Annual Report 1972
Comptroller of the Currency

The Administrator of National Banks

James E. Smith
Comptroller of the Currency

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Letter of Transmittal

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
WASHINGTON, D.C., SEPTEMBER 28, 1973.

SIRS: Pursuant to the provisions of Section 333 of the United States Revised Statutes, I am pleased to submit the 1972 *Annual Report of the Comptroller of the Currency.*

Respectfully,

JAMES E. SMITH,
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 1972 saw a rather steady increase in short-term interest rates. Levels were such, however, that banks were able to compete vigorously and sucessfully for individual savings and for money market funds. That, coupled with a steadily growing demand for loanable funds, led to a 14.4 percent increase in total deposits of National banks. Unlike the situation in 1971, when time deposits grew at a rate almost four times greater than that of demand deposits, the respective rates were more nearly comparable in 1972: demand deposits increased by 13.5 percent and time deposits, 15.2 percent. At the end of 1972, time deposits represented 52.0 percent of total deposits of $359.4 billion.

Total assets of National banks reached $434.9 billion on December 31, 1972, a figure higher by 15.5 percent than that for year-end 1971. Total loans stood at $230.5 billion, reflecting an 18.7 percent increase in 1972. The sharp rise in the demand for bank loans led to a relative shift within banks' asset portfolios from securities to loans. Holdings of investment securities by National banks showed an 8.0 percent increase, totalling $103.7 billion at year-end. The proportion of total assets made up of loans increased from 51.6 percent in 1971 to 53.0 percent in 1972, while a similar figure for investment securities declined from 25.5 percent to 23.9 percent.

Within the investment securities category, National bank holdings of agencies and municipals continued to increase relative to U.S. Treasuries. Bank municipal portfolios increased by 8.4 percent, to reach a total of $52.7 billion, while holdings of Treasuries increased 2.2 percent, to $37.2 billion.

Total capital accounts of National banks increased by 12.1 percent during 1972, moving from $27.1 billion to $30.4 billion. Capital notes and debentures increased by 46.9 percent, from $1.4 billion to $2.1 billion. Total reserves on loans and securities advanced by 6.7 percent, from $3.9 billion to $4.2 billion.

TABLE 1

Assets, liabilities, and capital accounts of National banks, 1971 and 1972

[Dollar amounts in millions]

	Dec. 31, 1971 4,600 banks		Dec. 31, 1972 4,614 banks		Change 1971–1972	
	Amount	Percent distribution	Amount	Percent distribution	Amount	Percent
ASSETS						
Cash and due from banks	59, 201	15. 73	67, 401	15. 50	8, 200	13. 85
U.S. Treasury securities	36, 396	9. 67	37, 200	8. 55	804	2. 21
Obligations of other U.S. Government agencies and corporations	8, 634	2. 29	10, 666	2. 45	2, 032	23. 53
Obligations of States and political subdivisions	48, 648	12. 92	52, 716	12. 12	4, 069	8. 36
Other securities	2, 351	. 62	3, 154	. 73	803	34. 16
Total securities	96, 029	25. 51	103, 736	23. 85	7, 708	8. 03
Federal funds sold and securities purchased under agreements to resell	12, 705	3. 37	16, 672	3. 83	3, 966	31. 22
Direct lease financing	871	. 23	1, 073	. 25	201	23. 08
Loans	194, 145	51. 57	230, 456	52. 98	36, 311	18. 70
Fixed assets	6, 611	1. 76	7, 333	1. 69	722	10. 92
Customers' liability on acceptances outstanding	2, 197	. 58	2, 007	. 46	—190	—8. 65
Other assets	4, 697	1. 25	6, 268	1. 44	1, 571	33. 45
Total assets	376, 456	100. 00	434, 947	100. 00	58, 491	15. 54
LIABILITIES						
Demand deposits of individuals, partnerships and corporations	113, 210	30. 07	130, 376	29. 98	17, 167	15. 16
Time and savings deposits of individuals, partnerships and corporations	138, 222	36. 72	157, 663	36. 25	19, 442	14. 07
Deposits of U.S. Government	6, 389	1. 70	7, 062	1. 62	672	10. 52
Deposits of States and political subdivisions	29, 036	7. 71	33, 445	7. 69	4, 408	15. 18
Deposits of foreign governments and official institutions, central banks, and international institutions	3, 390	. 90	4, 362	1. 00	971	28. 64
Deposits of commercial banks	18, 620	4. 95	20, 526	4. 72	1, 906	10. 24
Certified and officers' checks, etc	5, 346	1. 42	5, 993	1. 38	646	12. 08
Total deposits	314, 212	83. 47	359, 427	82. 64	45, 215	14. 39
Demand deposits	151, 985	40. 37	172, 565	39. 67	20, 579	13. 54
Time and savings deposits	162, 227	43. 09	186, 862	42. 96	24, 635	15. 19
Federal funds purchased and securities sold under agreements to repurchase	17, 302	4. 60	24, 349	5. 60	7, 047	40. 73
Liabilities for borrowed money	866	. 23	2, 370	. 54	1, 504	173. 67
Acceptances executed by or for account of reporting banks and outstanding	2, 242	. 60	2, 062	. 47	—180	—8. 03
Other liabilities	10, 842	2. 88	12, 204	2. 81	1, 363	12. 57
Total liabilities	345, 465	91. 77	400, 413	92. 06	54, 948	15. 91
Minority interest in consolidated subsidiaries	1	—	2	—	1	—
RESERVES ON LOANS AND SECURITIES						
Reserves on loans	3, 837	1. 02	4, 101	. 94	264	6. 88
Reserves on securities	80	. 02	78	. 02	—2	—2. 50
CAPITAL ACCOUNTS						
Capital notes and debentures	1, 449	. 38	2, 129	. 49	680	46. 93
Preferred stock	43	. 01	42	. 01	—1	—2. 33
Common stock	6, 785	1. 80	7, 458	1. 71	673	9. 92
Surplus	11, 818	3. 14	12, 717	2. 92	899	7. 61
Undivided profits	6, 300	1. 67	7, 524	1. 73	1, 224	19. 43
Reserves	676	. 18	482	. 11	—194	—28. 70
Total capital accounts	27, 072	7. 19	30, 352	6. 98	3, 280	12. 12
Total liabilities and capital accounts	376, 456	100. 00	434, 947	100. 00	58, 491	15. 54

