*

Effective date	*Merging banks Resulting bank*	*Outstanding capital stock*	*Surplus*	*Undivided profits and reserves*	*Total assets*
	NEW JERSEY—continued				
June 30	First National Bank of Williamstown, Williamstown (7265)	$150,000	$550,000	$113,279	$15,976,524
	First National Bank of South Jersey, Egg Harbor Township (1326)	6,770,000	6,770,000	3,818,921	256,385,345
	First National Bank of South Jersey, Egg Harbor Township (1326)	7,340,000	7,340,000	3,482,201	272,361,869
July 17	Pitman National Bank and Trust Company, Pitman (8500)	125,000	1,000,000	469,547	15,748,018
	The First National Bank and Trust Company of Paulsboro, Paulsboro (5981)	330,000	330,000	1,571,907	24,218,387
	First County National Bank and Trust Company, Woodbury (1199)	491,420	1,508,580	874,279	40,681,659
	National Bank and Trust Company of Gloucester County, Woodbury (1199)	1,137,420	2,838,580	2,822,277	80,777,365
Oct. 30	The First National Bank of Pedricktown, Pedricktown (8007)	200,000	250,000	98,875	6,273,493
	First National Bank of South Jersey, Egg Harbor Township (1326)	7,340,000	7,340,000	3,979,357	285,013,575
	The First National Bank of South Jersey, Egg Harbor Township (1326)	7,640,000	7,640,000	3,928,232	291,287,068
Dec. 4	Orange Valley Bank, Orange	125,000	175,000	299,375	7,051,864
	First National State Bank of New Jersey, Newark (1452)	12,423,750	40,040,000	10,357,619	861,185,593
	First National State Bank of New Jersey, Newark (1452)	12,423,750	40,340,000	10,656,994	866,967,712
	NEW YORK				
Feb. 27	Rockland National Bank, Suffern (5846)	2,901,855	3,000,000	2,399,825	149,118,970
	County National Bank, Middletown (13956)	3,355,005	4,600,000	2,060,628	171,844,047
	Empire National Bank, Middletown (5846)	6,256,860	7,600,000	4,460,452	320,963,017
July 31	The National Exchange Bank of Boonville, Boonville (8022)	100,000	200,000	288,469	6,069,082
	Lincoln National Bank and Trust Company of Central New York, Syracuse (15627)	5,000,000	6,500,000	4,984,707	243,069,535
	Lincoln National Bank and Trust Company of Central New York, Syracuse (15627)	5,100,000	6,700,000	5,273,177	249,138,617
	NORTH CAROLINA				
Jan. 23	Citizens Bank and Trust Company of Andrews, Andrews	600,000	1,000,000	692,386	33,025,897
	Wachovia Bank and Trust Company, National Association, Winston-Salem (15673)	24,720,035	62,318,000	30,086,560	1,596,594,516
	Wachovia Bank and Trust Company, National Association, Winston-Salem (15673)	25,320,035	63,318,000	30,778,946	1,629,620,413

See footnote at end of table.

TABLE B-17—Continued

Mergers of National banks, or National and State banks, by States, calendar 1970*

Effective date	*Merging banks / Resulting bank*	*Outstanding capital stock*	*Surplus*	*Undivided profits and reserves*	*Total assets*
	NORTH CAROLINA—continued				
Feb. 20	Marion Bank and Trust Company, Marion	$100,000	$300,000	$121,544	$4,638,685
	North Carolina National Bank, Charlotte (13761)	15,274,340	44,875,660	17,155,939	1,223,694,661
	North Carolina National Bank, Charlotte (13761)	15,524,340	44,875,660	17,277,482	1,228,333,346
Apr. 30	The First National Bank of Mooresville, Mooresville (9531)	250,000	600,000	263,868	11,138,427
	The First National Bank of Lincolnton, Lincolnton (6744)	300,000	400,000	907,440	21,496,891
	Carolina First National Bank, Lincolnton (6744)	700,000	1,300,000	721,308	32,635,318
July 27	The State Bank of Wingate, Wingate	50,000	250,000	66,106	3,046,720
	First National Bank of Eastern North Carolina, Jacksonville (14676)	3,065,375	5,075,625	848,528	105,073,518
	First National Bank of Eastern North Carolina, Jacksonville (14676)	3,180,375	5,271,625	903,634	108,120,239
Aug. 1	Bank of Charlotte, Charlotte	200,000	1,600,000	286,440	23,910,939
	Southern National Bank of North Carolina, Lumberton (10610)	3,814,105	4,547,205	2,754,013	167,058,069
	Southern National Bank of North Carolina, Lumberton (10610)	3,814,105	4,546,205	930,761	202,508,937
Aug. 28	The State Commercial Bank, Thomasville	372,180	745,715	413,842	17,827,185
	North Carolina National Bank, Charolotte (13761)	15,524,340	44,875,660	21,249,003	1,284,569,745
	North Carolina National Bank, Charlotte (13761)	16,082,610	45,435,285	21,736,547	1,302,645,825
Nov. 14	The Bank of French Broad, Marshall	100,000	451,745	228,244	8,906,330
	First Union National Bank of North Carolina, Charlotte (15650)	17,868,825	25,500,000	11,907,261	1,042,875,218
	First Union National Bank of North Carolina, Charlotte (15650)	18,068,825	26,000,000	11,987,250	1,051,781,548
	OHIO				
Jan. 19	The West Unity Banking Company, West Unity	160,000	240,000	205,546	7,476,663
	The Citizens National Bank of Bryan, Bryan (13740)	325,620	325,730	513,964	18,416,311
	The Citizens National Bank of Bryan, Bryan (13740)	518,180	565,730	686,950	25,976,478
Feb. 28	Hardy Banking Company, North Baltimore	50,000	250,000	193,815	4,281,052
	First National Bank, Bowling Green (15416)	1,113,750	1,186,250	399,192	30,728,502
	First National Bank, Bowling Green (15416)	1,323,750	1,426,250	457,839	34,864,742
July 17	The Citizens Savings Bank, Columbiana	125,000	525,000	226,909	11,094,201
	The Farmers National Bank of Salem, Salem (973)	750,000	1,000,000	736,133	37,561,201
	The Farmers National Bank of Salem, Salem (973)	1,062,500	1,525,000	775,543	48,655,402

See footnote at end of table.

TABLE B-17—Continued

Mergers of National banks, or National and State banks, by States, calendar 1970*

Effective date	*Merging banks Resulting bank*	*Outstanding capital stock*	*Surplus*	*Undivided profits and reserves*	*Total assets*
	OHIO—continued				
Nov. 6	The Pioneer Banking Company, Pioneer	$75,000	$200,000	$123,426	$5,459,261
	The Citizens National Bank, Bryan (13740)	525,140	575,000	705,991	28,962,951
	The Citizens National Bank, Bryan (13740)	637,640	775,000	752,970	34,383,265
	PENNSYLVANIA				
Mar. 13	Community Bank and Trust Company, Paoli	930,250	2,098,625	941,276	48,912,682
	Central Penn National Bank, Bala-Cynwyd (723)	6,323,620	16,244,085	10,858,188	444,909,782
	Central Penn National Bank, Bala-Cynwyd (723)	7,253,870	18,342,710	11,799,463	488,940,101
Mar. 31	The Citizens National Bank, Blossburg (13381)	50,000	200,000	222,624	5,419,069
	First National Bank in Mansfield, Mansfield (13618)	125,000	250,000	589,119	11,901,611
	First Citizens National Bank, Mansfield (13618)	500,000	500,000	436,744	17,320,680
June 30	The Fogelsville National Bank, Fogelsville (12975)	281,250	625,000	815,033	20,875,731
	The Merchants National Bank of Allentown, Allentown (6645)	2,697,990	6,000,000	2,370,373	185,639,802
	The Merchants National Bank of Allentown, Allentown (6645)	3,541,740	6,625,000	2,645,553	206,538,179
July 1	The Peoples Bank of Clymer, Clymer	50,000	250,000	330,059	4,419,247
	The First National Bank of Ebensburg, Ebensburg (5084)	273,000	1,100,000	825,908	40,939,057
	The First National Bank of Ebensburg, Ebensburg (5084)	328,000	1,345,000	1,155,967	45,358,305
Aug. 28	Saucon Valley Trust Company, Hellertown	300,000	700,000	392,465	16,691,247
	The First National Bank of Allentown, Allentown (373)	3,392,110	15,000,000	3,816,058	260,658,654
	The First National Bank of Allentown, Allentown (373)	3,722,110	15,700,000	4,178,523	277,349,902
Aug. 31	The Citizens Bank of Wind Gap, Wind Gap	100,000	400,000	238,039	7,835,984
	Easton National Bank and Trust Company, Easton (1233)	1,350,000	4,000,000	2,155,697	91,385,965
	Easton National Bank and Trust Company, Easton (1233)	1,510,000	4,400,000	2,337,736	99,221,949
Sept. 30	The First National Bank of Edinboro, Edinboro (7312)	300,000	300,000	275,478	10,464,946
	Marine National Bank, Erie (870)	3,900,000	4,100,000	1,187,470	118,134,273
	Marine National Bank, Erie (870)	4,680,000	3,920,000	1,462,948	128,599,219
Dec. 31	Grange National Bank of Potter County, Ulysses (8739)	192,320	206,060	63,625	5,872,245
	First Citizens National Bank, Mansfield (13618)	500,000	500,000	468,372	19,052,692
	First Citizens National Bank, Mansfield (13618)	601,000	706,060	623,318	24,924,937

See footnote at end of table.

TABLE B-17—Continued

Mergers of National banks, or National and State banks, by States, calendar 1970*

Effective date	*Merging banks* / *Resulting bank*	*Outstanding capital stock*	*Surplus*	*Undivided profits and reserves*	*Total assets*
	SOUTH DAKOTA				
Jan. 9	Community State Bank of Lake Preston, Lake Preston	$150,000	$200,000	$245,046	$6,502,795
	Northwestern National Bank of Sioux Falls, Sioux Falls (10592)	3,250,000	2,500,000	1,665,496	129,971,893
	Northwestern National Bank of Sioux Falls, Sioux Falls (10592)	3,500,000	3,500,000	1,111,067	136,325,911
Sept. 10	Security Bank, Madison	300,000	450,000	249,379	10,472,960
	National Bank of South Dakota, Sioux Falls (12881)	4,000,000	4,000,000	4,418,399	191,741,613
	National Bank of South Dakota, Sioux Falls (12881)	4,300,000	4,450,000	4,667,779	202,214,573
	VERMONT				
July 9	Barre Trust Company, Barre	50,000	-0-	277,892	10,734,254
	The Merchants National Bank of Burlington, Burlington (1197)	650,000	810,000	570,517	33,728,785
	The Merchants National Bank of Burlington, Burlington (1197)	650,000	810,000	457,149	44,021,777
	VIRGINIA				
Mar. 13	The First National Bank of Harrisonburg, Harrisonburg (1572)	1,200,000	1,300,000	915,780	39,328,751
	Virginia National Bank, Norfolk (9885)	18,680,000	24,501,275	15,831,511	915,449,691
	Virginia National Bank, Norfolk (9885)	20,000,000	25,681,275	16,747,291	954,254,957
June 1	The Merchants and Farmers Bank, Smithfield	134,100	500,000	327,513	9,760,533
	Virginia National Bank, Norfolk (9885)	20,000,000	25,681,275	19,339,239	958,154,895
	Virginia National Bank, Norfolk (9885)	20,268,200	26,047,175	19,666,752	967,583,357
July 31	Suburban National Bank of Virginia, Fairfax County (14965)	1,314,000	1,429,048	-0-	49,353,508
	First and Merchants National Bank, Richmond (1111)	18,652,700	31,587,300	16,900,059	769,096,943
	First and Merchants National Bank, Richmond (1111)	19,966,700	33,223,300	16,693,107	816,282,176
Aug. 31	The National Bank of Orange, Orange (5438)	225,000	500,000	624,137	16,090,627
	National Bank and Trust Company, Charlottesville (10618)	1,780,785	3,545,000	2,974,086	102,033,911
	National Bank and Trust Company, Charlottesville (10618)	2,005,785	4,045,000	3,960,348	124,566,561
Nov. 23	Carroll County Bank, Hillsville	400,000	400,000	139,982	14,747,939
	Virginia National Bank, Norfolk (9885)	20,268,200	26,047,175	20,494,410	1,036,189,871
	Virginia National Bank, Norfolk (9885)	20,552,290	26,563,085	20,634,393	1,050,427,829

See footnote at end of table.

TABLE B–17—Continued

Mergers of National banks, or National and State banks, by States, calendar 1970*

Effective date	Merging banks / Resulting bank	Outstanding capital stock	Surplus	Undivided profits and reserves	Total assets
	WASHINGTON				
Apr. 30	Commercial Bank of Washington, Twisp	300,000	145,060	41,417	5,495,805
	Old National Bank of Washington, Spokane (4668)	5,333,900	10,062,386	8,221,466	291,760,801
	Old National Bank of Washington, Spokane (4668)	5,573,900	10,799,886	7,724,773	298,114,823
Sept. 25	North West Bank, Seattle	1,710,000	318,100	907,306	15,998,718
	Old National Bank of Washington, Spokane (4668)	5,573,900	10,821,290	8,257,252	316,064,001
	Old National Bank of Washington, Spokane (4668)	6,642,650	10,775,040	10,170,158	332,062,719
	WISCONSIN				
Sept. 1	The Home Bank, Milwaukee	1,000,000	900,000	38,965	24,740,760
	Midland National Bank, Milwaukee (15510)	2,191,875	1,571,952	942,705	78,826,911
	Midland National Bank, Milwaukee (15510)	2,941,875	2,721,952	981,670	100,572,816

*Excludes mergers involving only 1 operating bank, effected pursuant to corporate reorganization.

TABLE B–18

*Mergers resulting in National banks, by assets of acquiring and acquired banks, 1960–1970**

Assets of acquiring bank†	Acquiring bank	Assets of acquired bank*: Under $10 million	$10 million to 24.9 million	$25 million to 49.9 million	$50 million to 99.9 million	$100 million and over
Under $10 million	80	80	0	0	0	0
$10 million to $24.9 million	127	113	14	0	0	0
$25 million to $49.9 million	130	88	34	8	0	0
$50 million to $99.9 million	147	95	33	16	3	0
$100 million and over	420	187	143	46	21	23
Total	‡904	563	224	70	24	23

*Includes all forms of acquisitions involving two or more banks, from May 13, 1960 through December 31, 1970.
†In each transaction, the bank with larger total assets was considered to be the acquiring bank.
‡Comprises 871 transactions, 18 involving 3 banks, 6 involving 4 banks, and 1 involving 5 banks.

Table B–19

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1970

Charter No.	Title and location of bank	Branches opened for business: Local	Other than local	Total
	Total	280	643	923
	ALABAMA			
12455	The First National Bank of Auburn, Auburn	1	0	1
15473	City National Bank of Birmingham, Birmingham	1	0	1
3185	The First National Bank of Birmingham, Birmingham	0	1	1
15797	First National Bank, Brewton	1	1	2
14414	State National Bank of Alabama, Decatur	1	2	3
14664	City National Bank of Dothan, Dothan	1	0	1
5249	The First National Bank of Dothan, Dothan	2	0	2
15658	Fort Rucker National Bank, Fort Rucker	1	0	1
15316	The American National Bank of Huntsville, Huntsville	1	0	1
15441	The Capitol National Bank of Montgomery, Montgomery	1	0	1
1814	The First National Bank of Montgomery, Montgomery	1	0	1
11635	Opelika National Bank, Opelika	0	1	1
	ALASKA			
14651	National Bank of Alaska, Anchorage	1	1	2
12072	The First National Bank of Anchorage, Anchorage	0	1	1
	ARIZONA			
3728	First National Bank of Arizona, Phoenix	3	4	7
14324	The Valley National Bank of Arizona, Phoenix	1	8	9
	ARKANSAS			
10609	The City National Bank of Fort Smith, Fort Smith	1	0	1
14606	First National Bank of Jonesboro, Jonesboro	0	1	1
13949	The First National Bank in Little Rock, Little Rock	1	0	1
15608	Fidelity National Bank of West Memphis, West Memphis	1	0	1
	CALIFORNIA			
15437	American National Bank, Bakersfield	3	0	3
14695	City National Bank, Beverly Hills	0	1	1
15434	Commercial National Bank, Buena Park	0	1	1
10120	The First National Bank of Dixon, Dixon	0	1	1
12904	The Capital National Bank, Downey	0	1	1
15239	Gateway National Bank, El Segundo	0	1	1
15453	Escondido National Bank, Escondido	0	1	1
11330	National Bank of Agriculture, Fresno	0	1	1
2490	Security Pacific National Bank, Los Angeles	1	20	21
15547	Santa Clarita National Bank, Newhall	0	2	2
15220	West Coast National Bank, Oceanside	1	1	2
6268	First National Bank and Trust Company, Ontario	0	1	1
8181	The First National Bank of Orange County, Orange	0	2	2
15532	Commercial and Farmers National Bank, Oxnard	0	1	1
15276	Palm Springs National Bank, Palm Springs	0	1	1
15489	Riverside National Bank, Riverside	1	0	1
15032	Placer National Bank, Rocklin	0	1	1
15349	Valley National Bank, Salinas	0	1	1
3050	Southern California First National Bank, San Diego	2	1	3
10391	United States National Bank, San Diego	0	3	3
13044	Bank of America National Trust and Savings Association, San Francisco	2	24	26
9655	The Bank of California, National Association, San Francisco	0	2	2
1741	Crocker-Citizens National Bank, San Francisco	1	2	3
15660	Wells Fargo Bank, National Association, San Francisco	0	18	18
15357	San Joaquin Valley National Bank, Tulare	0	1	1

TABLE B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1970

Charter No.	Title and location of bank	Branches opened for business		
		Local	Other than local	Total
	COLORADO			
15170	Northern National Bank, Colorado Springs	1	0	1
15114	Northeast Colorado National Bank, Denver	1	0	1
9907	The First National Bank of Englewood, Englewood	1	0	1
15480	Republic National Bank of Englewood, Englewood	1	0	1
15786	First National Bank, Evergreen	1	0	1
1833	The First National Bank of Pueblo, Pueblo	1	0	1
14400	The Routt County National Bank of Steamboat Springs, Steamboat Springs	1	0	1
	CONNECTICUT			
335	The Connecticut National Bank, Bridgeport	1	2	3
4	The State National Bank of Connecticut, Bridgeport	0	4	4
1314	The Clinton National Bank, Clinton	0	1	1
15496	The Hamden National Bank, Hamden	1	0	1
1338	Hartford National Bank and Trust Company, Hartford	1	7	8
2	The First New Haven National Bank, New Haven	1	0	1
15584	The Atlantic National Bank, Stamford	1	0	1
	DELAWARE			
15060	The First National Bank of Wilmington, Wilmington	1	0	1
	DISTRICT OF COLUMBIA			
2038	The First National Bank of Washington, Washington	1	0	1
3425	The National Bank of Washington, Washington	1	0	1
5046	The Riggs National Bank of Washington, D.C., Washington	1	0	1
	GEORGIA			
1559	The First National Bank of Atlanta, Atlanta	1	0	1
9617	The Fulton National Bank of Atlanta, Atlanta	1	0	1
15541	The National Bank of Georgia, Atlanta	1	0	1
2338	The First National Bank of Columbus, Columbus	1	0	1
3983	The First National Bank of Gainesville, Gainesville	1	0	1
15572	First National Bank of Griffin, Griffin	1	0	1
10270	The First National Bank & Trust Company in Macon, Macon	1	0	1
13068	The Citizens and Southern National Bank of Savannah, Savannah	3	0	3
13472	The Liberty National Bank & Trust Company of Savannah, Savannah, Georgia, Savannah	1	0	1
	HAWAII			
14911	Hawaii National Bank, Honolulu, Honolulu	1	1	2
	IDAHO			
1668	The Idaho First National Bank, Boise	0	1	1
12256	Cassia National Bank, Burley	0	1	1
	ILLINOIS			
13236	Belleville National Savings Bank, Belleville	1	0	1
13672	National Boulevard Bank of Chicago, Chicago	1	0	1
5584	Truitt-Matthews First National Bank, Chillicothe	1	0	1
14820	Des Plaines National Bank, Des Plaines	1	0	1
14738	Citizens National Bank of Downers Grove, Downers Grove	1	0	1
5638	The First National Bank of Dundee, Dundee	1	0	1
13709	First National Bank and Trust Company of Evanston, Evanston	1	0	1
13695	First National Bank of Freeport, Freeport	1	0	1
14516	Lawrenceville National Bank & Trust Co., Lawrenceville	1	0	1
14662	First National Bank of Morton Grove, Morton Grove	1	0	1

TABLE B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1970

Charter No.	Title and location of bank	Branches opened for business		
		Local	Other than local	Total
	INDIANA			
3267	The Riddell National Bank of Brazil, Brazil	0	1	1
206	The First National Bank, Elkhart	0	1	1
13818	Fort Wayne National Bank, Fort Wayne	1	1	2
14468	Gary National Bank, Gary	0	1	1
14379	Calumet National Bank, Hammond	0	1	1
869	Merchants National Bank & Trust Company of Indianapolis, Indianapolis	1	0	1
984	The Indiana National Bank, Indianapolis	2	0	2
14175	Lafayette National Bank, Lafayette	1	0	1
13580	The National Bank of Logansport, Logansport	0	2	2
15784	Citizens National Bank of Grant County, Marion	0	1	1
14921	American National Bank and Trust Company of Muncie, Muncie	0	1	1
2234	The Merchants National Bank of Muncie, Muncie	0	2	2
17	The First National Bank of Richmond, Richmond	1	1	2
5756	The Tell City National Bank, Tell City	1	0	1
14874	First National Bank, Valparaiso, Valparaiso	1	0	1
14813	Northwest Bank of Indiana, National Association, Whiting	0	2	2
	IOWA			
994	The Clinton National Bank, Clinton	1	0	1
15133	First National Bank of Davenport, Davenport	1	0	1
15524	First National Bank of Eldora, Eldora	0	1	1
2763	First National Bank Fort Dodge, Iowa, Fort Dodge	1	0	1
	KANSAS			
5498	Citizens National Bank and Trust Company, Emporia	1	0	1
6311	Commercial National Bank of Kansas City, Kansas City	1	0	1
3849	The Lawrence National Bank and Trust Co., Lawrence	1	0	1
14999	Parklane National Bank of Wichita, Wichita	1	0	1
11010	Union National Bank of Wichita, Wichita	1	0	1
	KENTUCKY			
3944	The Second National Bank of Ashland, Ashland	1	0	1
3381	The Citizens National Bank of Danville, Danville	1	0	1
6028	The First-Hardin National Bank of Elizabethtown, Elizabethtown	0	1	1
109	First National Bank of Louisville, Louisville	0	1	1
14320	Liberty National Bank and Trust Company of Louisville, Louisville	1	0	1
7030	Pikeville National Bank & Trust Company, Pikeville	1	0	1
	LOUISIANA			
15642	Parish National Bank of Bogalusa, Bogalusa	0	1	1
14687	The National Bank of Bossier City, Bossier City	1	0	1
14503	Citizens National Bank & Trust Company of Houma, Houma	1	0	1
14753	The National Bank of Commerce in Jefferson Parish, Jefferson Parish	0	1	1
5023	The First National Bank of Lafayette, Lafayette	1	0	1
15279	Riverlands National Bank in LaPlace, LaPlace	0	1	1
4154	The First National Bank of Lake Charles, Lake Charles	0	1	1
11169	First National Bank in Mansfield, Mansfield	0	1	1
13851	The Citizens National Bank of Morgan City, Morgan City	0	1	1
13688	The Hibernia National Bank in New Orleans, New Orleans	1	0	1
14477	National American Bank of New Orleans, New Orleans	1	0	1
13689	The National Bank of Commerce in New Orleans, New Orleans	1	0	1
14977	Whitney National Bank of New Orleans, New Orleans	1	0	1
11795	The First National Bank of Ruston, Ruston	1	0	1

TABLE B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1970

Charter No.	Title and location of bank	Branches opened for business		
		Local	Other than local	Total
	MAINE			
1437	Merchants National Bank of Bangor, Bangor	0	1	1
14303	The Liberty National Bank in Ellsworth, Ellsworth	1	0	1
4459	The First National Bank of Farmington, Farmington	0	2	2
13843	The First National Bank of Aroostook, Fort Fairfield	0	1	1
941	Canal National Bank, Portland	1	1	2
4128	Maine National Bank, Portland	1	3	4
	MARYLAND			
1413	The First National Bank of Maryland, Baltimore City	0	2	2
13745	Maryland National Bank, Baltimore	0	7	7
14864	State National Bank of Bethesda, Bethesda	0	1	1
4364	The Citizens National Bank, Laurel	0	1	1
5623	The First National Bank of Oakland, Oakland	0	2	2
15365	University National Bank, Rockville	1	4	5
14937	American National Bank of Maryland, Silver Spring	0	1	1
15154	Peoples National Bank of Maryland, Suitland	0	2	2
5471	The First National Bank of Southern Maryland of Upper Marlboro, Upper Marlboro	0	1	1
	MASSACHUSETTS			
15052	Suburban National Bank of Arlington, Arlington	0	1	1
200	The First National Bank of Boston, Boston	2	0	2
475	New England Merchants National Bank of Boston, Boston	1	0	1
590	The Fall River National Bank, Fall River	1	0	1
528	The Framingham National Bank, Framingham	0	1	1
1129	Merrimack Valley National Bank, Haverhill	0	1	1
1939	Holyoke National Bank, Holyoke	1	0	1
7452	Security National Bank, Lynn	0	1	1
2275	The Home National Bank of Milford, Milford	1	0	1
13241	Needham National Bank, Needham	0	1	1
261	The First National Bank of New Bedford, New Bedford	0	1	1
799	The Merchants National Bank of New Bedford, New Bedford	1	0	1
5944	Manufacturers National Bank of Bristol County, North Attleboro	1	0	1
736	First National Bank of Cape Cod, Orleans	0	1	1
1082	First Agricultural National Bank of Berkshire County, Pittsfield	1	0	1
14798	South Shore National Bank, Quincy	1	1	2
2232	First Bristol County National Bank, Taunton	4	3	7
1135	The Mechanics National Bank of Worcester, Worcester	0	2	2
79	Worcester County National Bank, Worcester	0	1	1
	MICHIGAN			
14641	Peoples National Bank & Trust Company of Bay City, Bay City	1	0	1
13833	Farmers and Merchants National Bank in Benton Harbor, Benton Harbor	0	1	1
13522	The Citizens National Bank of Cheboygan, Cheboygan	0	2	2
13738	Manufacturers National Bank of Detroit, Detroit	1	1	2
13671	National Bank of Detroit, Detroit	0	4	4
14740	First National Bank of East Lansing, East Lansing	1	0	1
8496	Northern Michigan National Bank, Escanaba	1	0	1
14144	First National Bank in Howell, Howell	0	1	1
3806	The First National Bank of Iron Mountain, Iron Mountain	1	0	1
15367	City Bank & Trust Co., National Association, Jackson	1	1	2
191	The First National Bank and Trust Company of Michigan, Kalamazoo	0	2	2
390	The First National Bank and Trust Company of Marquette, Marquette	1	0	1
12971	First National Bank in Mount Clemens, Mount Clemens	1	1	2
13753	First National Bank of Southwestern Michigan, Niles	2	0	2
13739	Community National Bank of Pontiac, Pontiac	0	1	1
14773	National Bank of Royal Oak, Royal Oak	1	0	1
1918	Second National Bank of Saginaw, Saginaw	1	0	1
3886	First National Bank of St. Ignace, St. Ignace	0	1	1
14934	The Empire National Bank of Traverse City, Traverse City	0	1	1
15008	Troy National Bank, Troy	3	0	3

TABLE B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1970

Charter No.	Title and location of bank	Branches opened for business		
		Local	Other than local	Total
	MISSISSIPPI			
14538	National Bank of Commerce of Corinth, Corinth	1	0	1
3765	The First National Bank of Greenville, Greenville	1	0	1
15548	Deposit Guaranty National Bank, Jackson	2	5	7
6681	The First National Bank of Laurel, Laurel	1	0	1
7266	The Citizens National Bank of Meridian, Meridian	1	0	1
13551	First National Bank in Meridian, Meridian	1	0	1
15672	First National Bank of Ocean Springs, Ocean Springs	0	1	1
9865	The First National Bank of Oxford, Oxford	1	0	1
3258	First National Bank of Vicksburg, Vicksburg	1	0	1
	MISSOURI			
170	First National Bank in St. Louis, St. Louis	1	0	1
15302	The First National Bank of Sikeston, Sikeston	1	0	1
15793	Springfield National Bank, Springfield	1	0	1
	NEBRASKA			
14017	The First National Bank in Aurora, Aurora	1	0	1
14480	First National Bank in Kearney, Kearney	1	0	1
13568	The National Bank of Neligh, Neligh	1	0	1
	NEVADA			
7038	First National Bank of Nevada, Reno, Nevada, Reno	0	4	4
	NEW HAMPSHIRE			
12889	The Rockingham National Bank of Exeter, Exeter	0	1	1
559	The Cheshire National Bank of Keene, Keene	1	0	1
808	The National Bank of Lebanon, Lebanon	1	0	1
574	The Amoskeag National Bank of Manchester, Manchester	0	1	1
1310	The Indian Head National Bank of Nashua, Nashua	0	1	1
15100	White Mountain National Bank of North Conway, North Conway	1	0	1
	NEW JERSEY			
10823	The First National Bank of Absecon, Absecon	1	1	2
13363	First Merchants National Bank, Asbury Park, Asbury Park	0	3	3
10712	The Citizens National Bank of Bloomsbury, Bloomsbury	0	1	1
11543	Bankers National Bank, Bogota	0	1	1
13855	The National Bank of Sussex County, Branchville	0	1	1
2999	The Bridgeton National Bank, Bridgeton	1	0	1
1222	Mechanics National Bank of Burlington County, Burlington	1	0	1
1209	South Jersey National Bank, Camden	0	4	4
7945	The First National Bank of Cape May Court House, Cape May Court House	0	1	1
15709	New Jersey Bank (National Association), Clifton	0	4	4
3168	The First National Bank of Cranbury, Cranbury	0	1	1
15646	Peoples National Bank of Denville, Denville	0	1	1
2076	The National Union Bank of Dover, Dover	0	2	2
8501	The First National Bank of Dunellen, Dunellen	0	1	1
15430	Raritan Valley National Bank, Edison Township	0	1	1
1326	First National Bank of South Jersey, Egg Harbor Township	0	4	4
2331	The Flemington National Bank and Trust Company, Flemington	0	1	1
15035	Franklin Lakes National Bank, Franklin Lakes	0	1	1
3843	The First National Bank of Glassboro, Glassboro	1	0	1
8267	The Peoples National Bank of Hackettstown, Hackettstown	1	0	1
4147	Peoples National Bank of Monmouth County, Hazlet Township	1	0	1
15360	Madison National Bank, Madison	0	1	1
12942	The Manville National Bank, Manville	1	0	1
13125	The First National Bank of Marlton, Marlton	1	0	1
6440	The Farmers and Merchants National Bank of Matawan, Matawan	0	1	1
8779	The First National Bank of Milford, Milford	0	1	1
288	First Charter National Bank, Monroe Township	0	2	2
4274	American National Bank & Trust, Montclair	0	4	4

TABLE B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1970

Charter No.	Title and location of bank	Branches opened for business: Local	Other than local	Total
	NEW JERSEY—continued			
1113	The First National Iron Bank of New Jersey, Morristown	0	2	2
12771	Broad National Bank, Newark, Newark	0	1	1
1452	First National State Bank of New Jersey, Newark	0	3	3
1316	National Newark and Essex Bank, Newark	0	2	2
587	The National Bank of New Jersey, New Brunswick	0	1	1
14240	First National Bank in Newfield, Newfield	0	1	1
925	The Sussex and Merchants National Bank of Newton, Newton	1	0	1
15790	Bank of Passaic and Clifton, N.A., Passaic	1	3	4
329	First National Bank of Passaic County, Paterson	0	1	1
1239	The Phillipsburg National Bank and Trust Company, Phillipsburg	0	1	1
4872	The First National Bank of Princeton, Princeton	0	1	1
5005	National Community Bank of Rutherford, Rutherford	0	6	6
3866	First National Bank of Central Jersey, Somerville	0	1	1
15845	The Edison Bank, National Association, South Plainfield	2	6	8
2509	The First National Bank of Toms River, N.J., Toms River	0	1	1
1327	New Jersey National Bank, Trenton	0	1	1
2918	The Vineland National Bank and Trust Company, Vineland	2	0	2
15790	Bank of Passaic and Clifton, N.A., Wayne	0	1	1
12861	The Prospect Park National Bank, Wayne	0	2	2
13848	Belmar-Wall National Bank, West Belmar	0	1	1
12022	Peoples National Bank of New Jersey, Westmont	0	1	1
1199	National Bank and Trust Company of Gloucester County, Woodbury	0	2	2
13265	The Wood Ridge National Bank, Wood-Ridge	1	0	1
12606	The Yardville National Bank, Yardville	0	1	1
	NEW MEXICO			
13814	First National Bank in Albuquerque, Albuquerque	3	0	3
8767	The Clovis National Bank, Clovis	0	1	1
7720	First National Bank of Dona Ana County, Las Cruces	1	0	1
8880	The First National Bank of Lordsburg, Lordsburg	1	0	1
	NEW YORK			
5178	The First National Bank of Addison, Addison	0	1	1
15758	First Trust Company of Albany, National Association, Albany	0	1	1
1301	National Commercial Bank and Trust Company, Albany	1	2	3
15625	First City National Bank of Binghamton, N.Y., Binghamton	0	1	1
976	The Putnam County National Bank of Carmel, Carmel	0	1	1
9990	The Central Valley National Bank, Central Valley	0	1	1
15464	First National Bank of East Hampton, East Hampton	0	1	1
11511	Marine Midland Tinker National Bank, East Setauket	0	3	3
980	The First National Bank of Glens Falls, Glens Falls	0	1	1
5336	The First National Bank of Highland, Highland	0	1	1
6587	Security National Bank, Huntington	0	6	6
7703	National Bank of North America, New York	8	5	13
15626	The First National Bank of Jamestown, Jamestown	1	0	1
13956	Empire National Bank, Middletown	0	1	1
12997	Franklin National Bank, Mineola	0	8	8
10111	The First National Bank of Newark Valley, Newark Valley	0	1	1
2370	The Chase Manhattan Bank (National Association), New York	4	3	7
1461	First National City Bank, New York	14	4	18
1354	The National Bank and Trust Company of Norwich, Norwich	1	0	1
14734	Tappan Zee National Bank, Nyack	0	1	1
13493	Finger Lakes National Bank, Odessa	0	1	1
465	Marine Midland Bank of Southeastern New York, Poughkeepsie	0	17	17
15641	The State of New York National Bank, Poughkeepsie	0	1	1
4230	The Suffolk County National Bank of Riverhead, Riverhead	0	1	1
15556	First National Bank of Rochester, Rochester	1	0	1
11708	Scarsdale National Bank and Trust Company, Scarsdale	1	0	1
14763	Eastern National Bank of Long Island, Smithtown	0	1	1
15627	Lincoln National Bank and Trust Company of Central New York, Syracuse	1	1	2
1342	The Merchants National Bank & Trust Company of Syracuse, Syracuse	1	1	2
10155	The Valley National Bank, Wallkill, N.Y., Walden	0	1	1
4988	The Citizens National Bank and Trust Company, Wellsville	0	1	1

TABLE B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1970

Charter No.	Title and location of bank	Branches opened for business		
		Local	Other than local	Total
	NORTH CAROLINA			
11091	The First National Bank of Albermarle, Albemarle	0	1	1
8953	The First National Bank of Asheboro, Asheboro	0	1	1
15650	First Union National Bank of North Carolina, Charlotte	0	10	10
13761	North Carolina National Bank, Charlotte	2	7	9
13779	The Citizens National Bank in Gastonia, Gastonia	1	0	1
14676	First National Bank of Eastern North Carolina, Jacksonville	0	12	12
6744	First National Bank of Lincolnton, Lincolnton	0	1	1
10610	Southern National Bank of North Carolina, Lumberton	0	3	3
10608	The Planters National Bank and Trust Company, Rocky Mount	0	1	1
15165	First National Bank of Smithfield, Smithfield	1	0	1
15673	Wachovia Bank and Trust Company, N.A., Winston-Salem	0	19	19
	NORTH DAKOTA			
8881	The First National Bank of McClusky, McClusky	0	1	1
	OHIO			
15609	Akron National Bank and Trust Company, Akron	1	2	3
13749	Bellefontaine National Bank, Bellefontaine	0	1	1
15416	First National Bank, Bowling Green	1	1	2
13740	The Citizens National Bank, Bryan	0	2	2
14501	The Canton National Bank, Canton	1	2	3
76	First National Bank of Canton, Canton	0	1	1
14879	The Geauga County National Bank of Chardon, Chardon	1	0	1
14761	Society National Bank of Cleveland, Cleveland	0	1	1
786	The National City Bank of Cleveland, Cleveland	0	1	1
7621	The City National Bank & Trust Company of Columbus, Columbus	1	1	2
7745	The Huntington National Bank of Columbus, Columbus	2	0	2
5065	The Ohio National Bank of Columbus, Columbus	1	0	1
1788	The First National Bank, Dayton, Ohio, Dayton	0	1	1
10	The Third National Bank and Trust Company of Dayton, Ohio, Dayton	0	1	1
15573	Euclid National Bank, Euclid	0	2	2
12008	The Community National Bank of Flushing, Flushing	0	1	1
5100	The Franklin National Bank, Franklin	0	1	1
2705	The First National Bank of Georgetown, Georgetown	1	0	1
10105	The Peoples National Bank of Greenfield, Greenfield	1	0	1
56	The First National Bank and Trust Company of Hamilton, Hamilton	1	0	1
4336	The Citizens National Bank of Ironton, Ironton	0	1	1
1903	The First National Bank of Jackson, Jackson	1	0	1
652	The Portage National Bank, Kent	1	0	1
9547	The Lancaster National Bank, Lancaster	1	0	1
15340	Tower National Bank of Lima, Lima	0	1	1
15456	The Central Security National Bank of Lorain County, Lorain	1	0	1
2577	First National Bank of Mansfield, Mansfield	0	1	1
13912	National Bank of Montpelier, Montpelier	1	0	1
858	The First National Bank of Newark, Newark	0	1	1
9179	The Park National Bank of Newark, Newark	0	1	1
14686	The Lake County National Bank of Painesville, Painesville	0	1	1
5370	The First National Bank and Trust Company of Ravenna, Ravenna	0	1	1
3291	The Citizens National Bank of Ripley, Ripley	0	1	1
973	The Farmers National Bank of Salem, Ohio, Salem	0	2	2
238	The First National Bank of Springfield, Springfield	0	1	1
2160	The First National Bank and Trust Company of Steubenville, Steubenville	1	0	1
14586	First National Bank of Toledo, Toledo	0	1	1
3157	The First National Bank of Wapakoneta, Wapakoneta	0	1	1
2350	The Mahoning National Bank of Youngstown, Youngstown	0	2	2
13586	The Union National Bank of Youngstown, Youngstown	1	1	2
	OKLAHOMA			
14278	First National Bank in Blackwell, Blackwell	1	0	1
5911	The First National Bank of Cleveland, Cleveland	1	0	1
6358	First National Bank in Hobart, Hobart	1	0	1

TABLE B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1970

Charter No.	Title and location of bank	Branches opened for business: Local	Other than local	Total
	OREGON			
15583	Crater National Bank of Medford, Medford	0	1	1
1553	First National Bank of Oregon, Portland	1	1	2
15491	Great Western National Bank, Portland	1	0	1
4514	United States National Bank of Oregon, Portland	2	4	6
	PENNSYLVANIA			
373	The First National Bank of Allentown, Allentown	0	1	1
6645	The Merchants National Bank of Allentown, Allentown	0	1	1
723	Central Penn National Bank, Bala-Cynwyd	0	9	9
5823	First National Bank of Somerset County, Berlin	0	1	1
12526	The Cheltenham National Bank, Cheltenham	0	1	1
355	Southeast National Bank of Pennsylvania, Chester	0	2	2
5307	The First National Bank of Confluence, Confluence	0	1	1
325	The First National Bank of Danville, Danville	1	0	1
4505	The First National Bank of Dushore, Dushore	0	1	1
1233	Easton National Bank and Trust Company, Easton	1	1	2
5118	The Northampton National Bank of Easton, Easton	0	1	1
5084	The First National Bank of Ebensburg, Ebensburg	0	1	1
870	Marine National Bank, Erie	0	1	1
13992	The First National Bank in Frackville, Frackville	1	0	1
13826	Valley National Bank, Freeport	0	1	1
5351	Southwest National Bank of Pennsylvania, Greensburg	0	1	1
5857	The Citizens National Bank of Greencastle, Greencastle	0	1	1
1081	The First National Bank of Green Castle, Greencastle	0	1	1
580	Commonwealth National Bank, Harrisburg	0	3	3
13994	Tri-Valley National Bank, Hegins	0	2	2
12098	The Moxham National Bank of Johnstown, Johnstown	1	0	1
2526	National Bank and Trust Company of Kennett Square, Kennett Square	0	1	1
5073	The Merchants National Bank of Kittanning, Kittanning	1	0	1
683	Lancaster County Farmers National Bank, Lancaster	0	1	1
694	National Central Bank, Lancaster	0	11	11
14133	Commercial National Bank of Westmoreland County, Latrobe	1	0	1
9207	Community National Bank of Southern Pennsylvania, Littlestown	0	1	1
13618	First Citizens National Bank, Mansfield	0	1	1
870	Marine National Bank, Meadville	0	1	1
7003	Swineford National Bank, Middleburg, Middleburg	0	1	1
357	Tri-County National Bank, Middleburg	1	0	1
5879	The First National Bank of Monaca, Monaca	0	2	2
2223	County National Bank of Montrose, Montrose	0	1	1
5686	The Second National Bank of Nazareth, Nazareth	0	1	1
324	The First National Bank and Trust Company of Newtown, Newtown	0	2	2
7910	The First National Bank of Nicholson, Nicholson	0	1	1
5227	The Cement National Bank, Northampton, Pa., Northampton	0	1	1
9149	The National Bank of North East, North East	1	1	2
11058	The Columbia County Farmers National Bank of Orangeville, Orangeville	0	1	1
539	The Philadelphia National Bank, Philadelphia	3	4	7
15422	Provident National Bank, Philadelphia	1	0	1
252	Pittsburgh National Bank, Pittsburgh	0	1	1
705	The Union National Bank of Pittsburgh, Pittsburgh	0	2	2
2222	Western Pennsylvania National Bank, Pittsburgh	0	3	3
649	The Miners National Bank of Pottsville, Pottsville	0	1	1
1663	Pennsylvania National Bank and Trust Company, Pottsville	0	3	3
13947	Scranton National Bank, Scranton	0	1	1
834	The First National Bank of Shippensburg, Shippensburg	1	0	1
2333	Union National Bank and Trust Company of Souderton, Souderton	0	1	1
42	The First National Bank of Strasburg, Strasburg	0	1	1
39	The First National Bank of Towanda, Towanda, Pennsylvania, Towanda	0	2	2
4984	The First National Bank of Troy, Troy	0	2	2
5034	Gallatin National Bank, Uniontown	0	1	1
4879	The Warren National Bank, Warren	0	1	1
5920	First National Bank & Trust Co., Washington, Pa., Washington	0	1	1
30	The First National Bank of Wilkes-Barre, Wilkes-Barre	0	1	1

TABLE B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1970

Charter No.	Title and location of bank	Branches opened for business		
		Local	Other than local	Total
	RHODE ISLAND			
1492	The Newport National Bank, Newport	1	0	1
13981	Columbus National Bank of Rhode Island, Providence	1	1	2
15664	Industrial National Bank of Rhode Island, Providence	0	1	1
	SOUTH CAROLINA			
14425	The Citizens and Southern National Bank of South Carolina, Charleston	0	4	4
2044	The South Carolina National Bank of Charleston, Charleston	0	9	9
13720	The First National Bank of South Carolina, Columbia	0	3	3
10635	The Peoples National Bank, Greenville	2	0	2
14448	Rock Hill National Bank, Rock Hill	1	0	1
15619	National Bank of Commerce of Spartanburg, Spartanburg	1	0	1
10660	The National Bank of South Carolina of Sumter, Sumter	1	1	2
	SOUTH DAKOTA			
12881	National Bank of South Dakota, Sioux Falls	0	1	1
10592	Northwestern National Bank of Sioux Falls, Sioux Falls	0	1	1
15639	United National Bank of Vermillion, Vermillion, South Dakota, Vermillion	0	1	1
	TENNESSEE			
14611	American National Bank and Trust Company of Chattanooga, Chattanooga	1	1	2
7848	The Hamilton National Bank of Chattanooga, Chattanooga	2	3	5
14760	Hamilton First National Bank, Clinton	0	1	1
12790	The National Bank of Commerce of Jackson, Jackson	1	0	1
10842	The First National Bank of Sullivan County, Kingsport	1	0	1
13539	The Hamilton National Bank of Knoxville, Knoxville	0	1	1
8934	The First National Bank of Lewisburg, Lewisburg	1	0	1
14279	The Blount National Bank of Maryville, Maryville	0	2	2
336	The First National Bank of Memphis, Memphis	1	0	1
13681	National Bank of Commerce, Memphis	1	0	1
13103	Third National Bank in Nashville, Nashville	1	0	1
9629	Old & Third National Bank of Union City, Union City	1	0	1
	UTAH			
2597	First Security Bank of Utah, National Association, Ogden	0	2	2
15196	Granite National Bank, Salt Lake City	1	0	1
4341	Zions First National Bank, Salt Lake City	0	10	10
	VERMONT			
1197	The Merchants National Bank of Burlington, Burlington	0	1	1
1698	The Howard National Bank and Trust Company, Burlington	0	1	1
1368	The National Bank of Derby Line, Derby Line	0	1	1
122	The First National Bank of Springfield, Springfield	0	1	1
	VIRGINIA			
14223	The Washington County National Bank of Abingdon, Abingdon	0	1	1
7093	Alexandria National Bank, Alexandria	0	1	1
15390	First Virginia Bank-Monticello National Bank, Charlottesville	1	0	1
15221	The American Bank N.A., Falls Church	0	1	1
10618	National Bank and Trust Company, Charlottesville	0	1	1
14904	Security National Bank, Bailey's Cross Roads, Falls Church	0	1	1
5683	The First National Bank of Farmville, Farmville	0	1	1
1582	The National Bank of Fredericksburg, Fredericksburg	1	0	1
1572	The First National Bank of Harrisonburg, Harrisonburg	1	0	1
15315	Fairfield National Bank of Highland Springs, Highland Springs	0	1	1
5290	Chesapeake National Bank, Kilmarnock	0	1	1
5032	First Virginia Bank-Manassas National, Manassas	0	2	2
10253	Marshall National Bank and Trust Company, Marshall	0	1	1
14965	Suburban National Bank of Virginia, McLean	1	2	3

TABLE B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1970

Charter No.	Title and location of bank	Branches opened for business		
		Local	Other than local	Total
	VIRGINIA—continued			
15461	First National Bank of Norfolk, Norfolk	0	1	1
10194	United Virginia-Seaboard National, Norfolk	1	1	2
9885	Virginia National Bank, Norfolk	2	5	7
5438	The National Bank of Orange, Orange	0	2	2
11381	American National Bank, Portsmouth	1	0	1
1111	First & Merchants National Bank, Richmond	0	3	3
15530	Metropolitan National Bank, Richmond	0	1	1
15027	Richmond National Bank, Richmond	0	1	1
15567	Second National Bank of Richmond, Richmond	0	1	1
11817	The Colonial-American National Bank of Roanoke, Roanoke	1	0	1
1620	United Virginia Bank/National Valley, Staunton	1	0	1
6123	Tazewell National Bank, Tazewell	1	0	1
6084	Farmers and Merchants National Bank, Winchester	1	0	1
	WASHINGTON			
14990	Northshore First National Bank, Bothell	0	1	1
11285	The First National Bank of Poulsbo, Poulsbo	0	1	1
4375	The National Bank of Commerce of Seattle, Seattle	2	3	5
13230	The Pacific National Bank of Seattle, Seattle	1	0	1
3417	Pacific National Bank of Washington, Seattle	0	1	1
14394	Peoples National Bank of Washington, Seattle	1	2	3
11280	Seattle-First National Bank, Seattle	1	5	6
4668	Old National Bank of Washington, Spokane	1	6	7
12292	Puget Sound National Bank, Tacoma	1	0	1
	WISCONSIN			
2725	The First National Bank and Trust Company of Beloit, Beloit	0	1	1
555	First Wisconsin National Bank of Fond Du Lac, Fond Du Lac	0	1	1
144	First Wisconsin National Bank of Madison, Madison	0	1	1
1602	The First National Bank of Neenah, Neenah	0	1	1
6604	First National Bank in Oshkosh, Oshkosh	1	0	1
4312	The First National Bank of Rhinelander, Rhinelander	0	1	1
5633	First National Bank of Sturgeon Bay, Sturgeon Bay	0	1	1
1086	First National Bank of Waukesha, Waukesha	0	1	1
	VIRGIN ISLANDS			
14335	Virgin Islands National Bank, Charlotte Amalie, St. Thomas	0	1	1