NOTE: Data may not add to totals because of rounding.

The 1971 and 1972 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*

Both operating income and net income of National banks increased significantly in 1972, but the rates of increase were well below the rates of increase in total assets and total loans, and slightly below the rate of increase of total capital. As a result, rates of return on earning assets and on capital were somewhat lower in 1972 than in 1971.

Operating income of National banks rose 10.5 percent in 1972, totalling $23.5 billion compared to $21.3 billion in 1971. The proportionate shares of the major sources of operating income did not shift substantially in 1972. Interest and fees on loans of $15.1 billion accounted for 64.1 percent of operating income in 1972, just as in 1971. Interest on investments of $4.6 billion contributed 19.7 percent of operating income in 1972, down slightly from 20.0 percent in 1971. Gains were registered in 1972 in the relative contribution of income on Federal funds sold and "other income" to operating income, while the relative contribution of trust department income remained virtually unchanged.

Total operating expense of National banks was $19.3 billion in 1972, a 10.8 percent increase over the 1971 figure. Interest on deposits climbed 11.8 percent, reaching $8.1 billion and accounting for 41.9 percent of operating expense. That share of expenses is almost twice as great as that of the next highest expense item, salaries and wages, which accounted for 23.1 percent of the total.

Income after applicable income taxes but before securities transactions totalled $3.2 billion for National banks in 1972, a 10.5 percent increase over 1971's $2.9 billion. With net gains on securities transactions lower in 1972 than in 1971, net income of National banks showed a smaller percentage increase of 8.8 percent, totalling $3.3 billion in 1972.

TABLE 2

Income and expenses of National banks, 1971 and 1972*

[Dollar amounts in millions]