Table B–20

Domestic branches of National banks closed, by States, calendar 1970

Charter No.	Title and location of bank	Branches closed: Local	Branches closed: Other than local	Branches closed: Total
	Total	44	60	104
	CALIFORNIA			
15331	Republic National Bank and Trust Company, Beverly Hills	0	4	4
2491	Security-Pacific National Bank, Los Angeles	0	1	1
3050	Southern California First National Bank, San Diego	1	0	1
15330	Commonwealth National Bank, San Francisco	3	3	6
13044	Bank of America National Trust and Savings Association, San Francisco	1	3	4
1741	Crocker-Citizens National Bank, San Francisco	0	1	1
15660	Wells Fargo Bank, National Association, San Francisco	1	1	2
15216	Citrus National Bank, West Covina	0	1	1
15488	Southland National Bank, Yucaipa	0	2	2
	CONNECTICUT			
13704	The Tradesmens National Bank of New Haven, New Haven	2	1	3
	DISTRICT OF COLUMBIA			
2038	The First National Bank of Washington, Washington	1	0	1
	GEORGIA			
14900	The Chamblee National Bank, Chamblee	1	0	1
	INDIANA			
9381	The First-Merchants National Bank of Michigan City, Michigan City	0	1	1
	IOWA			
117	The First National Bank of Marion, Marion	1	0	1
	MAINE			
4128	Maine National Bank, Portland	1	0	1
	MARYLAND			
15102	National City Bank of Baltimore, Baltimore	1	2	3
14985	Metropolitan National Bank of Maryland, Wheaton	0	5	5
	MASSACHUSETTS			
15399	Commonwealth National Bank, Boston	4	1	5
6077	Union National Bank, Lowell	0	1	1
	MICHIGAN			
14925	City National Bank of Detroit, Detroit	2	0	2
13671	National Bank of Detroit, Detroit	1	0	1
13739	Community National Bank of Pontiac, Pontiac	0	1	1
	NEW JERSEY			
10471	The Clayton National Bank, Clayton	0	2	2
15419	Eatontown National Bank, Eatontown	1	1	2
8267	The Peoples National Bank of Hackettstown, Hackettstown	1	2	3
1113	The First National Iron Bank of New Jersey, Morristown	0	1	1
15327	First National Bank of Scotch Plains, Scotch Plains	1	1	2
10142	The National Bank of Westfield, Westfield	0	1	1
	NEW YORK			
2370	The Chase Manhattan Bank (National Association), New York	1	0	1
465	Marine Midland Bank of Sotheastern New York, N.A., Poughkeepsie	0	1	1

TABLE B-20—Continued

Domestic branches of National banks closed, by States, calendar 1970

Charter No.	Title and location of bank	Branches closed		
		Local	Other than local	Total
	NORTH CAROLINA			
15650	First Union National Bank of North Carolina, Charlotte	1	0	1
13761	North Carolina National Bank, Charlotte	0	1	1
10608	The Planters National Bank and Trust Company, Rocky Mount	1	0	1
15673	Wachovia Bank and Trust Company, N.A., Winston-Salem	0	2	2
	OHIO			
183	The First National Bank of Ashland, Ashland	0	1	1
	OKLAHOMA			
5911	The First National Bank of Cleveland, Cleveland	1	0	1
12890	The Commercial National Bank in Muskogee, Muskogee	1	0	1
15333	Founders National Bank of Oklahoma City, Oklahoma City	1	0	1
13891	First National Bank and Trust Company, Ponca City	1	0	1
9942	The National Bank of Commerce of Tulsa, Tulsa	1	0	1
	OREGON			
15583	Crater National Bank of Medford, Medford	0	1	1
	PENNSYLVANIA			
593	National Valley Bank and Trust Company, Chambersburg	5	7	12
573	The Doylestown National Bank and Trust Company, Doylestown	1	4	5
5019	Dubois Deposit National Bank, Dubois	0	1	1
4011	The East Stroudsburg National Bank, East Stroudsburg	1	0	1
5879	The First National Bank of Monaca, Monaca	0	1	1
252	Pittsburgh National Bank, Pittsburgh	1	0	1
705	The Union National Bank of Pittsburgh, Pittsburgh	0	1	1
694	National Bank & Trust Company of Central Pennsylvania, York	0	2	2
	SOUTH CAROLINA			
2044	The South Carolina National Bank of Charleston, Charleston	1	0	1
9407	The Peoples National Bank of Rock Hill, Rock Hill	1	0	1
15619	National Bank of Commerce of Spartanburg, Spartanburg	1	1	2
	TENNESSEE			
14611	American National Bank and Trust Company of Chattanooga, Chattanooga	1	0	1
	VIRGINIA			
5290	Chesapeake National Bank, Kilmarnock	0	1	1
11817	The Colonial-American National Bank of Roanoke, Roanoke	1	0	1

Table B–21

Outstanding balances, credit cards and related plans of National banks, Dec. 31, 1970

	Credit cards			Other revolving credit plans		
	Number of banks	*Outstanding volume* [dollar amounts in millions]	*Average balance per card*†	*Number of banks*	*Outstanding volume* [dollar amounts in millions]	*Average balance per account*‡
United States	688	$2,755	$211	660	$753	$661
Alabama	17	49	229	7	3	643
Alaska	1	*	*	0	*	*
Arizona	2	*	*	2	*	*
Arkansas	3	8	283	6	1	316
California	32	515	238	16	139	517
Colorado	26	56	157	25	10	553
Connecticut	5	37	254	11	6	598
Delaware	0	0	0	0	0	0
District of Columbia	1	*	*	1	*	*
Florida	58	81	185	40	23	1,320
Georgia	21	123	260	8	11	1,338
Hawaii	0	0	0	0	0	0
Idaho	3	12	223	1	*	*
Illinois	28	83	190	49	23	800
Indiana	33	35	221	13	9	460
Iowa	5	9	126	13	2	370
Kansas	4	21	159	10	1	417
Kentucky	30	29	191	7	3	637
Louisiana	5	32	268	5	6	751
Maine	13	6	175	7	1	395
Maryland	3	39	194	3	5	1,092
Massachusetts	45	50	198	34	59	753
Michigan	18	84	178	19	26	736
Minnesota	2	*	*	50	18	635
Mississippi	2	*	*	3	2	542
Missouri	6	53	199	14	9	676
Montana	3	1	139	8	—	291
Nebraska	5	34	153	14	2	386
Nevada	3	11	218	1	*	*
New Hampshire	28	7	177	6	2	669
New Jersey	15	19	165	20	28	1,095
New Mexico	4	11	214	2	*	*
New York	28	350	229	27	157	793
North Carolina	8	76	237	5	26	486
North Dakota	0	0	0	6	1	476
Ohio	102	171	268	45	19	429
Oklahoma	6	38	200	14	3	424
Oregon	2	*	*	1	*	*
Pennsylvania	20	88	215	34	74	1,075
Rhode Island	4	22	245	2	*	*
South Carolina	5	32	223	2	*	*
South Dakota	0	0	0	4	—	518
Tennessee	11	70	200	9	7	443
Texas	32	111	186	32	7	409
Utah	6	17	243	1	*	*
Vermont	5	3	173	2	*	*
Virginia	16	74	221	17	8	474
Washington	6	73	230	5	8	493
West Virginia	6	9	258	5	—	363
Wisconsin	3	28	198	42	14	564
Wyoming	7	1	112	12	2	453
Virgin Islands	0	0	0	0	0	0

*State figures are withheld when they represent less than three banks. However, these amounts are included in the National totals.

†Average balance for cards with outstanding balances on Dec. 31, 1970.

‡Average balance for accounts with outstanding balances on Dec. 31, 1970.

Note: Dashes indicate amounts less than $500,000.

Table B–22

Principal assets, liabilities, and capital accounts of National banks, by deposit size, year-end 1969 and 1970

[Dollar amounts in millions]

	Number of banks	Total assets	Cash and cash items	Loans*	Securities*		Fixed assets	Deposits			Capital stock	Capital notes and debentures	Surplus, undivided profits, and reserves
					Total	U.S. Treasury securities		Total	Demand	Time and savings			
1970													
Deposit Size													
Less than $1.0	24	$40	$8	$10	$18	$14	$1	$18	$14	$4	$8	$0	$11
1.0 to 1.9	97	184	30	77	62	43	4	154	94	60	7	0	19
2.0 to 4.9	636	2,581	377	1,176	874	536	39	2,278	1,120	1,157	60	0	190
5.0 to 9.9	1,132	9,384	1,287	4,443	3,078	1,553	160	8,373	3,911	4,462	187	3	578
10.0 to 24.9	1,456	25,616	3,374	12,346	8,290	3,801	456	22,856	10,257	12,598	491	22	1,423
25.0 to 49.9	624	24,413	3,279	12,093	7,479	3,002	464	21,580	9,774	11,806	473	36	1,270
50.0 to 99.9	305	23,928	3,366	12,094	6,980	2,860	456	21,046	9,705	11,341	480	49	1,216
100.0 to 499.9	265	66,737	11,814	33,661	17,006	8,470	1,214	57,498	30,345	27,155	1,326	166	3,328
500.0 and over	82	188,023	32,505	101,302	40,459	13,944	3,117	149,981	79,902	70,079	3,488	885	9,159
Total	4,621	340,906	56,040	177,202	84,246	34,223	5,911	283,784	145,122	138,662	6,520	1,161	17,194
1969													
Deposit Size													
Less than $1.0	21	21	5	7	7	5	1	16	12	4	2	0	3
1.0 to 1.9	120	217	37	93	77	58	2	187	116	71	6	0	20
2.0 to 4.9	758	3,070	456	1,429	1,013	635	46	2,725	1,382	1,343	70	1	218
5.0 to 9.9	1,184	9,813	1,325	4,761	3,185	1,643	164	8,765	4,207	4,558	203	3	591
10.0 to 24.9	1,403	24,607	3,283	12,228	7,782	3,612	437	21,939	10,174	11,765	488	20	1,357
25.0 to 49.9	584	22,745	3,126	11,811	6,720	2,880	424	20,098	9,557	10,541	463	39	1,174
50.0 to 99.9	272	21,301	3,065	11,151	6,095	2,594	385	18,733	9,066	9,666	444	42	1,065
100.0 to 499.9	253	61,624	11,246	32,756	14,662	6,125	1,148	52,977	29,753	23,224	1,296	155	3,112
500.0 and over	74	170,650	32,184	97,466	30,576	12,037	2,673	130,982	76,823	54,160	3,256	861	8,366
Total	4,669	314,048	54,727	171,702	70,117	29,589	5,280	256,426	141,092	115,334	6,228	1,120	15,906

*Loans and securities figures are shown gross; reserves are not deducted from the respective assets.

NOTE: Data may not add to totals because of rounding.

Table B–23

Dates of reports of condition of National banks, 1914–70

[For dates of previous calls see *Annual Report* for 1920, vol. 2, table No. 42, p. 150]

Year	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*
1914	13		4			30			12	31		31
1915			4		1	23			2		10	31
1916			7		1	30			12		17	27
1917			5		1	20			11		20	31
1918			4		10	29		31			1	31
1919			4		12	30			12		17	31
1920		28			4	30			8		15	29
1921		21		28		30			6			31
1922			10		5	30			15			29
1923				3		30			14			31
1924			31			30				10		31
1925				6		30			28			31
1926				12		30						31
1927			23			30				10		31
1928		28				30				3		31
1929			27			29				4		31
1930			27			30			24			31
1931			25			30			29			31
1932						30			30			31
1933						30				25		30
1934			5			30				17		31
1935			4			29					1	31
1936			4			30						31
1937			31			30						31
1938			7			30			28			31
1939			29			30				2		30
1940			26			29						31
1941				4		30			24			31
1942				4		30						31
1943						30				18		31
1944				13		30						30
1945			20			30						31
1946						29			30			31
1947						30				6		31
1948				12		30						31
1949				11		30					1	31
1950				24		30				4		30
1951				9		30				10		31
1952			31			30			5			31
1953				20		30			30			31
1954				15		30				7		31
1955				11		30				5		31
1956				10		30			26			31
1957			14			6				11		31
1958			4			23			24			31
1959			12			10				6		31
1960			15			15				3		31
1961				12		30			27			30
1962			26			30			28			28
1963			18			29			30			20
1964				15		30				1		31
1965				26		30				13		31
1966				5		30			20			31
1967				25		30				4		30
1968				18		29				30		31
1969				30		30				21		31
1970				30		30				28		31

See Notes on next page.

NOTES

Act of Feb. 25, 1863, provided for reports of condition on the 1st of each quarter before commencement of business.

Act of June 3, 1864—1st Monday of January, April, July, and October, before commencement of business, on form prescribed by Comptroller (in addition to reports on 1st Tuesday of each month showing condition at commencement of business in respect to certain items; i.e., loans, specie, deposits, and circulation).

Act of Mar. 3, 1869, not less than 5 reports per year, on form prescribed by Comptroller, at close of business on any past date by him specified.

Act of Dec. 28, 1922, minimum number of calls reduced from 5 to 3 per year.

Act of Feb. 25, 1927, authorized a vice president or an assistant cashier designated by the board of directors to verify reports of condition in absence of president and cashier.

Act of June 16, 1933, requires each National bank to furnish and publish not less than 3 reports each year of affiliates other than member banks, as of dates identical with those for which the Comptroller shall during such year require reports of conditions of the bank. The report of each affiliate shall contain such infomation as in the judgment of the Comptroller shall be necessary to disclose fully the relations between the affiliate and the bank and to enable the Comptroller to inform himself as to the effect of such relations upon the affairs of the bank.

Sec. 21(a) of the Banking Act of 1933 provided, in part, that after June 16, 1934, it would be unlawful for any private bank not under State supervision to continue the transaction of business unless it submitted to periodic examination by the Comptroller of the Currency or the Federal Reserve bank of the district, and made and published periodic reports of condition the same as required of National banks under sec. 5211, U.S.R.S. Sec. 21(a) of the Banking Act of 1933, however, was amended by sec. 303 of the Banking Act of 1935, approved Aug. 23, 1935, under the provisions of which private banks are no longer required to submit to examination by the Comptroller or Federal Reserve bank, nor are they required to make to the Comptroller and to publish periodic reports of condition. (Five calls for reports of condition of private banks were made by the Comptroller, the first one for June 30, 1934, and the last one for June 29, 1935.)

Sec. 7(a)(3) of the Federal Deposit Insurance Act (Title 12, U.S.C., sec. 1817(a)) of July 14, 1960, provides, in part that, effective Jan. 1, 1961, each insured National bank shall make to the Comptroller of the Currency 4 reports of condition annually upon dates to be selected by the Comptroller, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation, or a majority thereof. Two dates shall be selected within the semiannual period of January to June, inclusive, and 2 within the semiannual period of July to December, inclusive, Sec. 161 of Title 12 also provides that the Comptroller of the Currency may call for additional reports of conditions, in such form and containing such information as he may prescribe, on dates to be fixed by him, and may call for special reports from any particular association whenever in his judgment the same are necessary for use in the performance of his supervisory duties.

Table B–24

Total and principal assets of National banks, by States, June 30, 1970

[Dollar amounts in millions]

	Number of banks	Total assets	Cash assets*	Securities, gross†			Loans, gross	Federal funds sold§	Direct lease financing
				U.S. Government obligations‡	State and local	Other			
United States	4,638	$312,621	$51,953	$33,003	$37,064	$1,460	$169,915	$6,544	$759
Alabama	89	3,351	519	420	450	8	1,753	95	—
Alaska	5	449	67	73	75	1	208	7	—
Arizona	4	2,631	340	156	264	5	1,736	32	1
Arkansas	68	1,574	265	199	216	5	792	41	—
California	64	42,650	6,387	3,621	4,865	186	24,473	836	296
Colorado	121	3,283	597	322	321	9	1,830	62	4
Connecticut	26	2,622	392	145	357	11	1,556	72	1
Delaware	5	35	4	9	1	—	17	3	0
District of Columbia	11	2,067	383	355	174	9	1,057	35	2
Florida	213	8,932	1,618	1,263	1,312	30	4,059	342	6
Georgia	62	4,431	863	290	420	30	2,500	114	11
Hawaii	1	79	11	17	9	—	38	0	0
Idaho	8	997	137	90	148	2	588	4	0
Illinois	414	25,698	3,387	3,538	3,180	160	13,769	525	68
Indiana	123	6,958	1,287	961	677	28	3,568	262	13
Iowa	99	2,235	460	332	237	5	1,129	20	1
Kansas	171	2,673	428	439	344	15	1,279	94	1
Kentucky	80	2,204	359	336	253	8	1,126	69	1
Louisiana	49	3,789	653	622	453	9	1,827	107	2
Maine	20	684	98	56	115	2	377	15	—
Maryland	44	2,798	471	300	321	11	1,481	137	3
Massachusetts	85	8,674	1,632	679	950	33	4,828	129	49
Michigan	99	12,310	1,869	1,479	1,368	73	6,928	252	13
Minnesota	199	6,341	977	756	711	25	3,623	56	19
Mississippi	38	1,622	259	221	187	4	855	40	0
Missouri	98	5,144	930	600	543	25	2,767	129	21
Montana	49	881	116	128	116	2	484	5	—
Nebraska	126	2,430	467	322	255	8	1,260	48	—
Nevada	4	821	98	99	97	1	450	43	—
New Hampshire	50	699	111	80	70	2	399	20	0
New Jersey	131	10,560	1,352	1,200	1,785	72	5,709	179	3
New Mexico	33	1,020	158	126	124	2	539	41	1
New York	172	49,226	10,804	3,528	4,747	245	26,536	487	160
North Carolina	22	4,801	814	381	670	11	2,734	16	6
North Dakota	42	769	91	118	92	1	441	4	0
Ohio	217	13,344	1,854	1,740	1,907	63	7,195	258	14
Oklahoma	208	4,349	781	598	547	80	2,009	223	8
Oregon	10	3,485	561	290	435	7	2,022	8	6
Pennsylvania	304	19,266	2,536	2,101	2,541	111	10,913	487	20
Rhode Island	5	1,643	156	165	225	4	1,047	3	—
South Carolina	20	1,492	260	168	162	4	785	65	0
South Dakota	33	912	105	135	109	2	531	1	—
Tennessee	77	5,181	983	550	570	19	2,713	189	2
Texas	527	19,251	3,698	1,970	2,542	72	9,701	501	6
Utah	10	918	161	84	90	3	534	14	3
Vermont	26	475	53	47	57	3	297	7	—
Virginia	102	5,047	669	543	642	14	2,950	74	1
Washington	27	5,242	725	449	573	13	2,977	234	3
West Virginia	84	1,534	206	312	204	5	700	58	2
Wisconsin	122	4,330	705	481	470	15	2,445	80	8
Wyoming	40	574	80	90	64	2	307	11	—
Virgin Islands	1	141	12	21	19	—	74	10	0
District of Columbia—all ‖	14	3,057	554	502	292	14	1,576	48	2

*Cash, balances with other banks, and cash items in process of collection.
†Includes investment securities and securities held in trading accounts.
‡Includes U.S. Treasury securities and obligations of other U.S. Government agencies.
§Also includes securities purchased under agreements to resell.
‖Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

TABLE B–25

Total and principal liabilities of National banks, by States, June 30, 1970

[Dollar amounts in millions]

	Total liabilities	Deposits						Reserves on loans and securities
		Total deposits	Demand deposits, total	Time and savings deposits, total	Demand deposits IPC*	Time deposits IPC	Federal funds purchased†	
United States	$284,710	$254,382	$133,342	$121,040	$98,207	$105,859	$11,346	$3,799
Alabama	3,023	2,899	1,568	1,331	1,197	1,237	25	39
Alaska	416	408	201	207	161	109	0	6
Arizona	2,428	2,326	1,025	1,302	815	1,184	25	26
Arkansas	1,422	1,369	762	607	583	565	28	14
California	39,458	34,817	14,787	20,030	11,976	16,637	1,850	518
Colorado	2,999	2,761	1,517	1,244	1,155	1,072	117	34
Connecticut	2,389	2,255	1,253	1,002	1,040	941	25	31
Delaware	32	31	14	17	13	17	0	—
District of Columbia	1,875	1,817	1,121	696	981	674	15	20
Florida	8,173	7,726	4,175	3,551	3,093	3,180	213	76
Georgia	3,997	3,396	2,093	1,303	1,529	1,164	356	50
Hawaii	73	71	26	44	22	26	0	—
Idaho	920	873	403	470	315	446	12	10
Illinois	23,251	20,176	10,598	9,577	7,723	8,365	981	380
Indiana	6,381	5,928	3,077	2,852	2,040	2,695	226	68
Iowa	2,043	1,978	1,076	902	700	851	24	23
Kansas	2,401	2,309	1,290	1,019	846	870	27	22
Kentucky	1,998	1,925	1,062	863	867	823	28	25
Louisiana	3,415	3,236	1,837	1,399	1,348	1,126	74	39
Maine	619	586	294	292	246	281	8	7
Maryland	2,559	2,383	1,392	991	1,045	967	92	28
Massachusetts	7,863	6,398	4,569	1,829	3,137	1,536	456	111
Michigan	11,334	10,457	4,076	6,382	3,167	5,494	266	148
Minnesota	5,810	5,081	2,613	2,468	1,739	2,370	389	66
Mississippi	1,475	1,372	796	576	533	501	62	18
Missouri	4,608	4,140	2,648	1,492	1,833	1,401	342	55
Montana	812	758	315	443	244	410	18	11
Nebraska	2,204	2,043	1,142	901	807	874	123	28
Nevada	753	732	330	402	263	330	0	7
New Hampshire	622	578	354	223	287	218	7	8
New Jersey	9,640	9,205	4,185	5,020	3,396	4,860	85	122
New Mexico	934	890	482	408	359	338	15	11
New York	44,634	36,038	23,280	12,758	15,039	10,019	2,346	768
North Carolina	4,367	3,904	2,184	1,720	1,653	1,473	207	59
North Dakota	705	675	265	410	217	390	8	9
Ohio	12,102	11,208	5,153	6,055	3,965	5,631	413	145
Oklahoma	3,911	3,677	2,170	1,507	1,560	1,290	155	39
Oregon	3,218	3,030	1,301	1,728	1,083	1,529	53	37
Pennsylvania	17,291	15,915	7,370	8,544	5,916	7,749	480	229
Rhode Island	1,491	1,277	571	706	443	700	150	18
South Carolina	1,361	1,288	916	371	738	351	6	17
South Dakota	836	805	329	476	261	433	3	13
Tennessee	4,711	4,378	2,299	2,079	1,525	1,710	148	52
Texas	17,466	15,871	9,449	6,421	6,819	5,210	904	217
Utah	842	760	345	414	264	367	52	9
Vermont	435	422	154	268	130	262	1	4
Virginia	4,606	4,321	1,916	2,405	1,554	2,271	111	52
Washington	4,805	4,277	2,003	2,275	1,662	2,125	289	60
West Virginia	1,380	1,311	634	676	483	663	30	15
Wisconsin	3,971	3,679	1,651	2,029	1,253	1,827	93	52
Wyoming	518	500	236	264	168	239	6	4
Virgin Islands	133	121	32	88	15	57	0	1
District of Columbia—all‡	2,774	2,657	1,601	1,056	1,412	1,005	57	27

*IPC deposits are those of individuals, partnerships, and corporations.
†Also includes securities sold under agreements to repurchase.
‡Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.
NOTE: Data may not add to totals because of rounding. Dashes indicate amounts less than $500,000.

TABLE B-26

Capital accounts of National banks, by States, June 30, 1970

[Dollar amounts in millions]

	Total capital accounts	Debentures	Preferred stock	Common stock	Surplus	Undivided profits	Capital reserves
United States	$24,112	$1,136	$63	$6,357	$10,438	$5,437	$681
Alabama	288	—	0	84	120	72	11
Alaska	27	—	0	9	10	8	—
Arizona	177	26	0	37	72	43	0
Arkansas	138	6	0	36	52	40	4
California	2,675	193	0	701	1,163	575	44
Colorado	251	5	—	74	103	67	1
Connecticut	202	12	0	50	104	36	—
Delaware	3	0	0	1	1	1	—
District of Columbia	171	1	2	39	81	47	1
Florida	684	30	0	223	274	138	19
Georgia	384	54	0	76	136	84	34
Hawaii	5	2	0	2	1	1	0
Idaho	67	0	0	19	33	15	0
Illinois	2,067	26	—	616	903	374	148
Indiana	509	4	0	122	227	148	8
Iowa	170	2	0	41	66	57	4
Kansas	250	7	—	68	98	74	3
Kentucky	181	0	0	37	94	46	4
Louisiana	335	8	3	76	173	75	1
Maine	58	0	0	20	20	16	1
Maryland	211	3	0	52	96	52	8
Massachusetts	700	22	0	155	340	155	28
Michigan	829	122	4	202	318	169	13
Minnesota	465	23	0	130	163	143	6
Mississippi	129	6	0	32	83	7	1
Missouri	481	27	4	116	177	151	7
Montana	58	1	0	22	22	12	—
Nebraska	199	3	—	48	67	77	3
Nevada	61	0	0	22	21	18	—
New Hampshire	69	—	0	14	37	17	1
New Jersey	798	39	—	215	354	174	15
New Mexico	76	1	0	24	24	15	12
New York	3,824	280	41	995	1,719	640	149
North Carolina	375	50	0	74	164	83	4
North Dakota	54	2	0	16	20	15	1
Ohio	1,097	28	0	295	502	266	4
Oklahoma	399	21	—	106	137	132	3
Oregon	230	0	0	80	83	67	—
Pennsylvania	1,746	61	7	360	858	405	55
Rhode Island	135	—	0	29	73	33	—
South Carolina	114	0	0	25	54	32	3
South Dakota	63	1	0	18	24	19	—
Tennessee	418	19	0	108	173	109	9
Texas	1,568	41	1	500	620	361	46
Utah	66	0	0	21	34	11	0
Vermont	36	1	1	10	13	11	1
Virginia	388	2	0	116	169	101	2
Washington	377	0	0	113	141	112	10
West Virginia	139	2	0	30	68	35	5
Wisconsin	307	4	0	87	125	80	9
Wyoming	51	2	0	6	24	18	1
Virgin Islands	7	0	0	—	4	2	—
District of Columbia—all*	256	13	2	50	113	76	2

*Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

NOTE: Data may not add to totals because of rounding. Dashes indicate amounts less than $500,000.

TABLE B–27

Total and principal assets of National banks, by States, Dec. 31, 1970

[Dollar amounts in millions]

	Number of banks	Total assets	Cash assets*	Securities, gross†			Loans, gross	Federal funds sold§	Direct lease financing
				U.S. Government obligations‡	State and local	Other			
United States	4,621	$340,906	$56,040	$40,905	$41,542	$1,800	$177,202	$10,436	$790
Alabama	89	3,792	655	512	559	8	1,810	138	1
Alaska	5	484	71	75	98	2	216	2	—
Arizona	3	2,897	341	209	356	7	1,875	1	3
Arkansas	69	1,759	338	243	228	4	818	67	—
California	60	45,938	6,600	5,233	5,002	247	25,349	1,221	295
Colorado	122	3,676	691	397	360	10	1,960	111	4
Connecticut	26	2,913	444	163	515	13	1,668	10	1
Delaware	5	39	4	10	1	—	19	3	0
District of Columbia	11	2,219	391	374	209	11	1,072	102	2
Florida	215	10,196	2,078	1,503	1,509	28	4,297	441	6
Georgia	62	4,639	841	335	436	34	2,540	213	9
Hawaii	1	82	10	14	8	—	44	3	0
Idaho	7	1,066	131	110	180	3	606	7	0
Illinois	414	27,821	3,896	4,240	3,362	170	14,268	678	65
Indiana	122	7,758	1,534	1,107	757	25	3,668	486	17
Iowa	99	2,463	519	378	265	8	1,170	67	3
Kansas	171	2,928	493	541	353	32	1,321	107	1
Kentucky	80	2,495	432	400	272	7	1,175	151	2
Louisiana	49	4,161	784	715	475	10	1,902	160	2
Maine	19	730	108	71	96	2	401	32	—
Maryland	42	2,935	544	325	393	9	1,488	95	3
Massachusetts	86	9,369	1,714	958	1,104	111	4,859	211	58
Michigan	101	13,483	2,207	1,683	1,597	75	7,444	109	13
Minnesota	199	6,938	1,204	1,016	747	15	3,643	109	17
Mississippi	38	1,733	276	254	193	6	896	51	1
Missouri	98	5,953	1,250	770	618	25	2,830	308	19
Montana	49	978	123	175	129	3	498	24	—
Nebraska	125	2,643	519	383	274	6	1,318	73	—
Nevada	4	884	103	127	114	1	485	19	—
New Hampshire	48	768	116	103	66	2	409	52	0
New Jersey	129	11,531	1,518	1,489	1,947	81	5,927	280	3
New Mexico	33	1,135	189	137	165	3	572	38	1
New York	169	51,565	9,063	4,623	5,644	309	28,315	796	186
North Carolina	22	5,376	903	526	807	17	2,843	73	5
North Dakota	42	836	100	155	104	1	443	12	0
Ohio	217	14,349	2,101	2,148	2,052	73	7,175	448	13
Oklahoma	203	4,914	913	649	639	96	2,104	395	7
Oregon	10	3,865	606	362	574	8	2,104	41	5
Pennsylvania	299	21,135	3,154	2,372	2,942	127	11,028	937	20
Rhode Island	5	1,696	170	116	236	4	1,101	23	1
South Carolina	19	1,652	314	218	184	7	814	62	0
South Dakota	33	1,003	125	161	132	2	545	9	—
Tennessee	77	5,770	1,128	636	658	20	2,909	240	2
Texas	530	22,088	4,291	2,455	2,762	110	10,591	1,123	6
Utah	10	1,021	181	97	104	5	572	30	2
Vermont	26	521	58	50	59	3	318	21	—
Virginia	101	5,523	737	627	723	17	3,150	106	2
Washington	25	5,905	895	590	696	14	2,998	446	3
West Virginia	85	1,696	222	344	219	6	744	110	2
Wisconsin	125	4,799	838	589	529	20	2,508	170	9
Wyoming	41	646	104	117	70	2	317	14	—
Virgin Islands	1	141	12	21	19	—	74	10	0
District of Columbia—all ‖	14	3,233	571	531	326	17	1,576	134	2

*Cash, balances with other banks, and cash items in process of collection.
†Includes investment securities and securities held in trading accounts.
‡Includes U.S. Treasury securities and obligations of other U.S. Government agencies.
§Also includes securities purchased under agreement to resell.
‖Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

Table B–28

Total and principal liabilities of National banks, by States, Dec. 31, 1970

[Dollar amounts in millions]

	Total liabilities	Deposits					Federal funds purchased†	Reserves on loans and securities
		Total deposits	Demand deposits, total	Time and savings deposits, total	Demand deposits IPC*	Time deposits IPC		
United States	$312,194	$283,784	$145,122	$138,662	$107,768	$119,843	$11,830	$3,836
Alabama	3,457	3,302	1,829	1,473	1,319	1,349	47	40
Alaska	449	437	197	241	159	121	0	6
Arizona	2,691	2,533	1,053	1,480	883	1,308	72	27
Arkansas	1,601	1,558	890	667	669	614	16	15
California	42,671	38,829	15,737	23,092	13,114	18,691	1,675	513
Colorado	3,379	3,141	1,671	1,470	1,285	1,278	100	34
Connecticut	2,674	2,504	1,374	1,131	1,157	1,019	51	31
Delaware	36	35	15	20	14	20	0	—
District of Columbia	2,022	1,951	1,181	770	1,015	743	26	20
Florida	9,398	8,957	4,871	4,086	3,457	3,474	181	77
Georgia	4,196	3,705	2,285	1,420	1,651	1,255	274	51
Hawaii	76	74	31	43	24	29	0	—
Idaho	985	941	439	502	340	471	2	10
Illinois	25,344	22,362	11,445	10,917	8,494	9,707	1,453	376
Indiana	7,161	6,502	3,467	3,034	2,200	2,901	399	68
Iowa	2,264	2,187	1,181	1,005	781	942	36	24
Kansas	2,643	2,529	1,433	1,096	938	948	45	22
Kentucky	2,281	2,198	1,258	939	992	881	37	26
Louisiana	3,779	3,614	2,071	1,543	1,501	1,286	56	43
Maine	663	630	315	314	266	296	8	8
Maryland	2,691	2,539	1,470	1,068	1,130	1,017	65	28
Massachusetts	8,524	7,178	4,811	2,367	3,431	2,009	747	113
Michigan	12,477	11,363	4,462	6,901	3,363	5,857	360	149
Minnesota	6,390	5,858	3,001	2,857	1,970	2,653	303	66
Mississippi	1,581	1,493	866	627	607	552	43	21
Missouri	5,406	4,853	3,201	1,652	2,054	1,575	433	53
Montana	906	862	369	493	277	447	9	11
Nebraska	2,418	2,323	1,340	983	925	950	52	27
Nevada	813	788	348	440	287	364	0	7
New Hampshire	688	636	397	239	304	230	10	8
New Jersey	10,572	10,134	4,692	5,442	3,752	5,165	61	124
New Mexico	1,045	1,003	514	489	395	380	13	11
New York	46,884	39,610	23,051	16,558	15,477	13,312	1,741	773
North Carolina	4,913	4,516	2,479	2,038	1,935	1,655	99	58
North Dakota	770	742	306	436	244	415	2	9
Ohio	13,070	12,268	5,602	6,666	4,390	6,064	359	144
Oklahoma	4,469	4,187	2,399	1,788	1,734	1,516	173	40
Oregon	3,594	3,367	1,358	2,009	1,140	1,651	73	38
Pennsylvania	19,095	17,804	8,467	9,337	6,740	8,467	638	234
Rhode Island	1,541	1,434	581	853	484	805	43	17
South Carolina	1,517	1,415	1,020	395	827	372	19	18
South Dakota	922	892	369	524	295	469	1	13
Tennessee	5,280	4,906	2,630	2,276	1,745	1,942	185	51
Texas	20,232	18,385	10,714	7,671	7,659	6,176	1,238	226
Utah	943	872	402	470	315	392	28	9
Vermont	480	467	173	294	143	281	0	5
Virginia	5,068	4,749	2,102	2,647	1,750	2,456	125	55
Washington	5,453	4,851	2,284	2,567	1,910	2,339	418	61
West Virginia	1,537	1,446	705	741	539	721	44	15
Wisconsin	4,424	4,168	1,956	2,212	1,471	1,963	67	52
Wyoming	588	569	278	291	200	259	4	5
Virgin Islands	133	121	32	88	15	57	0	1
District of Columbia—all‡	2,942	2,851	1,717	1,134	1,488	1,099	30	27

*IPC deposits are those of individuals, partnerships, and corporations.
†Also includes securities sold under agreements to repurchase.
‡Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.
Note: Data may not add to totals because of rounding. Dashes indicate amounts less than $500,000.

TABLE B–29

Capital accounts of National banks, by States, Dec. 31, 1970

[Dollar amounts in millions]

	Total capital accounts	Debentures	Preferred stock	Common stock	Surplus	Undivided profits	Capital reserves
United States	$24,875	$1,161	$63	$6,457	$10,659	$5,864	$671
Alabama	296	1	0	85	123	77	10
Alaska	29	—	0	9	10	9	1
Arizona	179	25	0	35	80	39	0
Arkansas	143	7	0	37	55	40	4
California	2,754	187	0	702	1,220	594	51
Colorado	263	9	—	74	110	68	1
Connecticut	208	12	0	50	112	34	—
Delaware	3	0	0	1	1	1	—
District of Columbia	176	1	2	39	92	42	1
Florida	721	31	0	227	298	146	19
Georgia	392	53	0	77	138	86	37
Hawaii	6	2	0	2	1	1	0
Idaho	71	0	0	19	37	15	0
Illinois	2,101	28	—	616	970	340	147
Indiana	530	4	0	123	237	157	8
Iowa	175	2	0	42	68	60	4
Kansas	262	7	1	69	102	80	3
Kentucky	187	0	0	38	95	50	4
Louisiana	339	8	3	76	171	81	1
Maine	59	0	0	21	21	17	1
Maryland	216	3	0	51	97	57	8
Massachusetts	732	23	0	162	348	172	28
Michigan	857	121	4	207	348	164	14
Minnesota	483	24	0	131	176	146	6
Mississippi	132	6	0	33	89	2	1
Missouri	494	27	3	116	179	161	7
Montana	61	1	0	22	23	15	—
Nebraska	198	3	—	51	74	66	3
Nevada	63	0	0	22	21	20	—
New Hamsphire	72	—	0	14	38	18	1
New Jersey	835	39	—	222	364	191	18
New Mexico	79	1	0	24	24	14	16
New York	3,908	272	41	1,001	1,492	991	110
North Carolina	404	65	0	102	165	69	4
North Dakota	56	2	0	16	20	16	2
Ohio	1,135	28	0	297	545	261	4
Oklahoma	405	22	—	106	138	136	3
Oregon	232	0	0	80	93	60	—
Pennsylvania	1,806	61	7	372	915	399	53
Rhode Island	138	—	0	29	73	36	—
South Carolina	117	0	0	24	53	36	4
South Dakota	67	1	0	20	26	19	1
Tennessee	439	19	0	114	181	99	26
Texas	1,631	56	1	506	626	395	47
Utah	69	0	0	22	36	12	0
Vermont	37	1	1	10	13	12	1
Virginia	401	2	0	117	172	108	2
Washington	391	0	0	114	148	118	10
West Virginia	144	2	0	30	70	37	5
Wisconsin	322	4	0	93	142	78	5
Wyoming	53	2	0	6	24	18	1
Virgin Islands	6	0	0	—	4	2	—
District of Columbia—all*	264	13	2	51	124	73	2

*Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

NOTE: Data may not add to totals because of rounding. Dashes indicate amounts less than $500,000.

Table B–30

Loans of National banks, by States, Dec. 31, 1970

[Dollar amounts in millions]

	Loans	Loans secured by real estate	Loans to financial institutions	Loans to purchase or carry securities	Loans to farmers	Commercial and industrial loans	Personal loans to individuals	Other loans
United States	$177,202	$41,561	$11,447	$5,032	$5,438	$70,080	$38,740	$4,904
Alabama	1,810	305	76	23	36	645	656	69
Alaska	216	91	—	—	0	69	55	1
Arizona	1,875	497	165	18	193	485	498	19
Arkansas	818	207	24	18	57	245	258	10
California	25,349	7,521	1,443	327	727	10,122	4,524	685
Colorado	1,960	390	133	21	232	590	546	49
Connecticut	1,668	549	149	43	2	452	427	46
Delaware	19	11	1	0	—	2	4	1
District of Columbia	1,072	327	121	13	—	325	254	32
Florida	4,297	993	183	75	55	1,494	1,405	91
Georgia	2,540	441	170	25	23	903	919	58
Hawaii	44	17	—	—	—	20	7	—
Idaho	606	160	8	6	101	138	185	8
Illinois	14,268	2,577	1,312	546	350	6,806	2,307	371
Indiana	3,668	1,150	203	74	87	1,019	1,053	81
Iowa	1,170	290	35	23	235	301	273	13
Kansas	1,321	195	43	28	307	397	338	12
Kentucky	1,175	304	61	10	70	305	391	34
Louisiana	1,902	341	134	41	21	792	522	51
Maine	401	133	5	1	8	131	116	7
Maryland	1,488	431	109	36	18	451	397	45
Massachusetts	4,859	726	501	38	4	2,605	872	112
Michigan	7,444	2,888	568	219	52	2,109	1,349	261
Minnesota	3,643	959	224	112	188	1,296	814	50
Mississippi	896	186	33	19	36	277	316	28
Missouri	2,830	514	238	102	118	1,203	622	33
Montana	498	130	4	1	103	120	137	2
Nebraska	1,318	154	38	57	434	323	297	15
Nevada	485	174	17	7	9	128	147	3
New Hampshire	409	110	6	1	4	129	151	9
New Jersey	5,927	2,339	192	53	11	1,654	1,492	187
New Mexico	572	86	13	4	56	199	187	27
New York	28,315	4,362	2,480	1,944	91	15,000	3,701	736
North Carolina	2,843	327	97	43	32	1,324	947	73
North Dakota	443	142	3	1	79	119	96	4
Ohio	7,175	2,076	312	89	88	2,064	2,296	250
Oklahoma	2,104	366	127	53	231	709	525	93
Oregon	2,104	517	108	17	101	956	387	18
Pennsylvania	11,028	3,019	549	104	136	4,199	2,590	432
Rhode Island	1,101	472	54	4	—	347	208	17
South Carolina	814	105	31	8	13	291	319	45
South Dakota	545	129	4	1	177	120	107	6
Tennessee	2,909	418	182	51	46	1,208	943	60
Texas	10,591	1,186	858	629	501	4,694	2,309	414
Utah	572	205	22	13	26	170	127	10
Vermont	318	150	1	4	8	66	84	7
Virginia	3,150	938	98	34	66	796	1,045	173
Washington	2,998	735	174	30	161	1,199	653	45
West Virginia	744	242	20	5	9	159	300	9
Wisconsin	2,508	861	115	56	65	817	494	99
Wyoming	317	66	5	3	70	92	79	3
Virgin Islands	74	46	0	0	0	17	10	1
District of Columbia—all*	1,576	477	200	25	0	432	394	48

*Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

Note: Data may not add to totals because of rounding. Dashes indicate amounts of less than $500,000.

Table B–31

Income and expenses of National banks, by States, year ended Dec. 31, 1970*

[Dollar amounts in thousands]

	United States	Alabama	Alaska	Arizona	Arkansas	California	Colorado	Connecticut	Delaware
Number of banks	4,621	89	5	3	69	60	122	26	5
Operating income:									
Interest and fees on loans	$13,698,354	$145,157	$19,375	$148,376	$63,185	$2,038,079	$162,192	$125,582	$1,274
Income on Federal funds sold and securities purchased under agreements to resell	602,927	8,161	1,001	881	4,448	75,901	6,354	3,427	204
Interest and dividends on investments:									
U.S. Treasury securities	1,654,123	22,595	2,428	8,337	10,009	179,161	17,608	5,465	409
Securities of other U.S. Government agencies and corporations	326,990	3,567	2,178	1,886	2,385	39,720	3,108	2,150	106
Obligations of States and political subdivisions	1,535,309	19,139	3,875	12,165	8,722	182,355	13,968	17,953	36
Other securities	90,675	532	60	223	225	13,220	636	676	6
Trust department income	626,202	5,238	232	4,388	1,279	76,872	11,270	10,768	0
Service charges on deposit accounts	686,411	11,757	2,442	8,579	4,709	127,822	12,709	7,468	84
Other service charges, collection and exchange charges, commissions, and fees	534,791	5,944	2,373	3,741	1,353	106,260	10,248	4,337	38
Other operating income	677,949	2,847	505	4,402	1,199	117,035	4,203	3,446	34
Total operating income	20,433,731	224,937	34,469	192,978	97,514	2,956,425	242,296	181,272	2,191
Operating expense:									
Salaries and wages of officers and employees	3,838,556	46,625	8,600	44,070	20,277	594,280	51,031	46,060	511
Pensions and other employee benefits	625,174	7,656	1,045	7,736	2,710	90,819	7,045	7,871	63
Interest on deposits	6,215,245	64,141	11,188	67,647	29,589	1,081,466	64,501	46,397	712
Expense of Federal funds purchased and securities sold under agreements to repurchase	937,495	2,541	17	5,102	2,067	130,078	7,453	2,708	0
Interest on borrowed money	169,780	454	0	0	258	29,718	3,333	1,225	0
Interest on capital notes and debentures	55,165	27	9	1,043	311	8,884	506	551	0
Occupancy expense of bank premises, net	723,788	6,928	1,371	6,907	4,241	119,882	8,680	9,397	85
Furniture and equipment, depreciation, rental costs, servicing, etc	546,553	7,486	1,285	6,269	3,622	58,372	8,852	5,944	74
Provision for loan losses (or actual net loan losses)	405,564	7,001	1,301	3,199	3,702	53,542	6,448	2,811	3
Other operating expenses	2,784,676	26,971	3,867	20,140	12,283	351,795	37,533	22,340	265
Total operating expense	16,301,996	169,830	28,683	162,113	79,060	2,518,836	195,382	145,304	1,713
Income before income taxes and securities gains or losses	4,131,735	55,107	5,786	30,865	18,454	437,589	46,914	35,968	478
Applicable income taxes	1,239,931	18,036	862	9,677	4,874	128,921	15,940	10,739	146
Income before securities gains or losses	2,891,804	37,071	4,924	21,188	13,580	308,668	30,974	25,229	332
Net securities gains or losses (after tax effect)	−64,512	+299	+98	+83	−584	−3,447	−236	+50	+4
Net income before extraordinary items	2,827,292	37,370	5,022	21,271	12,996	305,221	30,738	25,279	336
Extraordinary charges or credits	+2,081	+103	−4	0	+484	−283	+303	−117	0
Minority interest in consolidated subsidiaries	−39	0	0	0	0	0	0	0	0
Net income	2,829,334	37,473	5,018	21,271	13,480	304,938	31,041	25,162	336

Changes in capital accounts:									
Increases:									
Net income transferred to undivided profits	2,829,334	37,473	5,018	21,271	13,480	304,938	31,041	25,162	336
Capital stock, notes and debentures sold or issued, including premium received	327,335	3,708	0	16,439	2,707	11,835	7,072	3,997	176
Addition to surplus, undivided profits and reserves incident to mergers and consolidations	135,797	254	0	0	175	3,156	0	4,074	0
Transfers from reserves on loans and securities	28,217	228	127	0	111	1,322	141	53	0
All other increases	148,007	2,940	181	0	2,492	2,764	2,370	31	48
Total increases	639,356	7,130	308	16,439	5,485	19,077	9,583	8,155	224
Decreases:									
Cash dividends declared:									
On common stock	1,273,039	14,604	838	8,215	3,803	153,701	12,247	14,295	87
On preferred stock	4,677	0	0	0	0	0	65	0	0
Capital stock, notes and debentures retired, including premium paid	82,861	0	20	367	78	7,271	62	0	0
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations	27,779	49	130	0	0	4,413	0	350	0
Transfers to reserves on loans and securities	153,010	702	93	563	1,051	5,601	2,370	775	19
All other decreases	158,364	3,321	195	539	1,591	6,978	1,637	329	19
Total decreases	1,699,730	18,676	1,276	9,674	6,523	177,964	16,381	15,749	125
Net change in capital accounts	1,768,960	25,927	4,050	28,036	12,442	146,051	24,243	17,568	435
Capital accounts†	24,080,719	284,542	27,212	170,226	136,797	2,692,094	250,004	200,560	2,975
Ratios:									
Net income before dividends to capital accounts (percent)	11.75	13.17	18.44	12.50	9.85	11.33	12.42	12.55	11.30
Total operating expense to total operating revenue (percent)	79.77	75.50	83.21	84.00	81.07	85.19	80.63	80.15	78.18

See footnotes at end of table.

TABLE B-31—Continued

Income and expenses of National banks, by States, year ended Dec. 31, 1970*

[Dollar amounts in thousands]

	District of Columbia	Florida	Georgia	Hawaii	Idaho	Illinois	Indiana	Iowa	Kansas
Number of banks	11	215	62	1	7	414	122	99	171
Operating income:									
Interest and fees on loans	$86,804	$343,755	$238,951	$3,849	$49,343	$1,050,538	$278,060	$87,263	$102,673
Income on Federal funds sold and securities purchased under agreements to resell	5,755	29,721	11,539	156	935	39,346	20,082	3,843	6,615
Interest and dividends on investments:									
U.S. Treasury securities	20,217	52,743	15,272	1,074	5,515	162,193	46,290	16,364	23,211
Securities of other U.S. Government agencies and corporations	2,804	23,492	2,964	1	191	39,999	11,120	3,954	4,959
Obligations of States and political subdivisions	7,091	57,910	19,076	397	7,147	132,546	28,666	9,616	13,942
Other securities	654	1,723	1,296	5	101	9,256	1,286	357	329
Trust department income	5,348	17,063	10,066	0	500	62,791	12,294	3,346	2,791
Service charges on deposit accounts	5,891	24,692	16,857	13	3,647	29,774	14,652	4,788	6,913
Other service charges, collection and exchange charges, commissions, and fees	1,878	22,879	5,430	228	1,888	26,435	11,113	5,143	5,644
Other operating income	1,832	12,444	16,290	33	290	84,523	7,999	1,579	2,650
Total operating income	138,274	586,422	337,741	5,756	69,557	1,637,401	431,562	136,253	169,727
Operating expense:									
Salaries and wages of officers and employees	30,538	112,623	75,114	1,369	14,729	253,889	81,478	26,531	32,123
Pensions and other employee benefits	3,499	15,141	13,047	158	2,237	45,420	12,875	3,582	4,304
Interest on deposits	35,930	177,412	65,280	2,470	22,300	487,140	133,172	43,735	51,223
Expense of Federal funds purchased and securities sold under agreements to repurchase	1,283	16,024	18,785	9	313	109,511	18,590	2,725	2,996
Interest on borrowed money	1,171	1,558	21,274	0	515	29,243	2,820	357	991
Interest on capital notes and debentures	55	1,708	1,934	75	0	1,605	72	97	468
Occupancy expense of bank premises, net	5,280	15,799	13,520	336	1,509	52,753	15,682	4,364	5,179
Furniture and equipment, depreciation, rental costs, servicing, etc	3,886	20,203	11,447	155	1,844	33,968	13,637	6,824	5,398
Provision for loan losses (or actual net loan losses)	2,199	14,430	12,207	175	1,182	39,270	10,079	1,779	4,241
Other operating expenses	20,025	84,979	42,744	693	7,810	238,571	47,206	16,219	19,573
Total operating expense	103,866	459,877	275,352	5,440	52,439	1,291,370	335,611	106,213	126,496
Income before income taxes and securities gains or losses	34,408	126,545	62,389	316	17,118	346,031	95,951	30,040	43,231
Applicable income taxes	14,006	32,669	20,480	42	5,536	100,671	30,433	10,300	13,762
Income before securities gains or losses	20,402	93,876	41,909	274	11,582	245,360	65,518	19,740	29,469
Net securities gains or losses (after tax effect)	+751	−2,233	−906	+92	−62	−13,827	−562	+251	−65
Net income before extraordinary items	21,153	91,643	41,003	366	11,520	231,533	64,956	19,991	29,404
Extraordinary charges or credits	−378	+564	−634	0	0	−2,185	−89	+47	−26
Minority interest in consolidated subsidiaries	0	0	0	0	0	−18	0	−18	0
Net income	20,775	92,207	40,369	366	11,520	229,330	64,867	20,020	29,378

Changes in capital accounts:									
Increases:									
Net income transferred to undivided profits	20,775	92,207	40,369	366	11,520	229,330	64,867	20,020	29,378
Capital stock, notes and debentures sold or issued, including premium received	502	20,857	29,576	0	713	7,184	2,341	646	976
Addition to surplus, undivided profits and reserves incident to mergers and consolidations	0	1,150	799	0	2,087	450	1,773	223	804
Transfers from reserves on loans and securities	77	696	79	0	0	3,799	1,677	68	79
All other increases	272	4,257	2,245	0	37	25,047	4,188	2,321	4,907
Total increases	851	26,960	32,699	0	2,837	36,480	9,979	3,258	6,766
Decreases:									
Cash dividends declared:									
On common stock	8,626	28,192	19,529	80	3,588	110,000	20,158	6,748	9,216
On preferred stock	638	0	0	0	0	5	0	0	18
Capital stock, notes and debentures retired, including premium paid	31	3,806	2,711	0	0	307	3,466	0	55
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations	0	500	0	0	0	246	1	300	25
Transfers to reserves on loans and securities	−40	3,883	4,170	0	208	13,827	2,152	1,269	981
All other decreases	478	3,240	2,913	0	15	24,668	3,021	2,434	5,752
Total decreases	9,733	39,621	29,323	80	3,811	149,053	28,798	10,751	16,047
Net change in capital accounts	11,893	79,546	43,745	286	10,546	116,757	46,048	12,627	20,097
Capital accounts†	170,544	681,605	374,406	5,210	66,877	2,052,706	507,184	169,485	251,694
Ratios:									
Net income before dividends to capital accounts (percent)	12.18	13.53	10.78	7.02	17.22	11.17	12.79	11.81	11.67
Total operating expense to total operating revenue (percent)	75.12	78.42	81.53	94.51	75.39	78.87	77.77	77.95	74.53

See footnotes at end of table.