	Dec. 31, 1971		*Dec. 31, 1972*		*Change, 1971–1972*	
	Amount	*Percent distribution*	*Amount*	*Percent distribution*	*Amount*	*Percent*
Number of banks	4, 600		4, 614		14	. 30
Operating income:						
Interest and fees on loans	13, 668. 1	64. 14	15, 084. 9	64. 07	1, 416. 8	10. 37
Income on Federal funds sold and securities purchased under agreements to resell	533. 8	2. 50	641. 8	2. 73	108. 0	20. 23
Interest and dividends on investments:						
U.S. Treasury securities	1, 849. 5	8. 68	1, 844. 5	7. 84	−5. 0	−. 27
Obligations of other U.S. Government agencies and corporations	442. 9	2. 08	567. 2	2. 41	124. 3	28. 07
Obligations of States and political subdivisions	1, 841. 0	8. 64	2, 039. 7	8. 66	198. 7	10. 79
Other securities	137. 8	. 65	175. 6	. 75	37. 8	27. 43
Trust department income	700. 9	3. 29	770. 9	3. 27	70. 0	9. 99
Service charges on deposit accounts	709. 7	3. 33	718. 3	3. 05	8. 6	1. 21
Other service charges, collection and exchange charges, commissions, and fees	624. 6	2. 93	695. 8	2. 96	71. 2	11. 40
Other operating income	801. 2	3. 76	1, 003. 9	4. 26	202. 7	25. 30
Total operating income	21, 309. 5	100. 00	23, 542. 7	100. 00	2, 233. 2	10. 48
Operating expense:						
Salaries and wages of officers and employees	4, 140. 2	23. 75	4, 461. 0	23. 10	320. 8	7. 75
Pensions and other employee benefits	698. 4	4. 01	778. 7	4. 03	80. 3	11. 50
Interest on deposits	7, 228. 7	41. 47	8, 084. 7	41. 86	856. 0	11. 84
Expense of Federal funds purchased and securities sold under agreements to repurchase	739. 6	4. 24	976. 2	5. 05	236. 6	31. 99
Interest on borrowed money	80. 7	. 46	77. 9	. 40	−2. 8	−3. 47
Interest on capital notes and debentures	67. 8	. 39	111. 3	. 58	43. 5	64. 16
Occupancy expense of bank premises, net	811. 0	4. 65	903. 6	4. 68	92. 6	11. 42
Furniture and equipment, depreciation, rental costs, servicing, etc	606. 6	3. 48	651. 2	3. 37	44. 6	7. 35
Provision for loan losses (or actual net loan losses)	514. 1	2. 95	584. 3	3. 02	70. 2	13. 65
Other operating expenses	2, 543. 3	14. 59	2, 685. 8	13. 91	142. 5	5. 60
Total operating expense	17, 430. 4	100. 00	19, 314. 7	100. 00	1, 884. 3	10. 81
Income before income taxes and securities gains or losses	3, 879. 1		4, 228. 0		348. 9	8. 99
Applicable income taxes	942. 7		982. 2		39. 5	4. 19
Income before securities gains or losses	2, 936. 3		3, 245. 8		309. 5	10. 54
Net securities gains (after tax effect)	106. 9		54. 1		−52. 8	−49. 39
Net income before extraordinary items	3, 043. 3		3, 299. 9		256. 6	8. 43
Extraordinary charges or credits	−1. 8		8. 3		10. 1	561. 11
Minority interest in consolidated subsidiaries	—		—		—	
Net income	3, 041. 3		3, 307. 9		266. 6	8. 77
Cash dividends declared:						
On common stock	1, 386. 2		1, 307. 6		−78. 6	−5. 67
On preferred stock	4. 0		2. 7		−1. 3	−32. 50
Total cash dividends declared	1, 390. 2		1, 310. 3		−79. 9	−5. 75
Ratio to income before income taxes and securities:						
Applicable income taxes		24. 30		23. 23		
Net securities gains		2. 76		1. 28		
Extraordinary charges or credits		. 05		. 20		
Ratio to total operating income:						
Salaries and wages		19. 43		18. 95		
Interest on deposits		33. 92		34. 34		
All other operating expenses		11. 94		11. 41		
Total operating expenses		81. 80		82. 04		
Net income		14. 27		14. 05		

*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.

NOTE: Dashes indicate amounts of less than $500,000. Data may not add to totals because of rounding.

III. *Structural Changes in the National Banking System*

The 4,614 National banks in operation at the end of 1972 represented a net increase of 14 during the year. The total number of branches in the National Banking System increased by 693, or 5.3 percent, reaching 13,799 at year-end. As a result, the total number of National banking offices serving the public (excluding foreign branches) reached 18,413. The first National bank in many years to be based in Puerto Rico opened during the year. California, New York, and Pennsylvania continued to lead in total number of National banking offices, with 2,585, 1,560, and 1,404 respectively, while the unit banking states of Texas and Illinois accounted for the largest number of National banks, with 538 and 415 respectively.

Branch activity was highlighted by the opening of 704 *de novo* branches during 1972. These are new offices offering banking services to the public for the first time at their specific sites. Also joining the National Banking System were 158 branches via conversions and mergers, while 169 branches left the system through closings, mergers and conversions.