TABLE B-31—Continued

Income and expenses of National banks, by States, year ended Dec. 31, 1970*

[Dollar amounts in thousands]

	Kentucky	Louisiana	Maine	Maryland	Massa-chusetts	Michigan	Minnesota	Mississippi	Missouri
Number of banks	80	49	19	42	86	101	199	38	98
Operating income:									
Interest and fees on loans	$87,756	$147,394	$31,896	$118,621	$405,348	$535,165	$276,653	$71,523	$217,186
Income on Federal funds sold and securities purchased under agreements to resell	5,955	9,068	1,569	8,947	19,223	16,880	6,763	2,844	11,015
Interest and dividends on investments:									
U.S. Treasury securities	18,629	32,507	3,250	16,695	44,342	75,666	31,702	10,692	33,612
Securities of other U.S. Government agencies and corporations	2,306	4,781	167	2,505	4,062	10,273	8,681	1,252	4,375
Obligations of States and political subdivisions	10,933	18,122	4,152	13,659	36,185	57,745	28,229	7,565	21,688
Other securities	372	613	100	573	1,794	4,598	726	264	944
Trust department income	2,153	2,578	1,679	3,663	39,240	20,600	14,325	1,365	13,256
Service charges on deposit accounts	5,023	10,104	1,734	8,198	17,217	21,478	12,475	6,119	6,384
Other service charges, collection and exchange charges, commissions, and fees	2,220	7,025	1,238	2,646	23,023	13,541	15,376	3,476	7,960
Other operating income	1,490	3,258	640	2,158	20,459	13,275	18,569	4,404	16,213
Total operating income	136,837	235,450	46,425	177,665	610,893	769,221	413,499	109,504	332,633
Operating expense:									
Salaries and wages of officers and employees	27,696	42,914	10,781	37,819	128,823	134,154	67,854	20,464	57,315
Pensions and other employee benefits	3,955	6,385	1,636	5,652	21,477	22,457	11,306	3,217	8,737
Interest on deposits	40,697	69,695	12,950	41,222	101,859	318,019	128,098	26,608	78,679
Expense of Federal funds purchased and securities sold under agreements to repurchase	1,981	6,425	615	5,529	47,555	25,974	27,651	5,066	32,139
Interest on borrowed money	173	2,113	123	948	10,165	5,424	8,864	105	1,503
Interest on capital notes and debentures	0	305	0	163	1,102	6,032	1,271	298	1,272
Occupancy expense of bank premises, net	4,513	9,112	1,899	7,823	24,227	27,826	10,071	3,312	9,293
Furniture and equipment, depreciation, rental costs, servicing, etc	4,434	7,904	2,036	6,192	16,223	20,536	15,646	3,867	8,977
Provision for loan losses (or actual net loan losses)	3,313	5,600	708	3,092	12,680	9,069	4,668	4,145	5,566
Other operating expenses	17,102	29,510	6,692	24,272	111,451	65,729	45,947	16,463	37,209
Total operating expense	103,864	179,963	37,440	132,712	475,562	635,220	321,376	83,545	240,690
Income before income taxes and securities gains or losses	32,973	55,487	8,985	44,953	135,331	134,001	92,123	25,959	91,943
Applicable income taxes	10,322	19,523	1,732	15,876	52,896	38,017	34,431	8,279	34,907
Income before securities gains or losses	22,651	35,964	7,253	29,077	82,435	95,984	57,692	17,680	57,036
Net securities gains or losses (after tax effect)	+271	+938	−168	+771	−354	−3,258	−859	+129	+393
Net income before extraordinary items	22,922	36,902	7,085	29,848	82,081	92,726	56,833	17,809	57,429
Extraordinary charges or credits	+189	+92	−9	−17	−646	+189	−57	−149	+282
Minority interest in consolidated subsidiaries	0	0	0	0	0	0	−1	0	0
Net income	23,111	36,994	7,076	29,831	81,435	92,915	56,775	17,660	57,711

Changes in capital accounts:									
Increases:									
Net income transferred to undivided profits	23,111	36,994	7,076	29,831	81,435	92,915	56,775	17,660	57,711
Capital stock, notes and debentures sold or issued, including premium received	1,006	978	3,505	1,801	3,115	10,151	3,965	1,330	1,029
Addition to surplus, undivided profits and reserves incident to mergers and consolidations	98	34	470	1,326	1,512	979	524	6	83
Transfers from reserves on loans and securities	149	752	24	153	113	153	298	588	3,376
All other increases	1,826	1,524	273	935	909	2,967	3,784	1,459	1,698
Total increases	3,079	3,288	4,272	4,215	5,649	14,250	8,571	3,383	6,186
Decreases:									
Cash dividends declared:									
On common stock	7,223	12,518	3,205	10,070	37,509	30,782	22,482	7,080	23,371
On preferred stock	0	140	0	0	0	220	0	0	204
Capital stock, notes and debentures retired, including premium paid	0	150	0	133	40	1,326	372	50	0
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations	0	0	1,421	0	50	0	425	0	0
Transfers to reserves on loans and securities	1,763	6,137	331	1,137	4,192	3,045	1,954	2,057	6,762
All other decreases	1,853	874	115	1,253	1,935	4,149	1,876	1,818	2,852
Total decreases	10,839	19,819	5,072	12,593	43,726	39,522	27,109	11,005	33,189
Net change in capital accounts	15,351	20,463	6,276	21,453	43,358	67,643	38,237	10,038	30,708
Capital accounts†	180,031	331,178	57,584	209,764	705,344	825,290	463,786	127,434	479,068
Ratios:									
Net income before dividends to capital accounts (percent)	12.84	11.17	12.29	14.22	11.54	11.26	12.24	13.86	12.05
Total operating expense to total operating revenue (percent)	75.90	76.43	80.65	74.70	77.85	82.58	77.72	76.29	72.36

See footnotes at end of table.

Table B-31—Continued

Income and expenses of National banks, by States, year ended Dec. 31, 1970*

[Dollar amounts in thousands]

	Montana	*Nebraska*	*Nevada*	*New Hampshire*	*New Jersey*	*New Mexico*	*New York*	*North Carolina*	*North Dakota*
Number of banks	49	125	4	48	129	33	169	22	42
Operating income:									
Interest and fees on loans	$38,417	$102,858	$39,116	$33,222	$429,028	$45,526	$2,116,299	$234,235	$32,292
Income on Federal funds sold and securities purchased under agreements to resell	1,225	6,143	2,983	2,288	19,571	2,825	60,954	3,510	776
Interest and dividends on investments:									
U.S. Treasury securities	6,698	14,471	5,634	4,894	57,072	6,554	182,731	17,130	6,409
Securities of other U.S. Government agencies and corporations	1,147	4,999	1,065	253	14,773	940	21,528	7,863	1,185
Obligations of States and political subdivisions	4,898	10,624	4,141	3,097	74,457	5,619	203,536	29,193	3,861
Other securities	137	348	79	160	4,478	259	18,929	533	67
Trust department income	346	4,271	1,529	806	15,885	1,250	106,735	11,277	668
Service charges on deposit accounts	2,995	5,113	2,936	3,115	28,139	3,766	64,833	12,214	2,247
Other service charges, collection and exchange charges, commissions, and fees	1,707	5,919	946	523	9,223	2,567	72,041	9,868	1,553
Other operating income	492	5,143	1,617	1,031	9,027	706	184,965	13,730	322
Total operating income	58,062	159,889	60,046	49,389	661,653	70,012	3,032,551	339,553	49,380
Operating expense:									
Salaries and wages of officers and employees	10,506	31,875	12,115	11,329	133,259	14,060	519,907	80,339	8,156
Pensions and other employee benefits	1,820	4,674	1,520	1,733	23,274	1,796	102,277	14,184	1,376
Interest on deposits	21,996	44,125	19,314	10,453	225,058	20,875	746,531	91,002	20,668
Expense of Federal funds purchased and securities sold under agreements to repurchase	1,496	6,239	21	579	4,962	1,185	190,363	11,176	192
Interest on borrowed money	158	317	60	67	1,705	215	9,066	1,390	78
Interest on capital notes and debentures	53	167	0	28	1,960	70	13,461	2,769	123
Occupancy expense of bank premises, net	1,712	5,550	2,304	2,095	27,727	2,209	117,439	13,102	1,312
Furniture and equipment, depreciation, rental costs, servicing, etc	1,798	7,343	1,487	1,502	18,529	2,154	59,375	12,364	1,539
Provision for loan losses (or actual net loan losses)	517	2,412	2,149	912	7,543	2,363	64,560	5,364	645
Other operating expenses	7,940	21,310	7,071	8,041	76,651	8,814	623,198	39,822	5,010
Total operating expense	47,996	124,012	46,041	36,739	520,668	53,741	2,446,177	271,512	39,099
Income before income taxes and securities gains or losses	10,066	35,877	14,005	12,650	140,985	16,271	586,374	68,041	10,281
Applicable income taxes	2,505	11,585	4,837	4,276	28,874	5,548	170,801	20,604	3,161
Income before securities gains or losses	7,561	24,292	9,168	8,374	112,111	10,723	415,573	47,437	7,120
Net securities gains or losses (after tax effect)	−66	−28	+98	+280	−1,894	+80	−25,639	−384	−44
Net income before extraordinary items	7,495	24,264	9,266	8,654	110,217	10,803	389,934	47,053	7,076
Extraordinary charges or credits	−205	−178	−77	+327	−352	+17	+3,395	−12	−4
Minority interest in consolidated subsidiaries	0	0	0	0	0	0	0	0	0
Net income	7,290	24,086	9,189	8,981	109,865	10,820	393,329	47,041	7,072

Changes in capital accounts:									
Increases:									
Net income transferred to undivided profits	7,290	24,086	9,189	8,981	109,865	10,820	393,329	47,041	7,072
Capital stock, notes and debentures sold or issued, including premium received	6	350	0	190	23,560	39	20,262	29,964	617
Addition to surplus, undivided profits and reserves incident to mergers and consolidations	0	0	0	659	28,985	0	21,389	4,374	31
Transfers from reserves on loans and securities	386	62	0	61	578	14	2,008	188	43
All other increases	468	3,018	77	564	4,298	634	13,567	1,363	261
Total increases	860	3,430	77	1,474	57,421	687	57,226	35,889	952
Decreases:									
Cash dividends declared:									
On common stock	3,596	15,343	2,966	2,849	49,611	4,140	260,057	18,263	2,524
On preferred stock	0	6	0	0	3	0	2,936	0	0
Capital stock, notes and debentures retired, including premium paid	5	0	0	0	0	55	16,053	10,000	0
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations	0	82	0	0	617	0	1,799	2,892	0
Transfers to reserves on loans and securities	638	1,369	408	348	3,206	100	27,364	2,039	266
All other decreases	149	2,315	47	581	5,746	1,012	8,379	733	519
Total decreases	4,388	19,115	3,421	3,778	59,183	5,307	316,588	33,927	3,309
Net change in capital accounts	3,762	8,401	5,845	6,677	108,103	6,200	133,967	49,003	4,715
Capital accounts†	58,847	195,360	60,560	68,989	794,456	75,845	3,836,879	378,532	53,754
Ratios:									
Net income before dividends to capital accounts (percent)	12.39	12.33	15.17	13.02	13.83	14.27	10.25	12.43	13.16
Total operating expense to total operating revenue (percent)	82.66	77.56	76.68	74.39	78.69	76.76	80.66	79.96	79.18

See footnotes at end of table.

TABLE B-31—Continued

Income and expenses of National banks, by States, year ended Dec. 31, 1970*

[Dollar amounts in thousands]

	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina	South Dakota	Tennessee	Texas
Number of banks	217	203	10	299	5	19	33	77	530
Operating income:									
Interest and fees on loans	$552,955	$162,202	$172,624	$842,748	$84,105	$68,174	$40,867	$223,700	$802,327
Income on Federal funds sold and securities purchased under agreements to resell	26,806	15,072	2,609	36,719	803	2,327	676	15,684	55,185
Interest and dividends on investments:									
U.S. Treasury securities	97,140	33,035	13,680	108,055	5,246	7,462	7,218	27,201	91,607
Securities of other U.S. Government agencies and corporations	13,829	2,410	2,163	16,708	778	3,518	1,330	4,269	25,312
Obligations of States and political subdivisions	81,053	21,266	19,397	102,806	8,991	6,567	4,931	23,017	104,665
Other securities	3,995	4,057	308	6,574	266	167	136	940	4,605
Trust department income	21,344	5,452	5,651	47,804	7,413	2,276	775	7,358	33,136
Service charges on deposit accounts	27,550	10,682	14,167	23,528	1,473	6,519	3,052	11,628	39,991
Other service charges, collection and exchange charges, commissions, and fees	18,752	6,615	5,916	26,120	2,874	1,879	1,939	8,844	26,752
Other operating income	13,097	4,530	2,642	25,708	2,507	3,834	861	9,201	25,929
Total operating income	856,521	265,321	239,157	1,236,770	114,456	102,723	61,785	331,842	1,209,509
Operating expense:									
Salaries and wages of officers and employees	152,770	50,244	54,915	207,807	19,267	27,605	10,666	63,232	205,696
Pensions and other employee benefits	20,382	6,762	8,572	38,016	4,505	4,927	1,853	10,045	28,972
Interest on deposits	287,928	75,917	89,577	410,154	34,943	15,761	24,566	104,739	354,497
Expense of Federal funds purchased and securities sold under agreements to repurchase	33,310	12,682	5,175	42,665	5,713	939	175	15,020	83,288
Interest on borrowed money	4,937	955	1,139	5,126	2,425	36	76	1,157	12,508
Interest on capital notes and debentures	1,396	1,002	0	3,603	22	0	36	916	1,170
Occupancy expense of bank premises, net	26,973	6,313	9,630	40,266	3,773	3,484	1,931	10,362	31,769
Furniture and equipment, depreciation, rental costs, servicing, etc	22,497	7,648	6,080	31,721	2,952	4,216	2,092	11,713	36,356
Provision for loan losses (or actual net loan losses)	14,528	6,925	3,456	14,008	2,411	1,290	1,015	8,021	34,856
Other operating expenses	105,347	31,971	22,344	151,979	14,353	15,737	5,863	39,995	143,893
Total operating expense	670,068	200,419	200,888	945,345	90,364	73,995	48,363	265,200	933,005
Income before income taxes and securities gains or losses	186,453	64,902	38,269	291,425	24,092	28,728	13,422	66,642	276,504
Applicable income taxes	47,685	18,971	10,724	81,401	7,654	10,835	4,261	20,079	82,775
Income before securities gains or losses	138,768	45,931	27,545	210,024	16,438	17,893	9,161	46,563	193,729
Net securities gains or losses (after tax effect)	−3,445	+476	+214	−9,769	−578	−54	−53	−653	−413
Net income before extraordinary items	135,323	46,407	27,759	200,255	15,860	17,839	9,108	45,910	193,316
Extraordinary charges or credits	+512	+231	0	+409	0	+38	+10	+49	−495
Minority interest in consolidated subsidiaries	0	−4	0	0	0	0	0	+3	0
Net income	135,835	46,634	27,759	200,664	15,860	17,877	9,118	45,962	192,821

Changes in capital accounts:									
Increases:									
Net income transferred to undivided profits	135,835	46,634	27,759	200,664	15,860	17,877	9,118	45,962	192,821
Capital stock, notes and debentures sold or issued, including premium received	7,748	1,943	3	33,351	200	0	901	2,269	50,629
Addition to surplus, undivided profits and reserves incident to mergers and consolidations	2,153	1,874	3	17,953	50	0	1,355	136	3,610
Transfers from reserves on loans and securities	4,063	113	0	621	0	46	142	2,492	2,511
All other increases	4,473	4,531	12	11,268	18	231	962	7,232	17,245
Total increases	18,437	8,461	18	63,193	268	277	3,360	12,129	73,995
Decreases:									
Cash dividends declared:									
On common stock	53,589	19,162	12,423	88,786	8,709	7,034	3,685	14,905	71,031
On preferred stock	0	21	0	361	0	0	0	0	32
Capital stock, notes and debentures retired, including premium paid	0	46	0	183	13	0	25	25	35,111
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations	1,041	0	0	3,487	0	0	0	0	3,357
Transfers to reserves on loans and securities	7,596	2,016	1,163	6,690	1,023	1,273	464	2,734	20,135
All other decreases	3,298	6,843	4,891	19,591	202	583	692	3,541	16,482
Total decreases	65,524	28,088	18,477	119,098	9,947	8,890	4,866	21,205	146,148
Net change in capital accounts	88,748	27,007	9,300	144,759	6,181	9,264	7,612	36,886	120,668
Capital accounts†	1,092,730	398,808	228,587	1,748,710	134,562	113,447	63,147	419,639	1,564,560
Ratios:									
Net income before dividends to capital accounts (percent)	12.43	11.69	12.14	11.47	11.79	15.76	14.44	10.95	12.32
Total operating expense to total operating revenue (percent)	78.23	75.54	84.00	76.44	78.95	72.03	78.28	79.91	77.14

See footnotes at end of table.

TABLE B–31—Continued

Income and expenses of National banks, by States, year ended Dec. 31, 1970*

[Dollar amounts in thousands]

	Utah	*Vermont*	*Virginia*	*Washington*	*West Virginia*	*Wisconsin*	*Wyoming*	*Virgin Islands*	*District of Columbia—all‡*
Number of banks	10	26	101	25	85	125	41	1	14
Operating income:									
Interest and fees on loans	$45,454	$22,989	$246,904	$256,588	$52,996	$184,459	$25,778	$6,493	$126,080
Income on Federal funds sold and securities purchased under agreements to resell	1,219	947	6,420	21,871	5,258	9,192	872	359	6,626
Interest and dividends on investments:									
U.S. Treasury securities	4,758	2,483	28,279	23,761	15,219	24,919	5,435	1,046	28,417
Securities of other U.S. Government agencies and corporations	848	307	6,616	2,564	2,962	6,155	482	0	3,161
Obligations of States and political subdivisions	4,626	2,250	26,270	25,058	8,071	20,450	2,757	826	11,472
Other securities	167	168	757	1,417	311	1,136	102	10	725
Trust department income	1,159	363	9,182	10,253	1,711	6,139	314	0	8,963
Service charges on deposit accounts	3,617	1,417	12,515	22,842	1,871	6,594	1,923	155	8,758
Other service charges, collection and exchange charges, commissions, and fees	2,696	384	11,459	13,778	1,147	8,394	1,189	269	2,631
Other operating income	474	514	4,986	12,118	1,408	10,597	455	278	2,094
Total operating income	65,018	31,822	353,388	390,250	90,954	278,035	39,307	9,436	198,927
Operating expense:									
Salaries and wages of officers and employees	11,411	6,646	72,476	91,182	15,746	50,156	7,724	1,799	41,641
Pensions and other employee benefits	1,512	975	10,656	13,194	1,901	9,081	939	198	4,901
Interest on deposits	21,286	12,656	117,207	113,610	30,398	101,971	12,837	4,046	53,459
Expense of Federal funds purchased and securities sold under agreements to repurchase	2,559	97	5,886	30,764	2,186	7,374	312	0	2,239
Interest on borrowed money	1,390	37	2,058	565	57	1,313	243	367	1,248
Interest on capital notes and debentures	0	43	82	0	105	254	117	0	649
Occupancy expense of bank premises, net	1,677	1,254	2,308	15,966	2,841	9,582	1,510	297	8,851
Furniture and equipment, depreciation, rental costs, servicing, etc.	1,625	1,106	12,230	11,693	2,481	9,641	1,243	87	5,350
Provision for loan losses (or actual net loan losses)	980	342	6,284	5,876	1,230	3,805	1,480	92	2,910
Other operating expenses	7,805	3,556	46,790	43,738	11,186	29,067	4,937	869	25,593
Total operating expense	50,245	26,712	286,390	326,588	68,131	222,244	31,342	8,755	146,841
Income before income taxes and securities gains or losses	14,773	5,110	66,998	63,662	22,823	55,791	7,965	681	52,086
Applicable income taxes	5,409	1,255	17,958	18,763	6,774	18,065	2,119	+65	21,110
Income before securities gains or losses	9,364	3,855	49,040	44,899	16,049	37,726	5,846	746	30,976
Net securities gains or losses (after tax effect)	+42	−47	−1,521	+753	−152	+500	+212	+4	+909
Net income before extraordinary items	9,406	3,808	47,519	45,652	15,897	38,226	6,058	750	31,885
Extraordinary charges or credits	0	+94	+130	−42	−437	+1,005	+7	0	−378
Minority interest in consolidated subsidiaries	0	0	0	−1	0	0	0	0	0
Net income	9,406	3,902	47,649	45,609	15,460	39,231	6,065	750	31,507

Changes in capital accounts:									
Increases:									
Net income transferred to undivided profits	9,406	3,902	47,649	45,609	15,460	39,231	6,065	750	31,507
Capital stock, notes and debentures sold or issued, including premium received	26	17	3,900	7,737	2,195	5,468	351	0	502
Addition to surplus, undivided profits and reserves incident to mergers and consolidations	0	25	6,299	24,167	0	2,757	0	0	0
Transfers from reserves on loans and securities	0	64	107	3	27	625	0	0	77
All other increases	195	403	1,545	1,341	1,839	2,325	662	0	272
Total increases	221	509	11,851	33,248	4,061	11,175	1,013	0	851
Decreases:									
Cash dividends declared:									
On common stock	4,107	1,507	21,788	16,106	4,588	15,860	2,243	0	12,949
On preferred stock	0	28	0	0	0	0	0	0	638
Capital stock, notes and debentures retired, including premium paid	0	42	75	0	30	963	0	0	31
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations	1,771	32	53	4,738	0	0	0	0	0
Transfers to reserves on loans and securities	390	397	1,720	2,332	743	3,228	291	75	311
All other decreases	244	415	1,583	2,422	1,920	1,692	622	7	478
Total decreases	6,512	2,421	25,219	25,598	7,281	21,743	3,156	82	14,407
Net change in capital accounts	3,115	1,990	34,281	53,259	12,240	28,663	3,922	668	17,951
Capital accounts†	66,918	35,669	387,235	376,882	137,516	307,487	51,017	6,983	226,512
Ratios:									
Net income before dividends to capital accounts (percent)	14.06	10.94	12.30	12.10	11.24	12.76	11.89	10.74	13.91
Total operating expense to total operating revenue (percent)	77.28	83.94	81.04	83.69	74.90	79.93	79.74	92.78	73.82

*Includes all banks operating as National banks at year end, and full year data for those State banks converting to National banks during the year.

†Includes the aggregate book value of debentures, preferred stock, common stock, surplus, undivided profits, and reserves. These are averages from the June and December call dates in the year indicated and the previous December call date.

‡Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

TABLE B-32

Income and expenses of National banks, by deposit size, year ended Dec. 31, 1970*

[Dollar amounts in thousands]

	Banks operating full year with deposits in December 1970, of—								
	Total	*$2,000.0 and under*	*$2,000.1 to $5,000.0*	*$5,000.1 to $10,000.0*	*$10,000.1 to $25,000.0*	*$25,000.1 to $50,000.0*	*$50,000.1 to $100,000.0*	*$100,000.1 to $500,000.0*	*Over $500,000.0*
Number of banks	4,621	121	636	1,132	1,456	624	305	265	82
Operating income:									
Interest and fees on loans	$13,698,354	$5,992	$86,610	$335,866	$931,542	$917,722	$914,771	$2,603,967	$7,901,884
Income on Federal funds sold and securities purchased under agreements to resell	602,927	700	7,821	26,948	68,251	54,506	47,032	127,548	270,121
Interest and dividends on investments:									
U.S. Treasury securities	1,654,123	3,239	29,254	83,558	198,937	159,849	150,010	332,526	696,750
Securities of other U.S. Government agencies and corporations	326,990	665	8,769	27,050	58,250	54,695	37,823	56,465	83,273
Obligations of States and political subdivisions	1,535,309	289	6,987	39,881	132,705	134,374	128,417	325,875	766,781
Other securities	90,675	101	685	2,331	5,918	6,392	5,295	16,037	53,916
Trust department income	626,202	16,791	100	694	6,448	17,620	31,538	126,574	426,437
Service charges on deposit accounts	686,411	491	6,639	28,852	75,964	69,970	57,506	142,041	304,948
Other service charges, collection and exchange charges, commissions, and fees	534,791	240	2,914	10,556	27,703	29,897	31,521	121,336	310,624
Other operating income	677,949	258	1,741	5,741	16,195	17,901	20,468	82,225	533,420
Total operating income	20,433,731	28,766	151,520	561,477	1,521,913	1,462,926	1,424,381	3,934,594	11,348,154

Operating expense:									
Salaries and wages of officers and employees	3,838,556	10,583	35,954	118,167	292,039	281,074	274,878	787,224	2,038,637
Pensions and other employee benefits	625,174	1,253	3,405	13,643	38,817	41,168	41,023	122,696	363,169
Interest on deposits	6,215,245	2,372	47,845	190,406	544,903	515,890	501,002	1,191,637	3,221,190
Expense of Federal funds purchased and securities sold under agreements to repurchase	937,495	0	53	640	3,656	7,055	15,212	134,232	776,647
Interest on borrowed money	169,780	7	218	681	2,061	2,682	2,696	21,575	139,860
Interest on capital notes and debentures	55,165	2	16	173	1,227	2,139	2,773	8,603	40,232
Occupancy expense of bank premises, net	723,788	981	4,960	18,372	53,115	53,300	53,689	145,058	394,313
Furniture and equipment, depreciation, rental costs, servicing, etc	546,553	476	3,762	14,743	41,029	43,346	44,720	138,351	260,126
Provision for loan losses (or actual net loan losses)	405,564	353	4,215	16,613	36,743	29,475	26,821	78,778	212,566
Other operating expenses	2,784,676	4,391	20,207	73,154	192,669	186,015	172,565	477,068	1,658,607
Total operating expense	16,301,996	20,418	120,635	446,592	1,206,259	1,162,144	1,135,379	3,105,222	9,105,347
Income before income taxes and securities gains or losses	4,131,735	8,348	30,885	114,885	315,654	300,782	289,002	829,372	2,242,807
Applicable income taxes	1,239,931	3,965	8,520	31,686	86,701	81,539	77,735	246,165	703,620
Income before securities gains or losses	2,891,804	4,383	22,365	83,199	228,953	219,243	211,267	583,207	1,539,187
Net securities gains or losses (after tax effect)	−64,512	−46	−126	+484	−380	−297	+2,167	−4,759	−61,555
Net income before extraordinary items	2,827,292	4,337	22,239	83,683	228,573	218,946	213,434	578,448	1,477,632
Extraordinary charges or credits	+2,081	−89	−6	+286	+193	+1,177	+1,253	−695	−38
Minority interest in consolidated subsidiaries	−39	0	−1	−1	−39	0	0	−1	+3
Net income	2,829,334	4,248	22,232	83,968	228,727	220,123	214,687	577,752	1,477,597
Cash dividends declared:									
On common stock	1,273,039	3,434	6,442	23,698	66,946	68,931	71,697	238,011	793,880
On preferred stock	4,677	0	0	70	62	26	232	508	3,779
Total cash dividends declared	1,277,716	3,434	6,442	23,768	67,008	68,957	71,929	238,519	797,659

*Includes all banks operating as National banks at year end, and full year data for those State banks converting to National banks during the year.

TABLE B–33

Capital accounts, net income, and dividends of National banks, 1944–70

[Dollar amounts in thousands]

Year (last call)	*Number of banks*	*Capital stock (par value)**			*Total capital accounts**	*Net income before dividends*	*Cash dividends*		*Ratios (percent)*			
		Preferred	*Common*	*Total*			*On preferred stock*	*On common stock*	*Net income before dividends to capital accounts*	*Cash dividends to net income before dividends*	*Cash dividends on preferred stock to preferred capital*	*Total cash dividends to capital accounts*
1944	5,031	$110,597	$1,440,519	$1,551,116	$4,114,972	$411,844	$5,926	$139,012	10.01	35.04	4.79	3.53
1945	5,023	80,672	1,536,212	1,616,884	4,467,618	490,133	4,131	151,525	10.97	31.76	5.12	3.48
1946	4,013	53,202	1,646,631	1,699,833	4,893,038	494,898	2,427	167,702	10.11	34.38	4.56	3.48
1947	5,011	32,529	1,736,676	1,769,205	5,293,267	452,983	1,372	182,147	8.56	40.51	4.22	3.47
1948	4,997	25,128	1,779,362	1,804,490	5,545,993	423,757	1,304	192,603	7.64	45.76	5.19	3.50
1949	4,981	20,979	1,863,373	1,884,352	5,811,044	474,881	1,100	203,644	8.17	43.11	5.24	3.52
1950	4,965	16,079	1,949,898	1,965,977	6,152,799	537,610	712	228,792	8.74	42.69	4.43	3.73
1951	4,946	12,032	2,046,018	2,058,050	6,506,378	506,695	615	247,230	7.79	49.04	5.11	3.81
1952	4,916	6,862	2,171,026	2,177,888	6,875,134	561,481	400	258,663	8.17	46.14	5.83	3.77
1953	4,864	5,512	2,258,234	2,263,746	7,235,820	573,287	332	274,884	7.92	48.01	6.02	3.80
1954	4,796	4,797	2,381,429	2,386,226	7,739,553	741,065	264	299,841	9.58	40.50	5.50	3.88
1955	4,700	4,167	2,456,454	2,460,621	7,924,719	643,149	203	309,532	8.12	48.16	4.87	3.91
1956	4,659	3,944	2,558,111	2,562,055	8,220,620	647,141	177	329,777	7.87	50.99	4.49	4.01
1957	4,627	3,786	2,713,145	2,716,931	8,769,839	729,857	171	363,699	8.32	49.85	4.52	4.15
1958	4,585	3,332	2,871,785	2,875,117	9,412,557	889,120	169	392,822	9.45	44.20	5.07	4.18
1959	4,542	3,225	3,063,407	3,066,632	10,003,852	800,311	165	422,703	8.00	52.84	5.12	4.23
1960	4,530	2,050	3,257,208	3,259,258	10,695,539	1,046,419	99	450,830	9.78	43.09	4.83	4.22
1961	4,513	2,040	3,464,126	3,466,166	11,470,899	1,042,201	119	485,960	9.09	46.64	5.83	4.24
1962	4,503	9,852	3,662,603	3,672,455	12,289,305	1,068,843	202	517,546	8.70	48.44	2.05	4.21
1963	4,615	24,304	3,861,738	3,886,042	13,102,085	1,205,917	1,126	547,060	9.20	45.46	4.63	4.18
1964	4,773	27,281	4,135,789	4,163,070	14,297,834	1,213,284	1,319	591,491	8.49	48.86	4.83	4.15
1965	4,815	28,697	4,600,390	4,629,087	16,111,704	1,387,228	1,453	681,802	8.61	49.25	5.06	4.24
1966	4,799	29,120	5,035,685	5,064,805	17,971,372	1,582,535	1,348	736,591	8.81	46.63	4.63	4.11
1967	4,758	38,081	5,224,214	5,262,295	19,095,324	1,757,491	2,124	794,056	9.20	45.30	5.58	4.17
1968	4,716	57,704	5,503,820	5,561,524	20,585,402	1,931,556	4,344	892,934	9.38	46.45	7.53	4.36
1969	4,669	62,453	6,165,757	6,228,210	22,158,066	2,534,029	4,428	1,063,647	11.44	42.15	7.09	4.82
1970	4,621	62,572	6,326,508	6,389,080	24,080,719	2,829,334	4,677	1,273,039	11.75	45.16	7.46	5.31

*These are averages of data from the Reports of Condition of the previous December, and June and December of the respective years.

NOTE: For earlier data, see *Annual Reports of the Comptroller of the Currency*, 1938, p. 115, and 1963, p. 306.

Table B–34

Loan losses and recoveries of National banks, 1945–70

[Dollar amounts in thousands]

Year	*Total loans end of year, net*	*Net losses or recoveries (+)*	*Ratio of net losses or net recoveries (+) to loans*	*Year*	*Total loans end of year, net*	*Net losses or recoveries (+)*	*Ratio of net losses or net recoveries (+) to loans*
			Percent				*Percent*
1945	$13,948,042	+$7,740	+0.06	1960	$63,693,668	$130,177	.20
1946	17,309,767	3,207	.02	1961	67,308,734	112,412	.17
1947	21,480,457	29,913	.14	1962	75,548,316	97,617	.13
1948	23,818,513	19,349	.08	1963	83,388,446	121,724	.15
1949	23,928,293	33,199	.14	1964	95,577,392	125,684	.13
1950	29,277,480	14,445	.05	1965	116,833,479	189,826	.16
1951	32,423,777	22,108	.07	1966	126,881,261	240,880	.19
1952	36,119,673	19,326	.05	1967	136,752,887	279,257	.20
1953	37,944,146	32,201	.08	1968	154,862,018	257,280	.17
1954	39,827,678	25,674	.06	1969	168,004,686	303,357	.18
1955	43,559,726	29,478	.07	1970	173,456,091	601,734	.35
1956	48,248,332	41,006	.08				
1957	50,502,277	35,428	.07	Average for 1945–70	68,978,975	108,518	.16
1958	52,796,224	38,173	.07				
1959	59,961,989	25,767	.04				

NOTE: For earlier data, including figures on gross losses and chargeoffs and gross recoveries, see *Annual Report of the Comptroller of the Currency*, 1947, p. 100 and 1968, p. 233.

Table B–35

Securities losses and recoveries of National banks, 1945–70

[Dollar amounts in thousands]

Year	*Total securities end of year, net*	*Losses and chargeoffs**	*Ratio of net losses to securities*	*Year*	*Total securities end of year, net*	*Losses and chargeoffs**	*Ratio of net losses to securities*
			Percent				*Percent*
1945	$55,611,609	$74,627	0.04	1960	$43,852,194	$154,372	.30
1946	46,642,816	74,620	.09	1961	49,093,539	51,236	.08
1947	44,009,966	69,785	.10	1962	51,705,503	47,949	.08
1948	40,228,353	55,369	.07	1963	52,601,949	45,923	.07
1949	44,207,750	23,595	.04	1964	54,366,781	86,500	.15
1950	43,022,623	26,825	.04	1965	57,309,892	67,898	.11
1951	43,043,617	57,546	.12	1966	57,667,429	302,656	.52
1952	44,292,285	76,524	.15	1967	69,656,371	149,545	.21
1953	44,210,233	119,124	.25	1968	76,871,528	344,068	.44
1954	48,932,258	49,469	.08	1969	70,216,983	286,215	.41
1955	42,857,330	152,858	.32	1970	84,157,505	137,704	.16
1956	40,503,392	238,997	.56				
1957	40,981,709	151,152	.35	Average for 1945–70	51,364,796	130,597	.25
1958	46,788,224	67,455	.12				
1959	42,652,855	483,526	1.09				

NOTE: For earlier data, including figures on gross losses and chargeoffs and gross recoveries, see *Annual Report of the Comptroller of the Currency*, 1947, p. 100 and 1968, p. 234.

Table B–36

Assets and liabilities of National banks, date of last report of condition, 1950–70

[Dollar amounts in thousands]

Year	*Number of banks*	*Total assets**	*Cash and due from banks*	*Total securities, net*	*Loans, net*	*Other assets*	*Total deposits*	*Liabilities for borrowed money*	*Other liabilities*	*Capital*	*Surplus undivided profits and reserves*
1950....	4,965	$97,240,093	$23,813,435	$43,022,623	$29,277,480	$1,126,555	$89,529,632	$76,644	$1,304,828	$2,001,650	$4,327,339
1951....	4,946	102,738,560	26,012,158	43,043,617	32,423,777	1,259,008	94,431,561	15,484	1,621,397	2,105,345	4,564,773
1952....	4,916	108,132,743	26,399,403	44,292,285	36,119,673	1,321,382	99,257,776	75,921	1,739,825	2,224,852	4,884,369
1953....	4,864	110,116,699	26,545,518	44,210,233	37,944,146	1,416,802	100,947,233	14,851	1,754,099	2,301,757	5,107,759
1954....	4,796	116,150,569	25,721,897	48,932,258	39,827,678	1,668,736	106,145,813	11,098	1,889,416	2,485,844	5,618,398
1955....	4,700	113,750,287	25,763,440	42,857,330	43,559,726	1,569,791	104,217,989	107,796	1,488,573	2,472,624	5,463,305
1956....	4,659	117,701,982	27,082,497	40,503,392	48,248,332	1,867,761	107,494,823	18,654	1,716,373	2,638,108	5,834,024
1957....	4,627	120,522,640	26,865,134	40,981,709	50,502,277	2,173,520	109,436,311	38,324	1,954,788	2,806,213	6,278,004
1958....	4,585	128,796,966	26,864,820	46,788,224	52,796,224	2,347,698	117,086,128	43,035	1,999,002	2,951,279	6,717,522
1959....	4,542	132,636,113	27,464,245	42,652,855	59,961,989	2,557,024	119,637,677	340,362	2,355,957	3,169,742	7,132,375
1960....	4,530	139,260,867	28,674,506	43,852,194	63,693,668	3,040,499	124,910,851	110,590	3,141,088	3,342,850	7,755,488
1961....	4,513	150,809,052	31,078,445	49,093,539	67,308,734	3,328,334	135,510,617	224,615	3,198,514	3,577,244	8,298,062
1962....	4,505	160,657,006	29,683,580	51,705,503	75,548,316	3,719,607	142,824,891	1,635,593	3,446,772	3,757,646	8,992,104
1963....	4,615	170,233,363	28,634,500	52,601,949	83,388,446	5,608,468	150,823,412	395,201	5,466,572	4,029,243	9,518,935
1964....	4,773	190,112,705	34,065,854	54,366,781	95,577,392	6,102,678	169,616,780	299,308	5,148,422	4,789,943	10,258,252
1965....	4,815	219,102,608	36,880,248	57,309,892	116,833,479	8,078,989	193,859,973	172,087	7,636,524	6,089,792	11,334,232
1966....	4,799	235,996,034	41,689,580	57,667,429	127,453,846	9,185,179	206,456,287	1,015,147	9,975,692	6,299,133	12,159,775
1967....	4,758	263,374,709	46,633,658	69,656,371	136,752,887	10,331,793	231,374,420	296,821	11,973,852	6,602,519	13,127,097
1968....	4,716	296,593,618	50,952,691	76,871,528	154,862,018	13,907,381	257,883,926	689,087	16,496,707	7,008,482	14,515,416
1969....	4,669	310,263,170	54,727,953	70,030,342	168,004,686	17,500,189	256,426,791	2,283,717	28,284,638	7,347,948	15,906,249
1970....	4,621	337,070,049	56,040,460	84,157,465	173,455,791	23,416,333	283,784,496	1,280,365	27,130,131	7,680,597	17,194,460

Note: For earlier data, revised for certain years and made comparable to those in this table, references should be made as follows: years 1863 to 1913, inclusive, *Annual Report of the Comptroller of the Currency*, 1913; figures 1914 to 1919, inclusive, report for 1936; figures 1920 to 1939, inclusive, report for 1939; and figures 1936 to 1949, inclusive, report for 1966.

*After deduction of securities and loan reserves.

TABLE B-37

Foreign branches of National banks, by region and country, Dec. 31, 1970

Region and country	Number
Central America	44
El Salvador	1
Guatemala	3
Honduras	3
Mexico	5
Nicaragua	3
Panama	29
South America	139
Argentina	38
Bolivia	5
Brazil	18
Chile	17
Colombia	26
Ecuador	12
Guyana	1
Paraguay	6
Peru	8
Uruguay	4
Venezuela	4
West Indies (Caribbean)	89
Antigua	2
Bahamas	49
Barbados	3
Cuba	0
Dominican Republic	12
French West Indies	1
Grenada	2
Jamaica	6
Netherlands Antilles	2
Trinidad and Tobago	6
British Virgin Islands	3
West Indies Federation of States	3
Europe	90
Austria	1
Belgium	8
England	23
France	9
Germany	18
Greece	9
Ireland	3
Italy	4
Luxembourg	1
Netherlands	7
Northern Ireland	1
Switzerland	6
Africa	2
Liberia	2
Middle East	12
Bahrain	1
Israel	1
Lebanon	3
Qatar	1
Saudi Arabia	2
Trucial States	4
Asia and Pacific	78
Fiji Islands	1
Hong Kong	13
India	11
Indonesia	6
Japan	12
Korea	3
Malaysia	5
Okinawa	2
Pakistan	4
Philippines	4
Republic of China	2
Singapore	11
Thailand	2
Vietnam	2
U.S. overseas areas and trust territories	43
Panama (Canal Zone)	2
Caroline Islands	1
Guam	3
Marianas Islands	1
Marshall Islands	1
Puerto Rico	19
Virgin Islands	16
Total	497
Military banking facilities	31

Table B–38

Total assets of foreign branches of National banks, year-end 1953–70*

[Dollar amounts in thousands]

1953	$1,682,919	1962	$2,008,478
1954	1,556,326	1963	2,678,717
1955	1,116,003	1964	3,319,879
1956	1,301,883	1965	7,241,068
1957	1,342,616	1966	9,364,278
1958	1,405,020	1967	11,856,316
1959	1,543,985	1968	16,021,617
1960	1,628,510	1969	28,217,139
1961	1,780,926	1970	38,877,627

*Includes military facilities operated abroad by National banks in 1966 and thereafter.

Table B–39

Foreign branches of National banks, 1960–70

End of year	Number of branches operated by National banks	National bank branches as a percentage of total foreign branches of U.S. banks	End of year	Number of branches operated by National banks	National bank branches as a percentage of total foreign branches of U.S. banks
1960	93	75.0	1965	196	93.5
1961	102	75.6	1966	230	94.3
1962	111	76.6	1967	278	95.5
1963	124	77.5	1968	355	95.0
1964	138	76.7	1969	428	93.0
			1970	497	92.7

Table B–40

Assets and liabilities of foreign branches of National banks, Dec. 31, 1970: consolidated statement*

[Dollar amounts in thousands]

Cash and cash items	266,931	Total demand deposits	3,448,280
Due from banks (time and demand)	8,852,471	Total time deposits	24,765,018
Securities	565,116	U.S. Government deposits	236,166
Loans, discounts and overdrafts	15,057,401	Certified checks, officers' checks, official checks	99,813
Customers' liability on acceptances	1,217,900	Total deposits	28,549,277
Fixed assets	126,228	Other liabilities and borrowed funds	890,927
Other assets	531,526	Liabilities on acceptances	1,221,091
Due from head office and branches (gross)	12,260,054	Due to head office and branches (gross, including capital)	8,216,332
Total	38,877,627	Total	38,877,627

*Includes military facilities.

TABLE B–41

Trust assets and income of National banks, by States, calendar 1970*

[Dollar amounts in millions]

	Number of banks	*Employee benefit accounts†*	*Other trust accounts‡*	*Total trust accounts*	*Agency accounts §*	*Total, trust and agency accounts*	*Trust department income (Dollar amounts in thousands)*
United States	1,696	45,254	74,441	119,695	30,609	150,305	629,817
Alabama	30	240	795	1,035	144	1,179	5,238
Alaska	4	27	15	42	31	74	232
Arizona	2	54	530	584	38	622	4,388
Arkansas	31	29	212	241	17	258	1,279
California	16	4,592	7,778	12,370	1,572	13,942	76,872
Colorado	29	296	1,118	1,414	305	1,719	11,270
Connecticut	11	316	1,490	1,806	791	2,596	10,768
Delaware	1	0	0	0	0	0	0
District of Columbia ‖	6	312	1,137	1,449	989	2,438	8,963
Florida	86	307	2,971	3,278	458	3,737	17,063
Georgia	27	382	1,120	1,502	1,217	2,719	10,066
Hawaii	0	0	0	0	0	0	0
Idaho	2	26	57	83	40	123	500
Illinois	162	6,365	6,011	12,376	3,857	16,233	62,791
Indiana	96	400	2,196	2,596	787	3,384	12,294
Iowa	46	82	432	514	246	760	3,346
Kansas	48	53	418	471	117	588	2,791
Kentucky	53	43	311	354	150	503	2,153
Louisiana	20	153	237	390	83	474	2,578
Maine	16	29	230	259	85	344	1,679
Maryland	11	123	582	705	213	919	3,663
Massachusetts	55	1,588	2,327	3,915	992	4,906	39,240
Michigan	38	3,938	2,505	6,443	1,262	7,705	20,600
Minnesota	21	895	1,685	2,580	744	3,324	14,325
Mississippi	19	46	185	231	8	239	1,365
Missouri	35	679	2,296	2,975	1,005	3,981	13,256
Montana	12	5	45	50	13	63	346
Nebraska	19	147	493	640	172	812	4,271
Nevada	3	6	268	274	24	298	1,529
New Hampshire	19	8	131	139	69	208	806
New Jersey	76	286	1,625	1,911	676	2,587	15,885
New Mexico	18	18	213	231	34	265	1,250
New York	78	13,226	8,188	21,414	6,102	27,516	106,735
North Carolina	16	857	1,676	2,533	533	3,066	11,277
North Dakota	11	16	83	99	15	115	668
Ohio	60	1,570	3,890	5,460	988	6,448	21,334
Oklahoma	40	198	770	968	313	1,281	5,452
Oregon	2	229	658	887	98	984	5,651
Pennsylvania	131	4,609	8,615	13,224	2,820	16,045	47,804
Rhode Island	3	224	1,116	1,340	373	1,713	7,413
South Carolina	8	128	379	507	92	599	2,276
South Dakota	10	23	85	108	35	143	775
Tennessee	32	170	1,180	1,350	553	1,903	7,358
Texas	139	1,710	3,847	5,557	1,151	6,708	33,136
Utah	2	75	162	237	16	253	1,159
Vermont	10	3	43	46	12	58	363
Virginia	47	197	1,201	1,398	698	2,095	9,182
Washington	10	314	1,321	1,635	251	1,886	10,252
West Virginia	33	20	304	324	30	355	1,711
Wisconsin	38	236	1,458	1,694	368	2,062	6,139
Wyoming	14	4	51	55	24	79	314

*As of December 31, 1970.

†Employee benefit accounts include all accounts for which the bank acts as trustee, regardless of whether investments are partially, or wholly, directed by others. Insured plans or portions of plans funded by insurance are omitted, as are employee benefit accounts held as agent.

‡Includes all accounts, except employee benefit accounts and corporate accounts, for which the bank acts in the following, or similar capacities: Trustee (regardless of whether investments are directed by others), executor, administrator, guardian; omits all agency accounts and accounts for which the bank acts as registrar of stock and bonds, assignee, receiver, safekeeping agent, custodian, escrow agent, or similar capacities.

§Includes both managing agency and advisory agency accounts.

‖Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

NOTE: Data may not add to totals because of rounding.

APPENDIX C

Addresses and Selected Congressional Testimony of the Comptroller of the Currency

Addresses and Selected Congressional Testimony

Statement by William B. Camp, Comptroller of the Currency, Before the Senate Banking and Currency Committee, on One-Bank Holding Company Legislation, May 15, 1970

I would like to discuss with you this morning two topics relating to the bills under study by this Committee: first, the so-called "laundry list" approach, which is of crucial importance to the banking industry and, I believe, to the whole economy; second, the allocation of agency responsibility under the legislation passed, a matter of considerable importance for our Office.