Of the 704 *de novo* branches, 403, or 57 percent, were located in communities with fewer than 25,000 people. Only 22 were located in cities of over one million in population. Banks with total resources of less than $100 million opened 307 or about 44 percent, of the *de novo* branches. Banks with total resources exceeding $1 billion accounted for 174 *de novo* branches, or about 25 percent of the total. New York, California, and Pennsylvania led the states in *de novo* branches, with 77, 70, and 45 respectively.

Charters issued for newly organized National banks totalled 54 in 1972, compared with 38 in 1971. Preliminary approval was granted to 84 charter applications; that compares with 55 in 1971. In addition, 62 charters were issued pursuant to corporate reorganizations and 16 pursuant to the conversion of State banks.

During 1972, 57 merger, consolidation, or purchase transactions involving two or more operating banks were consummated in which a National bank was the resulting bank. The 1971 total was 55. In addition, 64 transactions were completed involving only one operating bank, pursuant to corporate reorganizations.

TABLE 3

National banks and banking offices, by States, December 31, 1972

	National banks			Number of branches	Number of offices
	Total	Unit	With branches		
United States	4, 614	2, 862	1, 752	13, 799	18, 413
Alabama	89	41	48	225	314
Alaska	5	0	5	57	62
Arizona	3	1	2	239	242
Arkansas	70	29	41	100	170
California	55	6	49	2, 530	2, 585
Colorado	124	110	14	14	138
Connecticut	26	5	21	247	273
Delaware	5	3	2	4	9
District of Columbia	11	1	10	74	85
Florida	244	244	0	0	244
Georgia	61	21	40	248	309
Hawaii	1	0	1	10	11
Idaho	7	2	5	115	122
Illinois	415	336	79	79	494
Indiana	122	43	79	381	503
Iowa	100	57	43	63	163
Kansas	171	139	32	32	203
Kentucky	80	32	48	162	242
Louisiana	50	11	39	202	252
Maine	19	3	16	112	131
Maryland	39	11	28	284	323
Massachusetts	82	17	65	457	539
Michigan	106	27	79	625	731
Minnesota	199	196	3	7	206
Mississippi	38	4	34	158	196
Missouri	102	68	34	35	137
Montana	54	51	3	3	57
Nebraska	123	97	26	27	150
Nevada	4	1	3	66	70
New Hampshire	48	22	26	63	111
New Jersey	121	19	102	800	921
New Mecixo	33	5	28	86	119
New York	163	59	104	1, 397	1, 560
North Carolina	23	3	20	676	699
North Dakota	43	31	12	12	55
Ohio	218	64	154	815	1, 033
Oklahoma	192	144	48	48	240
Oregon	8	1	7	270	278
Pennsylvania	276	118	158	1, 128	1, 404
Rhode Island	5	0	5	96	101
South Carolina	19	4	15	262	281
South Dakota	32	22	10	62	94
Tennessee	73	13	60	318	391
Texas	538	538	0	0	538
Utah	10	6	4	80	90
Vermont	24	11	13	39	63
Virginia	101	21	80	537	638
Washington	23	6	17	470	493
West Virginia	88	87	1	1	89
Wisconsin	127	89	38	75	202
Wyoming	42	42	0	0	42
Virgin Islands	1	0	1	8	9
Puerto Rico	1	1	0	0	1
District of Columbia—all*	14	1	13	110	124