H.R. 6778 includes a "laundry list" of activities which would be prohibited for subsidiaries of holding companies controlling one or more banks. We must note, however, that although this bill, and the other bills before this Committee on the same topic, purport to relate only to bank holding companies, their supporters are really attempting to define and delineate the business of banking. It was stated on the floor of the House that a broadly-based organizational form with a variety of subsidiaries, including a bank, would not be barred from a particular line of endeavor if a bank itself could carry out this same activity.

The fact that we are dealing with the delineation of the allowable activities for the banking industry is, in my view, very crucial as we search for that governmental policy which will be most consistent with the public interest. It is unfortunate, I believe, that the public discussion of H.R. 6778, and the other bills before this Committee, has been almost entirely in terms of holding companies and their activities, rather than in terms of banks and their activities. In the public mind, holding companies tend to be thought of as something far removed from day-to-day experience and, often perhaps, as a phenomenon associated with financial manipulation and financial legerdemain. On the other hand, virtually everyone has had considerable day-to-day contact with banks.

It may be useful for us to examine briefly the recent history of banking leading up to the formation of a number of bank-centered one-bank holding companies. Our Office, during the decade of the 1960's, was in the forefront in the examination and re-examination of existing banking regulations in a painstaking effort to determine whether each regulation was still serving a useful purpose. Many regulations were carryovers from the financially-troubled era of the early 1930's. Many financial markets today are so different from their counterparts of that time, that the connection between them is little more than historical. The degree of sophistication required to meet many of the financial needs of our complex and dynamic economy is so great that the institutions and markets as constituted in the thirties could simply not perform adequately today. Yet, the framework of regulation created at that time was, in general, still being applied at the beginning of this decade.

Our process of examining the current validity of banking regulations, therefore, exposed a number of cases in which regulations not required by current statute could be eliminated, and others could be modified, within the statutory framework. As a result, over time, National banks were able to operate in a regulatory climate which provided a greater, and healthier, degree of discretion to bank management.

In part due to the elimination of regulatory restrictions just described, and in part due to the advent of a more innovative spirit within bank management itself, banks began to expand their offering of certain financial services, and began to offer some new ones. The public was the immediate beneficiary because the expansion of bank activity provided the benefits of additional competition. However, when competition increases there can be no guarantee that individual competitors will not be subjected to greater pressures. In fact, in competitive markets it is generally understood that the public benefits of competition do not come painlessly, from the standpoint of the competitors.

One result, and a quite proper one under our system, was the filing of lawsuits by firms in a number of functional areas. Each felt itself damaged by the added competition generated by commercial banks. It is interesting to note the arguments advanced by the plaintiffs in these suits. Rarely, if at all, was it claimed that the public interest was being harmed by the provision of the particular services by commercial banks. Rather, the suits rested on the quite narrow issue of whether National banks, under their charters, had the right to provide the services in question.

It is important to emphasize that there have been no complaints about those bank activities by the general public, or by the consumers, at any level, of the services in question. On the other hand, it is difficult to conceive of a more anticompetitive thrust than that contained in, as an example, the suit brought by the association of data processing companies. Very simply, that association charged that banks simply had no right to provide data processing services to their customers, despite the fact that banking is essentially a data processing activity, whether that processing is done by a gentleman with a green eye shade, sitting on a high stool, or by the latest computer system. It was natural for banking, given its need for a variety of voluminous record-keeping operations, to become heavily involved in data processing as we know it today, aided by the most sophisticated computer systems which man has been able to devise.

What has all this to do with the immediate issue before the Committee? Commercial banks, tiring of continual harrassment from litigation brought by a variety of non-bank competitors, attempted to devise an organizational form which might have immunity from such suits. The device of creating a parent holding company, under whose corporate umbrella a number of the bank operations could be spun-off as holding company subsidiaries, seemed to provide a possible answer. In the period from mid-1968 through April 30, 1970, 75 National banks took the steps necessary to reorganize their corporate structure in the form of a so-called one-bank holding company.

When we examine the subsidiaries of these holding companies, we find that the vast majority of them were capitalized by the parent as new enterprises, or as corporations to absorb operations spun-off from the bank. Acquisitions of existing enterprises are much fewer in number, and have typically involved relatively small firms. As you know, this Office, in approving the steps necessary to create a parent holding company, applies a proviso which requires approval by this Office for any additional subsidiaries of the holding company, whether acquired, or newly established. We have restricted such subsidiary operations to the financial sector, and to activities that we considered properly related to the functioning of a bank-centered financial organization.

I offer this brief history of some of the relevant events leading up to the one-bank holding company controversy in the hope that it may allow a somewhat better understanding of the essential issues. I repeat that we should not forget that the legislation under discussion involves an attempt to define and delineate the activities which banking organizations will be allowed to perform. It is conceivable that a more constructive public discussion would have occurred had the issue been put in that fashion, rather than being related constantly to a holding company superstructure.

If this Committee, and later, the Senate, decides to place one-bank holding companies under the same regulation as multi-bank holding companies, it is my earnest hope that the legislation will not include a so-called "laundry list" of prohibited activities, like that contained in H.R. 6778. For that matter, a positive "laundry list" would be almost as unhealthy. Imagine the listing of "proper" banking activities which might have been drawn up in 1950, or even in 1960. The list that any knowledgeable observer would draw today would differ considerably from a comparable list of a decade ago. That is simply to say that in a dynamic, growing, complex economy such as ours, financial institutions, including commercial banks, must be free to respond to financial needs as they occur. Those needs can not be predicted very far in advance, and they change materially over periods of time. To place commercial banking in a statutory straight jacket would be, in my view, an action decidedly against the public interest.

Insofar as existing statutes have allowed it, our Office has permitted banks to engage in any financial activity which will not endanger the liquidity or solvency of the bank in question, or the banking system, and which appears to be consistent with the public interest, taking proper account of the competitive impact. Our preference would be for a statutory test along those lines, to determine the activities in which banks and bank holding companies may engage.

Before leaving the topic of the definition of the banking business, I would like to read from my letter in the 1969 record of the House hearings. I believe the letter is consistent with the views which I have just stated, and it further provides some relevant quotations from various court decisions.

This quotation deals with an interpretation of the meaning of the "incidental powers" provision found in the New York Free Banking Act of 1837. This provision was very similar to the incidental powers clause of the National Bank Act, 12 U.S.C. 24 (7). In construing this section of the New York Act in 1857, the New York Court of Appeals held, in *Curtis v. Leavitt,* 15 N. Y. 9, that the implied powers of a bank

> are not enumerated and defined; because no human sagacity can foresee what implied powers may, in the progress of time, the discovery and perfection of better methods of business, and the ever varying attitude of human relations, be required to give effect to the expressed powers. They are therefore left to implication.

Now, may I briefly turn to a topic which falls under the general category of administrative housekeeping. Under any one of the bills before the Committee, responsibility for administering the terms of the legislation will be given to one or more agencies. As Administrator of National Banks, my Office has more than a passing interest in this decision. As long as the tripartite division of Federal regulatory powers over banking continues, my preference would be that the respective Federal agencies be made responsible for regulating those holding companies controlling their respective banks. That is, our Office would be responsible for regulating those one-bank holding companies having National banks as subsidiaries, the Federal Reserve would regulate those having State member banks as subsidiaries, and the Federal Deposit Insurance Corporation would be responsible for those companies having State non-member banks as subsidiaries. This would not require any change from the existing allocation of responsibility for regulation of multi-bank holding companies to the Federal Reserve.

Let me point out that there is a very meaningful distinction between the appropriate regulation of a multi-bank holding company and a one-bank holding company. We have had no problems in continuing to supervise the National banks in a multi-bank holding company system although the Federal Reserve has had regulatory powers over the parent company. For example, a particular system might include 10 National banks, 5 State member banks, and 5 State non-member banks. Each of the three Federal agencies would exert its appropriate regulatory and supervisory authority over the subsidiary banks. However, in the case of bank-centered one-bank holding companies, the bank subsidiaries are by far the most important subsidiary of the parent company. In one case, for example, the subsidiary bank has $22.8 billion in assets, while the parent holding company has $23.1 billion, only about 1 percent more. It is abundantly clear that to place the parent holding company in this situation under the Federal Reserve, and to keep the subsidiary bank under our supervision, would effect a substantial shift in regulatory powers. Further, we should not ignore the substantial degree of regulatory duplication and overlap that would be created.

The President's Commission on Financial Institutions should, and undoubtedly will, explore fully the structure of bank regulation, and undoubtedly will make appropriate recommendations. It would appear that, with the Commission now being constituted, major restructuring of bank regulation should await the findings of the Commission. As I have indicated, the placement of the regulatory powers in question in the hands of any one agency would result in a substantial shift in bank regulatory structure. Therefore, I am hopeful that the Congressional verdict will be to retain the tripartite responsibility for the time being.

REMARKS OF WILLIAM B. CAMP, COMPTROLLER OF THE CURRENCY, BEFORE THE NATIONAL BANK DIVISION OF THE AMERICAN BANKERS ASSOCIATION MIAMI BEACH FLA., OCT. 12, 1970

It is a real pleasure, indeed, a signal honor, to again be invited to address the National Bank Division of the American Bankers Association at this convention.

As some of you may know, I was a National Bank Examiner for more than 20 years, and while I have been received by different people in different ways in different sets of circumstances, I can honestly say that some of the happiest days of my life have been spent while directly engaged in the bank examination process. Some people, however, do not hold examiners in the highest esteem. For example, Elbert Hubbard wrote:

The typical bank examiner is a man past middle age, spare, wrinkled, intelligent, cold, passive, non-committal, with eyes like a codfish, polite in contact, but at the same time unresponsive, cold, calm and damnably composed as a concrete post or a plaster of paris cast; a human petrification with a heart of feldspar and without charm of a friendly germ, minus bowels, passion or a sense of humor.

Happily, they never reproduce and all of them finally go to Hell.

I should also point out that the Comptroller is often subject to criticism. Many years ago Mark Twain wrote:

> Nothing in this world is palled in such impenetrable obscurity as a U.S. Treasury Comptroller's understanding. The very fires of the hereafter could get up nothing more than a fitful glimmer in it.

As I have indicated, bank examiners are not always the most popular visitors wherever they go. Bank regulatory authorities, themselves, are being examined disapprovingly in some quarters. Banks and bankers are being criticized from all sides, often for things they don't do as much as for things they do.

Not long ago, a senior Congressman, whom I shall not name, although I am sure you all know who he is because he is the one who picks on you the most, must have had a slow day. The only criticism of the banking industry he could find that day was that bank-controlled small business investment corporations had received too many Small Business Administration loans last year. The amount that he considered disproportionate was about two-sevenths of the $70,000,000 loaned by the agency last year. Mr. Hilary Sandoval, the Administrator of the Small Business Administration, when informed of the Congressman's criticism, made a remark with which I don't think anyone could disagree. Mr. Sandoval said: "Banks, whether anyone likes them or not, I imagine are here to stay, for they are part of America." The *Journal of Commerce,* in an editorial, said that Mr. Sandoval's reply indicated that Mr. Sandoval "knows on what burner one should cook the goulash."

I am here today to underscore Mr. Sandoval's belief that banks are here to stay, and I, for one, am glad of it. The fact remains that this industry, notwithstanding all the competitive, political, legal, and, lately, even physical attacks to which it has been subjected, has performed and is continuing to perform outstanding service to our great Nation, and, indeed to the world at large. Bank participation in the Small Business Administration program, far from calling for criticism, is one of the more obvious aspects of that contribution.

It is extremely difficult for me to understand how those who proclaim themselves as staunch defenders of the people against vested interests can so vigorously oppose any effort by banks to compete with other financial institutions in order to improve public services, reduce costs to customers, and achieve greater efficiencies in their operations.

Other critics, with different points of view, contend that the banks are not doing enough, particularly in the broad field of social reform. These critics want to see banks compelled to make preferential loans to particular classes of borrowers, regardless of the collateral pledged or the business judgment of the debtor. Some of them want to see banks loans channeled to one industry in preference to others. Some want bank credit concentrated behind activities they deem most important, without attaching much significance to a balance of priorities among contending applicants. Still others contend that banks should be restrained from lending to certain industries because of objections to the products they manufacture.

The most radical and revolutionary critics of banking are not content with merely making demands; they seem to be unwilling or unable to press their demands with reasoned arguments, or to justify them with persuasive facts. They prefer, instead, to register their discontent with bombs or bombing threats, with arson of bank buildings, or with destruction of bank records and facilities by angry mobs.

A speech was made on the floor of the Senate some time ago by a member who was dismayed at the turn of events he had seen. He declared:

> . . . There are persons who constantly clamor. They complain of oppression, speculation, and pernicious influence of wealth. They cry out loudly against all banks and corporations, and a means by which small capitalists become united in order to produce important and beneficial results. They carry on mad hostility against all established institutions. They would choke the fountain of industry and dry all streams . . . .

The speech went on at some length, but what I have quoted is enough to show the general nature of the remarks of Senator Daniel Webster to his colleagues on March 12, 1838.

Even today's less violent bank critics, I suspect, seldom stop to think that whatever the banks are doing, they're doing with other people's money; the loans that banks make and the risks that they assume are accomplished with the savings entrusted to their care, accepted with the promise that interest and dividends will be earned and paid to their depositors and shareholders. I often wonder if some of the more liberal critics of banking would be willing to invest their own savings in all the ways they urge the banks to invest the savings of others.

Fortunately, good bankers are level-headed enough not to panic under attack. They know from long experience, in times less troublesome than these, that a lender is usually regarded as a benefactor when a needed loan is made and all too often is considered an ogre when the loan comes due.

Good bankers have a sense of self-discipline that is strong enough to help them make firm distinctions between the desirable and the possible. At the same time, they have a deep concern for the well-being of their customers and their communities which leads them to make sound loans for any good purpose. Good bankers are alert to opportunities to expand and improve their financial services in order to meet any of their customers' valid demands that do not threaten the solvency and liquidity of the bank, itself.

There is certainly a strong element of self-interest in this approach to banking, for the wise banker knows that his institution can prosper only through the sound growth of the community he serves. In turn, as is true in any service industry, he knows that his bank can attract customers and depositors only when it earns their confidence and supplies their worthwhile needs.

Banking has been alert to find new ways to meet those needs. Under the encouragement of more far-sighted regulatory policies, the banking industry has, in recent years, responded enthusiastically to the abundant prospects for broadened service. Banks have sought to enlarge their resources by introducing or expanding the use of certificates of deposit, capital debentures, preferred stock, and promissory notes—and thus, they have completed more actively and more effectively for savings in their communities. They have begun to apply the new technology to their own operations, although, as always in such periods of transition, there have been problems of adaptation and questions of the suitability of techniques. To carry out these growing endeavors, banks have been strengthening their staffs through the recruitment of greater numbers of highly trained and able young men and women.

This new vitality has found expression in the more active pursuit of new markets and functions. Consumer loan and mortgage markets, long neglected, have become the focus of increased attention. Credit cards, check guarantees, and overdraft facilities have made banking facilities more convenient for a broader range of consumers. Growing expenditures for travel have elicited expanded traveler's check and related services; and the expert investment-management capabilities of banks have been brought within the reach of many of the growing number of small investors.

Industrial and commercial enterprises have also found banks more responsive to their needs. Leasing and factoring activities have grown more common. Foreign trade financing has attracted the efforts of larger numbers of banks. The computerization of operations has enabled banks to offer excess capacity to others, and to expand their performance of payroll and accounting functions for customers. Larger staffs of expert personnel have permitted banks to broaden their advisory services, both to business and individuals. And, through the underwriting of revenue bonds and community development loans, their aid to local governments has been enlarged.

There are many additional illustrations of the new functions that banks have been undertaking, and the list will grow larger still. Some competing groups have complained to Congress and to the courts that the list is already too large, and that banks should be stopped, by law, from expanding their functions. As a result of research for a Congressional inquiry, I was quite fascinated to find that, in 1870, there was a law suit in which one bank challenged another on the legality of bank certification of checks. The suit was before the United States Supreme Court. In the case the Court was asked to define what the proper powers of a bank should be. The Court said, in part:

> The practice of certifying checks has grown out of the business needs of the country. Customs have sprung from the necessities and the convenience of business and prevailed in duration and extent until they acquired the force of law. This mass of our jurisprudence has thus grown,

and will continue to grow, by successive accretions.

In a decision of the New York Court of Appeals, in 1857, the court was asked to define the implied powers clause of the New York Free Banking Act. The New York Court of Appeals, in language which I consider more classical than the Supreme Court language of one hundred years ago, stated:

> The implied powers of a bank are not enumerated and defined; because no human sagacity can foresee what implied powers may, in the progress of time, the discovery and perfection of better methods of business, and the ever varying attitude of human relations, be required to give effect to the expressed powers. They are therefore left to implication.

I think these two court decisions are the best answers that I have ever seen to the suggestions that the list of activties in which banks are presently engaged is already too large.

Today, in our cities, in our universities, in our economic affairs—both domestic and international—we face mounting challenges to our cherished principles of personal freedom and individual initiative. The viability of these principles rests upon our capacity to demonstrate that they can be made to work in serving today's needs as well as those of the future.

I am not one to despair at the prospect of solving the huge problems which seem to be closing in on us today. One would have to be foolish indeed to minimize the problems of ecology, race, inflation, violence, crime, the generation gap, and the rest of the seemingly endless list of horrors presented to us every day in our morning newspaper. I do not despair of our being able to successfully meet and resolve those problems for the simple reason that we have already overcome many problems which at the time seemed just as formidable.

When we look back over the last five decades, 1919 to 1969, we find that our life expectancy has been increased by approximately 50 percent. We find the working day decreased by a third at the same time that per capita output more than doubled.

We find a people who no longer have to fear the epidemics of flu, typhus, diphtheria, smallpox, scarlet fever, measles, or mumps that they knew in their childhood. Once dreaded TB is almost unheard of and, just in the last 10 years, the great maimer, polio, has been conquered.

We find a generation that, having lived through history's greatest depression, determined that it would not happen to its children and that, according to virtually all of our most learned economists, has succeeded in that determination.

We find a new generation of children who, despite the apparent efforts of some of them to hide it, are the tallest, healthiest, brightest, and probably best-looking generation to inhabit the land. These children will work fewer hours, learn more, have more leisure time, travel to more distant places, and have more of a chance to follow their life's ambition than any generation ever has.

I do not doubt that a nation that has done all those things, in such a short period of time, can accomplish the great tasks remaining undone, finding alternatives for war, for racial hatred, for pollution of the environment, and for inflation.

The banking industry stands at the center of these crucial struggles. It is in a unique position to exercise leadership for its spirit and its attitudes color the outlook, the sentiment, and the posture of men and women of enterprise throughout the country. An energetic, far-seeing, and responsive banking system can do much to assure that our great wealth of resources and the unbounded capabilities of our people are put to work fully and effectively in the realization of our national aims.

I believe, therefore, that we must continue to work for the full realization of the great potential of the banking industry. Our aim should be to fashion and sustain a banking system that responds swiftly to new demands and opportunities, that alertly applies new techniques to enhance proficiency of operations, and that persistently searches for new functions that can be performed safely and prudently. In the process, I believe that growth in size of units, through effective combination of complementary functions, is a necessary corollary to growth in service capacity.

These goals are fully consonant with the best traditions of our private free enterprise system. Nothing less will allow our banking system to fulfill its essential role in the Nation's future. Remarkable as our past has been, I am confident that we are entering a new era of achievement in banking service that will far outdistance any other accomplishment we have known.

The ferment we find today in the field of banking is the outcome of a re-birth of enterprise in an industry long accustomed to protection against this vital force in our economy. Some portray these developments as a growth of governmental power, but, in truth, they reflect a relaxation of governmental power over the exercise of initiative by privately-owned enterprises.

Our commercial banks lie at the heart of our financial system, and the capability of our financial system critically affects the progress of our entire economy. A banking system alert to its positive responsibilities, and equipped to carry out those responsibilities, is thus indispensable to the success of our private enterprise system. This objective can be achieved only by allowing the forces of individual initiative to be expressed more fully and more actively in this industry.

The present advanced level of our economic development was not achieved by preserving the status quo. Those of you who have lived and worked in the world of industry and commerce are intimately aware of the vitality that private initiative imparts to our economy. Our past achievements, under the influence of that initiative, are well known to us all. Ahead lie vistas which none of us today can fully realize. The strength of our productive power, the skills of our new generation of young men and women, the rate of our technological progress are all at levels unmatched in our past experience. We stand poised for new achievements beyond our imagination. It will not take another 75 years to attain the advances we have achieved in the past 75.

To meet the needs of our great Nation, indeed, the needs of the world at large, we will require a banking system free to employ its innovative capabilities, its ingenuity, and its vast skills most efficiently in furthering the progress of the world. Working together, I am certain that we can reach this compelling objective so acutely important to our Nation's future.

In closing, I wish to assure you that our Office will continue to be responsive to the efforts of our banks to serve the ever-growing needs of their customers, their communities, and our Nation as a whole.

Remarks of David C. Motter, Deputy Comptroller of the Currency (Economics), Before the Montgomery County Bankers Association Montgomery County, Md., Mar. 18, 1970

I would like to bring you some thoughts tonight concerning two not unrelated topics: first, the proper role of banking in our complex, dynamic economy and, second, the shorter-run problems posed for banking by its involuntary, but inescapable, role in the transmission of monetary policy's impact to the economy.

The "proper" role for banking, the delineation of banking's product and service mix, remains, after a decade of discussion and controversy, the most crucial question for the future of the industry. Conflicting forces have been contending for their points of view before courts, Congress, and various governmental agencies, including the banking agencies. Among the banking agencies themselves, considerable differences in points of view have existed at various times.

In our Office we are proud that the policies and rulings of the Comptroller of the Currency have, we believe, fostered and encouraged an innovative spirit and attitude in the banking industry. It is clear that banking in 1970 is significantly different from banking in 1960. In fact, the differences are sufficiently great that one may make a case for the view that they do not represent differences in degree but rather differences in kind.

I will not take time to indicate the long line of actions by the Comptroller of the Currency which provided significant support to bank innovation during the 1960's. Let it suffice to note only a few of those actions. The image of a closed structure for the National Banking System was dispelled. Significant increases in the number of banking offices available to provide for the banking needs of the public occurred. We think that the combination of branching, charter, and merger policies of the Comptroller during the past 10 years, has had a profoundly favorable effect upon the ability of National banks to meet the diverse and complex financial needs of our economy.

One area of great expansion for U.S. banking has been that of international banking. From a total of 85 offices operated abroad by National banks in 1960, the figure reached 428 at the end of 1969, an increase of 369 percent. Of all offices operated abroad by U.S. commercial banks at the end of 1968, 95 percent were operated by National banks, and the percentage was similar a year later. Total assets of foreign branches of National banks spurted tenfold, from $1.6 billion, in 1960, to $16.0 billion, by the end of 1968. Our Office holds the view that expansion into foreign markets by those National banks with sufficient resources and expertise to allow them to perform properly is in the best interest of the banks themselves, of the United States, and of the foreign countries concerned.

The offering of certain services by commercial banks has been initiated, and the offering of others has grown considerably in importance. Those services include direct lease financing, the sale of data processsing services to bank customers, travel services, the offering of credit-related insurance services, the underwriting of securities issued by various governmental entities, and the provision of additional trust-related activities.

You will note that National banks and the Comptroller of the Currency have been involved in litigation in connection with most of the above-named services. It is, of course, of prime relevance to ask who has instigated those suits. In no instance have consumers, or groups of consumers, of the services brought court action. Quite the contrary. By and large the consumers of those and other expanded banking services have benefited from the additional competition which resulted from the enlarged role of commercial banks in those various markets.

The suits in question have, without exception, been brought by competitors of commercial banks, competitors who opposed the additional competitive pressures imposed upon them by bank activity. It is interesting to read the briefs filed by litigants in such cases. It is rare to find, even in a plaintiff's brief, a charge that the broad public interest has been harmed by the banks' provision of the services in question. Commonly, the litigants have rested their cases primarily on the view that National banks do not have the power to offer such services. We should note that the ruling on March 2 by the Supreme Court virtually confers "standing" to any group of bank competitors desiring to block, by court action, the performance of specific activities by commercial banks. This means that, in the cases in question, courts will hold at the outset that the plaintiffs have the right to sue commercial banks for engaging in particular activities. Then, of course, the court inquiry will be directed to the merits of the issue. We have to hope that, in this exploration of the merits, the prime question will be the ultimate effect on the public interest.

The question of the appropriate regulation of one-bank holding companies is tied very closely to the question of the proper activities of banks and bank affiliates. The litigation mentioned above was certainly a major factor in leading many bank officials to consider favorably the establishment of parent one-bank holding companies. It was thought by some observers that the creation of a parent holding company would allow certain activities to be carried on by a banking organization without the threat of harassment in the form of litigation brought by bank competitors. I am sure that you are all aware of the House of Representatives' consideration of the one-bank holding company issue in 1969, and the provisions of the bill finally passed by that body.

It should be noted that in the discussions in the House and the forthcoming deliberations in the Senate on the one-bank holding company bill vitally affect all commercial banks, not just those that have formed, or are contemplating the formation of, a parent holding company. That is because it is quite clear that if legislation prohibits a broad holding company organization from engaging in a particular activity, that activity will almost certainly be barred for an individual bank. Therefore, any prohibitions that find their way into the final act passed by Congress in that area will effectively apply to all commercial banks.