*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 1972*

	Received †	*Approved*	*Rejected*	*Abandoned*	*Pending Dec. 31, 1972*	*Charters issued*
United States	280	84	60	10	126	54
Alabama	7	2	0	0	5	1
Alaska	0	0	0	0	0	0
Arizona	1	0	1	0	0	0
Arkansas	4	1	0	0	3	0
California	10	5	2	0	3	1
Colorado	9	2	6	0	1	3
Connecticut	0	0	0	0	0	1
Delaware	0	0	0	0	0	0
District of Columbia	1	0	0	0	1	0
Florida	58	18	18	3	19	11
Georgia	2	0	2	0	0	0
Hawaii	1	1	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	7	2	0	1	4	1
Indiana	2	1	0	0	1	1
Iowa	0	0	0	0	0	1
Kansas	2	1	0	0	1	1
Kentucky	1	0	0	0	1	0
Louisiana	3	0	0	0	3	1
Maine	0	0	0	0	0	1
Maryland	2	0	0	0	2	0
Massachusetts	0	0	0	0	0	0
Michigan	10	1	0	3	6	1
Minnesota	5	3	0	0	2	0
Mississippi	3	1	1	0	1	0
Missouri	14	3	1	1	9	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	19	8	2	0	9	6
New Mexico	4	1	0	0	3	0
New York	4	1	1	0	2	3
North Carolina	7	3	3	0	1	0
North Dakota	0	0	0	0	0	0
Ohio	0	0	0	0	0	1
Oklahoma	4	3	0	0	1	1
Oregon	0	0	0	0	0	0
Pennsylvania	2	1	0	0	1	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	3	1	1	0	1	0
Texas	72	18	17	1	36	12
Utah	9	3	3	1	2	2
Vermont	0	0	0	0	0	0
Virginia	4	0	0	0	4	1
Washington	2	1	0	0	1	1
West Virginia	6	2	2	0	2	0
Wisconsin	1	1	0	0	0	0
Wyoming	1	0	0	0	1	0
Virgin Islands	0	0	0	0	0	0
Puerto Rico	0	0	0	0	0	1

*Excludes conversions and corporate reorganizations.
†Includes 71 applications pending as of December 31, 1971.

Table 5

Applications for National bank charters to be issued pursuant to corporate reorganizations, and charters issued, by States, calendar 1972

	*Received**	*Approved*	*Rejected*	*Abandoned*	*Pending Dec. 31, 1972*	*Charters*
United States	89	80	0	0	9	62
Alabama	8	7	0	0	1	5
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	2
Colorado	0	0	0	0	0	0
Connecticut	1	1	0	0	0	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	1	1	0	0	0	1
Georgia	0	0	0	0	0	0
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	4	3	0	0	1	1
Indiana	0	0	0	0	0	0
Iowa	0	0	0	0	0	0
Kansas	1	1	0	0	0	1
Kentucky	0	0	0	0	0	0
Louisiana	1	1	0	0	0	0
Maine	1	1	0	0	0	0
Maryland	0	0	0	0	0	0
Massachusetts	3	3	0	0	0	2
Michigan	12	11	0	0	1	3
Minnesota	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0
Missouri	0	0	0	0	0	1
Montana	0	0	0	0	0	0
Nebraska	1	0	0	0	1	1
Nevada	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0
New Jersey	7	5	0	0	2	9
New Mexico	1	1	0	0	0	0
New York	14	13	0	0	1	9
North Carolina	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0
Ohio	6	6	0	0	0	5
Oklahoma	1	1	0	0	0	0
Oregon	0	0	0	0	0	1
Pennsylvania	1	1	0	0	0	2
Rhode Island	0	0	0	0	0	0
South Carolina	0	0	0	0	0	1
South Dakota	0	0	0	0	0	0
Tennessee	4	4	0	0	0	3
Texas	19	17	0	0	2	11
Utah	0	0	0	0	0	1
Vermont	0	0	0	0	0	0
Virginia	2	2	0	0	0	3
Washington	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0
Wisconsin	1	1	0	0	0	0
Wyoming	0	0	0	0	0	0
Virgin Islands	0	0	0	0	0	0
Puerto Rico	0	0	0	0	0	0

*Includes 5 applications pending as of December 31, 1971.

Table 6

Applications for conversion to National bank charters, and charters issued, by States, calendar 1972

	*Received**	*Approved*	*Rejected*	*Abandoned*	*Pending Dec. 31, 1972*	*Chartered*
United States	19	15	3	0	1	16
Alabama	0	0	0	0	0	0
Alaska	0	0	0	0	0	0
Arizona	0	0	0	0	0	0
Arkansas	1	1	0	0	0	1
California	0	0	0	0	0	0
Colorado	0	0	0	0	0	0
Connecticut	1	0	0	0	1	0
Delaware	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0
Florida	3	3	0	0	0	3
Georgia	1	1	0	0	0	1
Hawaii	0	0	0	0	0	0
Idaho	0	0	0	0	0	0
Illinois	1	1	0	0	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	0	0	0	0	0	0
Maine	0	0	0	0	0	0
Maryland	0	0	0	0	0	0
Massachusetts	0	0	0	0	0	0
Michigan	1	1	0	0	0	1
Minnesota	1	1	0	0	0	1
Mississippi	0	0	0	0	0	0
Missouri	1	1	0	0	0	2
Montana	2	1	1	0	0	2
Nebraska	0	0	0	0	0	0
Nevada	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0
New Jersey	0	0	0	0	0	0
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	1	1	0	0	0	1
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	1	0	1	0	0	0
South Dakota	1	0	1	0	0	0
Tennessee	0	0	0	0	0	0
Texas	1	1	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	1	1	0	0	0	2
Wisconsin	2	2	0	0	0	2
Wyoming	0	0	0	0	0	0
Virgin Islands	0	0	0	0	0	0

*Includes two applications pending as of December 31, 1971.