The Administration has taken a well-reasoned position on the one-bank holding company issue. There is proper concern that the boundary lines between banking and industry remain unblurred. In point of fact, of course, the efforts to blur this line have not come from the banking side, but have come from takeovers, or attempts to takeover, banks by non-financial corporations. The Administration proposals and the bill that was passed by the House Banking Committee avoided the creation of specific "laundry lists", that is, lists of activities that would be prohibited for commercial banks and their affiliates.

The wisdom of that stance is obvious if we think of the recent history of our financial institutions and markets. Imagine a "laundry list" of prohibited activities that might have been drawn up in 1960. Or even more dramatic, imagine the list of *acceptable* activities for banking that might have been drafted at the same time. A number of important current banking activities would almost certainly not have appeared on the latter list.

The lesson is obvious. The financial needs of our economy are so complex, and the demands upon our banking system are so dynamic in their nature, that one cannot possibly foresee the evolution of banking services and products over time. Yet, under the "laundry list" approach, if specific activities are barred for commercial banks and their affiliates at this time, one can well imagine the difficulty of securing a statutory change, reversing such a prohibition, in the face of strong opposition by affected competitors of banks.

The bill that the House Banking Committee approved was altered so drastically on the floor of the House that it bears little resemblance to the Committee product. The "laundry list" approach was incorporated in the House-passed bill. The Senate Banking Committee has not yet set a date for hearings on this legislation.

One possible benefit for the banking industry in the widespread discussion of one-bank holding companies is that the attention of a number of very able people has been, and will be, directed to the question of the proper role of the banking system. You, perhaps, have read the article, by Professor Henry Wallich, entitled "Banks Need More Freedom to Compete", that appeared in the March 1970 issue of *Fortune Magazine*. If you have not read it, I believe you will find it to be a stimulating article. I say this without meaning to imply that I necessarily endorse the positions taken in the article.

Professor Wallich's major point is that if statutes and regulations consistently impede the performance of new functions by banks the outcome may well be to place the banking system "in danger of going the way of the railroads". He recommends a very considerable increase in the flexibility of the scope of banking operations. In fact, the path he envisions could well lead to a financial system quite different from that which we currently have. Undoubtedly the most controversial of Wallich's views, from the standpoint of the banking industry, is his position that banks can defend the right of flexibility in their own product and service mix only if the barriers to provision of unique banking functions by other institutions are lowered.

Now, we come to my second topic: banking's problems posed by being a transmission belt for monetary policy. Commercial banks are in a unique, and unenviable, position, in that the initial brunt of monetary policies must be carried out through the banking system. However, one may properly distinguish between the two principal weapons used by the monetary authority in recent years. By far the most basic is the control over the total money supply and the total monetary base, exerted by the monetary authority primarily through its open-market operations. Within some ranges, the monetary authority, over any period of a few months, is able to control rather directly the growth in the money supply. That control is admittedly a very powerful weapon in influencing the overall level of economic activity, although controversy continues between so-called "monetarists" and "fiscalists" as to the force and timing of that influence.

The banking system is in the front line, so to speak, in the transmission of the effects of overall monetary policy to the economy. That transmission mechanism functions through the general availability, or non-availability, of loanable funds in the banking system, and through the pricing device of rates of interest. The recent past shows again that the banking industry tends to be blamed for high interest rates, even when those rates are a direct result of the monetary policy prescribed by the monetary authorities.

The banking industry cannot duck its responsibility for transmitting the effects of monetary policy. However, a second weapon of monetary policy in recent years has been Regulation Q, imposing ceiling rates on time and savings deposits of commercial banks. Those ceiling rates were well below market rates for comparable savings instruments for many months. Even the January 1970 increases in ceilings are still somewhat below prevailing rates. The runoff of large CD's from over $24 billion to less than $11 billion in a little over a year, provides an excellent illustration of the fact that a money market instrument which is subject to below market ceilings cannot long compete with other money market instruments not subject to ceilings.

There is a responsible school of thought which holds that the use of regulations that divert funds from one deposit institution to another or, for that matter, from the credit instruments of deposit-type institutions to other financial instruments, is not necessary to the attainment of desired monetary policy. Let me quote two paragraphs from the *New York Times* of March 3:

> In its report, the . . . bank leveled some polite, but nonetheless sharp, criticism at the Federal Reserve Board in Washington for using its power to prevent banks from paying competitive interest rates on their time deposits.
>
> This policy, the bank said, did not take fully into account the ability of borrowers to bypass the banking system and obtain funds directly in the open market. The distortions and supervisory problems this policy produced, the bank said, "suggest that more sparing use of this type of

restriction on market competition is probably desirable."

That statement could be interpreted as a substantial challenge to existing policies of the Federal Reserve. It could have emanated from any number of commercial banks. Be that as it may, the source is the Federal Reserve Bank of New York. I could give you additional quotations which illustrate that, even within the Federal Reserve System, there is no monolithic view as to the proper use of rate ceilings.

In defense of the Federal Reserve Board, we should note that the most recent upward change in ceilings are a move in the direction of eventually converting ceiling rates to standby ceilings. In fact, there is some indication that a majority of the Board now favors placing ceilings on a standby basis just as soon as practicable. Secondly, we cannot ignore the problems of the housing industry in connection with any discussion of Regulation Q. The most common interpretation of the handling of Regulation Q controls from 1966 to the present is that the ceilings have been structured to allow thrift institutions, the prime suppliers of housing credit, to hold more funds than they would otherwise have been able to do.

Whatever justificatons for Regulation Q are advanced, bankers have seen their deposit totals dropping in recent months, and have been unable to sweeten the pot to hold those deposits. In turn, the banker was forced to turn down loan requests from long-standing customers. The customer, then, if sufficiently large and well-known, often resorted to a direct sale of commercial paper, which in turn could be purchased by the erstwhile depositor of the commercial bank. The banker who observes such a series of transactions may be at a loss to understand how it advances monetary policy goals.

Remarks of Dean E. Miller, Deputy Comptroller for Trusts, Before the American Bankers Association Fiduciary Responsibility Seminar, Washington, D.C., July 22, 1970

Shortly after being asked to give this talk, a booklet, entitled *The Economic Power of Commercial Banks,* by Carter Golembe Associates came into my possession, and there, in Chapter 4, was my talk, already written for me. A cursory reading showed me that it obviously was comprehensive, for it cited me twice, and anyone who pores through my old talks must be a scholar of the most extreme devotion.

Seriously, I have read Chapter 4 of the Golembe report, concerning the regulation of bank trust departments, and would like to begin by making a couple of general observations with reference to it. First, it is in many respects, photographic. A year from now it may be out of date by reason of being incomplete, if the banking agencies continue to keep pace with the legitimate demands for supervision as this business becomes more and more complex. The attitude at the agencies is somewhat different from that which has occasionally existed. At times, trust department supervision has been in the position of the poor relation, with the priorities for assigning personnel, scheduling examinations, and determining corrective actions in trust departments extremely low, and with the incidence of original and innovative thought virtually absent. We have enjoyed a significant period of innovation in trust supervision in more recent years; it is continuing and, I warn you, may, in time, make the specifics mentioned in Golembe's Chapter 4 obsolete.

While I'm on this point, let me make clear that by innovation I do not mean simply an increase of permissiveness. We have, in recent years, removed controls which served no useful purpose, and, I do not refer solely to collective investment of agency accounts. The Comptroller made numerous changes in Regulation 9, for example, to remove its unwarranted rigidity in trust department organization and operations, and to remove investment limitations when they were more restrictive than the local law of trusts. The other agencies have generally followed these precedents. But the Comptroller has also imposed controls in areas which have not always been recognized by persons outside the industry. The placing of all forms of collective investment, including pooled pension and profit sharing trusts, not just traditional common trust funds, under regulatory limitation and supervision is probably the most significant example, but there are others.

In another vein, the Comptroller's Office took a significant step toward more responsive trust supervision several years ago when it established a separate trust division reporting directly to the Comptroller. This permitted prompt staff work on trust problems and speedy resolution of management decisions and initiation of corrective action. It also fostered the acquisition of greater expertise by transferring, to a few specialists, work that many had shared on a part-time, low-priority basis. I believe that this must eventually be the pattern followed by all the banking agencies, whether they continue under their present divided structure or are consolidated into one.

To return again to the Golembe study, the second observation I would like to make is that it does not explicitly express the philosophy of regulation followed by the banking agencies. It has been the policy, over the years, to keep the absolute prohibitions to a minimum. This policy has two aspects. First, the mere possibility that a particular practice could result in abuse if a bank were to depart from recognized fiduciary principles has not been deemed sufficient cause for forbidding the practice outright, if it provides a desirable service when performed responsibly. Only when existing regulations prove insufficient to control abuses has it been felt that specific bans should be imposed. Secondly, there is the belief that it is an unrewarding practice to compile a list of restrictions and limitations, in regulatory form, purporting to be all-inclusive. The position taken by our Office is, almost always, analysis, premised upon conformity to sound fiduciary principles. Therefore, short shrift is given to those who seek to justify a breach of fiduciary duty because of the absence of specific statutory or regulatory language forbidding the precise act. It is misleading, in seeking to apprise oneself of the activity of the banking agencies in this area, to look, somewhere in federal law or regulations, for a vast catalogue of do's and don'ts.

Also, with reference to Mr. Golembe's report, I recommend that you not conclude from it that the banking agencies are infallible. I am the first to admit that they stumble and fall occasionally. When we do, we try to pull ourselves up and learn from the experience.

As Carter Golembe points out, the various federal bank supervisors regularly examine the trust departments of banks for which they are responsible. Thus, the Comptroller examines trust departments of National banks, the Federal Reserve examines State member banks, and the FDIC examines State non-member insured banks. In addition, trust companies, and the trust departments of State banks are examined by the State bank supervisors. Corrective actions required by those supervisors as a result of such examinations are carried out without public disclosure, to minimize the possibility of jeopardizing the soundness of the bank, or breaking the confidentiality implicit in fiduciary accounts administered by banks. This *modus operandi,* which is characteristic of the banking agencies and is, I believe, most appropriate for this industry, naturally has had the side effect that these activities are not always known to the casual observer, and even the not so casual one. Thus it is that I welcome the opportunity to come to this lectern today and review for you the story of the bank supervisor.

When the federal bank examiners first began to look at trust departments, they brought with them procedures evolved from examining the commercial side of the bank. They physically verified the assets and checked the accuracy of the bookkeeping systems, using forms adapted from the commercial examining function. Line cards were fashioned, onto which were transcribed cash and investment balances, in a fashion similar to the taking of loan balances on the commercial side. The question of compliance with sound fiduciary practices did not get much play in those days, but an excellent system for checking the adequacy of the books and records, and the integrity of the assets of the department was established at an early date.

The course of supervision since then has been primarily characterized by the addition of procedures and techniques aimed at the question of compliance with applicable laws, regulations, and sound fiduciary principles in the administration of trust department accounts. In the early 1930's, specialized procedures for checking investments were adopted by the agencies. Our examiners began to brief the appropriate governing instruments on the line cards, and they do so to this day for all accounts where the bank has some measure of investment responsibility. They look at the assets of the account to see if the investments conform to the "law" for that account, the "law" being an admixture of the governing instrument provisions and the law of the State on investments by fiduciaries. They pay special attention to substandard assets and those involving a conflict of interest with the bank, or any person with whom there exists an interest such that it might affect the exercise of the best judgment of the bank, in making or retaining the investment. They also look for concentrations, both within individual accounts, and in the totals of particular issues held by trust departments. Any of the latter that are large enough to raise the question of possible control or affiliation are reported by our examiners. They can also, and well might, criticize, as an investment matter, a holding of a particular issue which, in their judgment, is too large. The banking agencies have not attempted to formulate and impose any broad scale policy for larger holdings where there does not appear to be any question of lack of authority, of affiliation, of ulterior motive, or of poor investment practices. Neither have they attempted to make any policy judgments on economic or social desirability or the effect of the large holdings of stocks that do generally exist in trust departments. Such judgments require the resolution of questions of national policy, and thus must be made by Congress. Once made, it would appear that the decision can most appropriately and effectively be implemented by the banking agencies.

To return to my chronicle of the development of trust department examination, the next stage, if you can call it that, began when the examiners started to pursue a number of diverse possibilities for bank misuse of its fiduciary franchise, or neglect of its attendant duties. That "stage" didn't really have a formal beginning. It developed that, as the Washington or Regional Office, or the examiners themselves, became aware of a particular matter which warranted scrutiny, that matter was added to the examination. Such things as checking the filings of accountings, tax returns, or forms under the Welfare and Pension Plans Disclosure Act are but a few examples. Holdings of restricted or control stock, and the incidence of security fails are more recent additions, and inquiry is now being made into the banks' policy in allocating brokerage business. Many such checks pertain to local requirements, such as filings of accountings, and may vary from region to region, reflecting the wide divergence in probate practices and requirements. To date, this has rendered it impossible for us to establish a complete and uniform standard operating procedure for nationwide use, even though the report of examination questions, and relevant instructions are universal for our examiners. Thus, while the questions to be answered are the same, as are the underlying regulations and policies, there has existed a certain discretion in the examiner in determining in what order, and in some cases, how, he obtains the answers to these questions. In every case, our examiners must obtain them through their own scrutiny of the records, or the use of written questionnaires which must be signed by a responsible bank officer. As you know, giving a false reply to a bank examiner is a crime. We do not accept verbal replies. Currently, we are working on a standard procedure, adaptable to all regions and all sizes of departments; the draft is presently some 90 pages long.

Today the trust examiner is concerned with proper record keeping and the probate, trust, tax, securities, and pension and welfare laws, as well as with the myriad administrative regulations and rulings that accompany them. In addition, it appears that future additions to that list might include antitrust laws and some of the various proposals presently being made regarding the advancement of particular social purposes. For, however far these laws may go in conferring enforcement authority upon other agencies, the bank supervisors cannot, as a result, ignore the possibility of undetected potential losses because of a breach of their provisions. I can't imagine anyone exonerating the banking supervisors if a violation of one of these "other laws" was uncovered in a bank that had been examined regularly for years, simply because the law was someone else's primary responsibility.

Let me close with a bit of philosophy. What I have just said is not a complaint; rather, I think that this is, as it should be, a matter of public administration, and should serve as a guide as to other regulated businesses. The growth of governmental supervision, regulation, control, whatever you may wish to call it, over business has now proceeded to the point that there are many federal and State agencies with which any businessman must cope. Each particular set of governmental policies has its own agency, its own laws and regulations, and, all too often, its own army of enforcers. Rather than taking cognizance of this waste and inefficiency on the part of government, and the resulting confusion and obstacles faced by business, the present proposals for new controls only promise to worsen the picture. It would make more sense in terms of economy and efficiency, coordination of governmental policies, and the removal of impediments to business activity, to follow the pattern suggested by the bank supervisory setup; one agency can serve as the point of initial application of all governmental policies to a particular industry. While I have not grown old in the federal service, I have assembled enough experience to have some authority when I say that there is precious little merit in the oft-expressed bureaucratic assertion that "only *we* have the expertise to see that our responsibilities are carried out—we couldn't possibly rely on someone else." None of us are either omniscient or indispensable. In all candor, I would have to admit that in some cases my proposal would require the acquisition of new skills and the performance of additional functions by the banking agencies, but, I also think that their recent history demonstrates their capability, when motivation is present at the top.

Thank you.

Remarks of Dean E. Miller, Deputy Comptroller for Trusts, Before the Mid Continent Trust Conference of the American Bankers Association, Chicago, Ill., Nov. 19, 1970

The professional fiduciary business today is in an era which might be characterized as one of transformation; some might say that "transfiguration" is a better word, while to others, "transmogrification" would appear more apt. Whether this process, however you label it, will affect only the outward appearance of the industry or will result in an alteration of its basic structure remains a matter of uncertainty. You can obtain opinions on both sides and in the middle. Going beyond opinions, you can find those conclusions, reflected, both consciously and unconsciously, by the actions of various banks and their trust departments.

The relatively recent widespread interest in the activities of bank trust departments certainly has implications of possible structural change. Already there are legislative and administrative proposals being advanced in the Congress, in the courts, and in the Federal Register which will accomplish such alterations. Some have already come to fruition. They are seen in the tax, antitrust, labor, pension, and communication fields, to name a few. The fact that one has to apply so many labels to those proposals, all affecting this one business, tells us something rather basic about the administrative process, but that's another speech.

There are also more far-reaching portents of change: Banks and their trust departments have become the subject of scholarly study. Speaking in terms of eras, this has become one in which studies themselves have become suspect, increasingly subject to the accusation that they do no more than provide a platform of respectability for conclusions already held by those causing the study to be made. I have heard such accusations about some studies being made of bank trust departments, but that also is another speech, one that someone else may have to make.

A different factor in the transformation of bank trust business gives rise to my topic today. It is the change largely being brought about by the banks themselves. Competition for trust business has increased to a marked degree. One of competition's natural by-products is stimulation of the development of features that appear to make one competitor's product superior to that of another. We see that in the drive for performance in the trust area, which has raised new theories as to what the "Prudent Man Rule" is. We see it also in the promotion of new trust department services, and in unique variations of the old ones, which raises the question of what legitimate banking services are, and what bona fide fiduciary activities are. (That dog just won't die.) We also see it in the broadening of bank activities in general, which sometimes has implications for the trust department.

Those phenomena have given birth to a number of questions which form the frontier of the law of trusts today. That frontier exists, whether we like it or not, and we might as well face it and talk about it. That some may already have crossed that frontier in some of their activities may mean only that they are living among savages, not that they have succeeded in pushing the border further. It rests with the courts, faced with a bank and that legendary fundless widow, to settle the boundary disputes; rhetoric will not be sufficient toward that end.

Now let me make the transition from the beautiful broad generality to the ugly narrow specifics. The first specific frontier I would like to deal with is the present location of the "Prudent Man Rule," and how far it extends. That rule, when it was first stated, in the case of *Harvard College* v. *Amory*, was an investment rule. It supplanted the legal lists, the general prohibitions on categories of investments, and all that had gone before. It was not conceived as a general qualifier of the entire range of a trustee's duties as recognized in common law over the years. It did not proclaim that the trustee could do as he wished as long as he was prudent. It did not furnish a qualification to the conflict of interest rules. It did not provide that a trustee could deal with himself as long as he was prudent. It did not provide that he could speculate prudently.

That last probably presents the question a bit unfairly. More objectively, and in contemporary terms, in an account where growth is the primary or most significant objective—although it is perhaps not expressly stated—how consistent with the "Prudent Man Rule" is an investment in a new and untried enterprise, a restricted stock, investment partnerships, or some of the other forms of long-term joint ventures?

No court, to my knowledge, has upheld a trustee under the "Prudent Man" theory, or any other theory, in a situation involving losses by widows and orphans because of that type of investment. Thus, we have no concrete indication that the principles of fiduciary administration which have evolved over the years, and which are a part of the law of trusts, have changed that much. Can we rely on such factors as an allegedly more sophisticated, or more enlightened, climate existing today? Do these theories of selectivity rest on anything else? If one reads some of the journals of the twenties, one finds similar assertions as to the growth of the common law. In the thirties, it was found that it hadn't grown nearly as much as was thought in the previous decade. Are things different now?

One of the less precisely illuminated areas of the law of trusts today is the extent to which a trustee is improperly delegating his investment responsibility, if at all, when he participates in a joint undertaking in which the selection of the underlying assets rests with someone else. Perhaps the conventional examples of this would be investment companies, and, more recently, real estate investment trusts. There is disagreement, in the decisions and commentaries, as to whether an investment in mutual fund shares is an improper delegation, with more recent views denying it. Even if such an investment were an improper delegation under the common law, the question is now academic because of the enactment, in many States, of laws giving trustees specific authority to invest in investment companies. Query whether such statutes also cover real estate investment trusts, however.

I have had mixed emotions about the delegation question. On the one hand, I think there is something inconsistent about a professional fiduciary claiming that it does not have enough expertise in investment management, and therefore must entrust another with the funds. It would seem that the trustee who, in effect, does that, through investment in a real estate investment trust, for example, should take a lesser fee than if it invests the trust funds itself. But, it is said, on the other hand, that the expertise of the trustee is called for in choosing the management of the particular fund, and that that process is little different from evaluating the management of any conventional company. In this day, as "conventional" companies become more and more diversified, this consideration carries much force. In addition, in the case of the real estate investments, there exist unique difficulties which might well be beyond the usual capability of the trust department. Real estate is unique, and real estate located in other parts of the country often presents the trust officer with insuperable difficulties in evaluation. You might, therefore, make a strong case for the proposition that the most prudent way for a trustee to invest in real estate is through a real estate investment trust.

From the foregoing we might conclude that a trustee may well delegate his investment responsibility, if prudent, although determining where prudence ends and speculation or unwarranted reliance upon others begins would present more problems than usual. It may be that the boundary is crossed in some investment partnerships available today. Of course, none of this assumes the presence of a conflict of interest on the part of the trustee. That is another frontier, to which it might be appropriate to turn our attention at this time.

Here I would like to challenge the product of one of your local courts, the *Glos* case. More correctly, it is the case of *Elmhurst National Bank* v. *Glos,* 99 Ill. App. 74, 241 N.E. 2d 12 1 (1968). In that case, the Appellate Court of the Second District of Illinois ruled, to summarize very briefly, that a bank trustee could retain shares of its own stock in a trust account with specific authority, if prudent. To put it bluntly, we believe that the case is wrong, that the court erroneously extended the "Prudent Man Rule" beyond its proper application, and that it is highly doubtful that a court of final jurisdiction would rely on it. For that reason, you might say that we do not acquiesce.

There are related questions on this subject that are raised by the rationale of the *Glos* decision. What if the shares of the trustee bank's stock have been exchanged for that of a holding company? In many States there are retention statutes broad enough to cover this situation; in others, there are not, and the governing instrument provisions may be of doubtful help. Can the holding company shares be retained under the "Prudent Man Rule"? If so, then the holding company shares will be retained in every case, for what banker is going to believe that his decision to move into a holding company is an imprudent one? The problem that I am suggesting is one of the separation of the functions of a banker in such a situation. If prudence is the sole guide, then it would seem that there is little limitation upon the use of trust funds to acquiesce, if not assist, in the expansionary moves of the bank. Indeed, you can make a compelling case in logic for the outright use of trust funds in the bank's commercial lending business. I don't suggest that anyone here believes that the "Prudent Man Rule" can be taken that far, and I don't mean to imply that this is taking place. Rather, I think I have shown the absurdity of trying to stretch that rule to cover all of the duties of the trustee, the trend shown in some of the recent, hasty, and ill-considered legal and judicial opinions, exemplified by the *Glos* decision.

The law of trusts has not "progressed" so far. It still requires that decisions pertaining to trust accounts be made with *sole* reference to the purposes of the account and the best interests of the beneficiaries. It requires, also, that before a bank trustee can perform an act, consistent with that standard, but involving self-dealing or a conflict of interest, he must have specific authority to do so in the governing instrument or local law. In seeking to determine whether any investment is proper, or prudent, the inquiry must be twofold: first, is it within the authority given; and, second, is it consistent with the purposes of the trust and in the best interests of the beneficiaries?

The necessity of that second inquiry has eluded some of the outside detractors, whose tactics, thus far, have been to study the business only so far as necessary to uncover a supposed flaw, however superficial, and then to proclaim it with their new found authority as experts. The same oversight has also been the failing of some of the casual legal and judicial opinion writers, who, even when exposed to this rule, fail to comprehend it. For example, recently, a learned attorney, upon being informed that we believed that properly authorized investments must also be consistent with the purposes of the trust, opined that the purpose of a direction pension trust was for the trustee to make investments as directed. Obviously, it is to provide a pension for employees upon their retirement, and that must control.

I have occasionally complained of detractors of bank trust departments, and trust supervision, who seek to make their cases after either superficial, or extremely unobjective, investigations. Equally irritating, however, is the defender of trust department practices who employs similar methods. The bank lawyer, or the trust officer, who fails to subject his proposed transactions to thorough, introspective, and objective analysis does the bank fiduciary business, and the public interest, as much of a disservice as do the critical outsiders. And, I would especially include in that indictment those commercial banking chief executives who give their trust activities so little considered attention. In this era of increased awareness of bank trust department activities, the substanceless platitudes that seem to be all that some commercially-oriented bank chief executives can come up with, simply won't do.

The corporate fiduciary business, and its applicable laws and regulations, are exceedingly complex. Dealing properly with these matters requires a great deal of thought and study, bottomed on a thorough knowledge of the principles of the law of trusts. It is very tempting, when facing a problem in this area, to rely instead upon simplistic characterizations of the effect of applicable laws and regulations on bank activities, both present and proposed. No one, neither the banks, the bank supervisors, nor the critics of banking, should make this mistake if they are sincerely interested in providing the public with the most competent and convenient professional fiduciary services.

Thank you.

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