Table 7

Branches of National banks, by States, calendar 1972

	Branches in operation Dec. 30, 1971	De novo branches opened for business Jan. 1 to Dec. 31, 1972	Branches acquired through merger or conversion, Jan. 1 to Dec. 31, 1972	Existing branches discontinued or consolidated Jan. 1, to Dec. 31, 1972	Branches in operation Dec. 31, 1972
United States	13, 106	704	158	169	13, 799
Alabama	209	16	0	0	225
Alaska	53	3	1	0	57
Arizona	225	15	0	1	239
Arkansas	87	4	9	0	100
California	2, 473	70	6	19	2, 530
Colorado	13	2	0	1	14
Connecticut	250	14	0	17	247
Delaware	4	0	0	0	4
District of Columbia	71	4	0	1	74
Florida	0	0	0	0	0
Georgia	221	29	0	2	248
Hawaii	9	1	0	0	10
Idaho	113	3	0	1	115
Illinois	66	13	0	0	79
Indiana	359	22	1	1	381
Iowa	62	3	0	2	63
Kansas	33	0	0	1	32
Kentucky	150	12	1	1	162
Louisiana	185	13	4	0	202
Maine	107	7	1	3	112
Maryland	268	16	0	0	284
Massachusetts	441	21	2	7	457
Michigan	581	38	8	2	625
Minnesota	7	0	0	0	7
Mississippi	145	11	2	0	158
Missouri	24	10	1	0	35
Montana	3	0	0	0	3
Nebraksa	26	1	0	0	27
Nevada	64	2	0	0	66
New Hampshire	54	9	0	0	63
New Jersey	741	42	32	15	800
New Mexico	79	7	0	0	86
New York	1, 337	77	11	28	1, 397
North Carolina	606	42	37	9	676
North Dakota	10	1	1	0	12
Ohio	772	38	9	4	815
Oklahoma	42	6	0	0	48
Oregon	259	11	0	0	270
Pennsylvania	1, 087	45	9	13	1, 128
Rhode Island	96	3	0	3	96
South Carolina	251	11	0	0	262
South Dakota	63	0	0	1	62
Tennessee	292	30	0	4	318
Texas	0	0	0	0	0
Utah	75	5	1	1	80
Vermont	50	3	1	15	39
Virginia	506	34	9	12	537
Washington	460	6	9	5*	470
West Virginia	0	1	0	0	1
Wisconsin	69	3	3	0	75
Wyoming	0	0	0	0	0
Virgin Islands	8	0	0	0	8
District of Columbia—all†	106	5	0	1	110

*Includes 4 adjustments from prior year.

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

TABLE 8

De novo branch applications of National banks, by States, calendar 1972

	Received*	Approved	Rejected	Abandoned	Pending Dec. 31, 1972
United States	1,349	925	116	29	279
Alabama	31	23	3	1	4
Alaska	2	2	0	0	0
Arizona	21	10	0	1	10
Arkansas	10	6	0	0	4
California	160	96	33	2	29
Colorado	4	3	0	0	1
Connecticut	20	11	1	1	7
Delaware	1	1	0	0	0
District of Columbia	5	3	1	0	1
Florida	0	0	0	0	0
Georgia	47	36	3	0	8
Hawaii	1	1	0	0	0
Idaho	11	5	1	0	5
Illinois	18	13	1	2	2
Indiana	48	27	9	1	11
Iowa	10	6	0	0	4
Kansas	0	0	0	0	0
Kentucky	18	14	0	0	4
Louisiana	18	14	1	0	3
Maine	6	4	1	0	1
Maryland	39	28	1	1	9
Massachusetts	29	22	1	1	5
Michigan	96	41	16	6	33
Minnesota	6	5	0	0	1
Mississippi	23	16	4	1	2
Missouri	19	12	2	1	4
Montana	0	0	0	0	0
Nebraska	1	1	0	0	0
Nevada	2	2	0	0	0
New Hampshire	14	10	0	0	4
New Jersey	83	49	2	2	30
New Mexico	15	12	1	0	2
New York	139	106	9	1	23
North Carolina	71	50	1	4	16
North Dakota	4	2	1	0	1
Ohio	63	49	6	0	8
Oklahoma	1	1	0	0	0
Oregon	20	14	3	0	3
Pennsylvania	114	93	7	0	14
Rhode Island	18	17	0	0	1
South Carolina	29	22	1	1	5
South Dakota	4	4	0	0	0
Tennessee	29	17	2	0	10
Texas	0	0	0	0	0
Utah	9	7	0	1	1
Vermont	9	7	0	0	2
Virginia	59	47	3	2	7
Washington	9	7	1	0	1
West Virginia	6	5	0	0	1
Wisconsin	7	4	1	0	2
Wyoming	0	0	0	0	0
Virgin Islands	0	0	0	0	0
District of Columbia—all†	9	5	1	1	2

*Includes 241 applications pending as of Dec. 31, 1971.

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

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Table 9

De novo branches of National banks opened for business, by community size and size of bank, calendar 1972

Population of cities	*Branches*	*Total resources of banks* [millions of dollars]	*Branches*
Less than 5,000	115	Less than 10.0	44
5,000 to 24,999	288	10.0 to 24.9	113
25,000 to 49,999	96	25.0 to 49.9	90
50,000 to 99,999	62	50.0 to 99.9	60
100,000 to 249,999	55	100.0 to 999.9	223
250,000 to 499,999	31	Over 1,000	174
500,000 to 1,000,000	35		
Over 1,000,000	22	Total	704
Total	704		

Table 10

Mergers, calendar 1972*

	Transactions involving two or more operating banks	*Other, pursuant to corporate reorganization*
Applications carried over from 1971	12	19
Applications received, 1972	69	88
Disposition of applications 1972:		
Approved	61	67
Withdrawn	3	2
Applications pending December 31, 1972	17	38
Transactions completed 1972:		
Mergers	39	62
Consolidations	7	0
Purchases of assets	11	2
Total completed	57	64

*Includes mergers, consolidations, and purchase and sale transactions where the resulting bank is a National bank.

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.

For the year ended December 31, 1972, the Office examined 6,743 banks, 15,480 branches and facilities, 1,749 trust departments, and 191 affiliates and subsidiaries, as well as conducting 329 special examinations and visitations. In addition, the Office received 293 applications to establish new banks; those included 84 corporate reorganizations. The Office also received 1,108 applications to establish *de novo* branches, and 17 applications to convert State banks to National banking associations.

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, 1972, the Office employed 1,639 examining personnel, 1,524 commercial examiners and 115 trust examiners. Reviews are constantly being made to improve the quality and efficiency of examinations. The National Bank Examiner's school continues to occupy a key role in the career development program of examining personnel. The school is 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. During 1972, the Office conducted eleven 5-day seminars in the regions. Instruction covers the capabilities and the limitations of EDP systems in commercial banks. The program will continue until all examining personnel receive that necessary training. In addition, examiners from each region have been selected for specialized instruction in Advanced Electronic Data Processing, those examiners generally work independently of the commercial or trust examiner and prepare the EDP Report of Examination, copies of which are sent to the banks examined.

Finally, and in keeping with past practice, the Office encourages its examiners to attend the various graduate schools of banking, and to participate in the host of courses offered by the American Institute of Banking and Dun and Bradstreet. We will continue to review and update training programs and examining techniques and to keep abreast of the ever changing world of banking.

V. *Litigation*

New litigation challenging administrative actions or rulings of the Comptroller of the Currency increased sharply during 1972. Thirty-two new cases were filed during 1972; 28 were pending on January 1, 1972; 26 cases were terminated during the year; and 34 cases were pending at the end of the year. The litigation during 1972 was characterized particularly by an increase in the number of lower court decisions appealed.

The Comptroller's ruling was overturned in only one of the 26 cases terminated. The more significant cases involved the following subjects:

A. *Administrative Enforcement Authority*

In a case of first impression, a plaintiff sought to enjoin the Comptroller from enforcing provisions of the Financial Institutions Supervisory Act of 1966 which permit the summary suspension of a person indicted or convicted of certain felonies from participation in the affairs of an insured bank. *Manges* v. *Camp,* Civil No. SA–71–CA–362, W.D. Texas. Plaintiff in the *Manges* case asked that a 3-judge court be convened to declare the provisions of the Supervisory Act permitting the Comptroller to exercise summary suspension authority, 12 U.S.C. 1818(g)(1), unconstitutional as an *ex post facto* law, bill of attainder, unconstitutional delegation of legislative power, and denial of due process. At year-end 1972, plaintiff's action had been dismissed by the U.S. District Court and plaintiff had appealed to the U.S. Court of Appeals for the Fifth Circuit in New Orleans.

B. *Performance of Data Processing Services by National Banks*

Two cases which allege that the data processing 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 pending during 1972. *Hallmark Data Systems, Inc.* v. *Central National Bank, et al.,* Civil No. 72C–1586, N.D. Ill.; *National Retailers Corp. of America (NRCA)* v. *Valley National Bank, et al.,* Civil No. 71–410–PHX–WCF, D. Ariz. The complainants in both cases, independent data processing service bureaus, challenge the Comptroller's ruling, 12 C.F.R. 7.3500, permitting National banks to perform certain data processing services. In the *Hallmark* case, plaintiff contends that the performance of reader services and subscription fulfillment services by Central National Bank, Chicago, Ill., is improper. In the *NRCA* case, plaintiff challenges the authority of Valley National Bank, Phoenix, Ariz., to perform sales, inventory, and accounts receivable analyses and processing for businesses. At year-end 1972, a preliminary injunction had been denied in the *NRCA* case, and no proceedings had taken place in *Hallmark,* other than the filing of the complaint.

By notice published in the *Federal Register* on August 16, 1972 (37 F.R. 16556), the Comptroller stated that he is considering a revision of 12 C.F.R. 7.3500, and requested the views, comments, and suggestions of the banking and data processing industries, as well as other interested persons, as to whether 12 C.F.R. 7.3500 should be revised to delineate more clearly the role of National banks in the utilization of data processing equipment and the furnishing of data processing services. Comments were received from 60 individuals or organizations, including 36 National banks representing a wide diversity in size, structure, and geographical location.

At year-end 1972 the comments received were being analyzed by the Comptroller's staff.

C. *Performance of Travel Agency Services by National Banks*

A lawsuit challenging the authority of National banks to perform travel agency services resulted in opinions by a district and appellate court during 1972. *Arnold Tours, Inc.* v. *Camp,* Civil No. 67–372–C, *modified and affirmed,* Court of Appeals Nos. 72–1142 and 72–1143 (1st Cir. 1972). The district court held on February 22, 1972, that the operation of a full-blown travel agency by a National bank is not incidental to its banking business, and that the Comptroller's ruling permitting such activity (12 C.F.R. 7.7475) was invalid. The district court reasoned that an "incidental power" means a power which is a *sine qua non* to the carrying on of the business of banking. The court directed the defendant National bank to divest itself of its travel agency within 6 months.

On appeal, the Court of Appeals for the First Circuit rejected that portion of the district court's opinion which appeared to hold that a National bank's incidental powers are to be measured by what is indispensable to carry on the business of banking. The appellate court concluded, however, that a travel agency operation of the range and type of that operated by the defendant bank was not a legitimate exercise of the bank's incidental power. The Court of Appeals thus invalidated the Comptroller's ruling only to the "extent that it may be construed by the Comptroller as authorizing a National bank to operate a full-scale travel agency." The court also directed that the district court reconsider its divestiture order directed to the National bank, and that the district court "entertain and seriously consider any factual presentation [the defendant bank] wishes to make in the direction of lengthening the time for divestiture." At year-end 1972, no decision had been made as to whether to seek Supreme Court review of the Court of Appeals' decision.

D. Other Banking Powers

Interest permissible to National banks under 12 U.S.C. 85. At the request of the Comptroller, the Department of Justice continued its appearance as *amicus curiae* in a case filed against a National bank in Michigan that challenged the bank's reliance upon the Comptroller's Interpretative Ruling 7.7310 (12 C.F.R. 7.7310) to the effect that a National bank is permitted by 12 U.S.C. 85 to charge interest on equivalent transactions at the maximum rate permitted by State law to any competing State-licensed institution. *Northway Lanes* v. *Hackley Union National Bank,* Civil No. 6072, W.D. Mich., *aff'd.,* 464 F.2d 855 (6th Cir. 1972). The U.S. Court of Appeals in Cincinnati filed an opinion July 18, 1972, specifically agreeing with the Comptroller's interpretation. The appellate court thus ruled that the specific charges made by the defendant bank, which, in the case, were attacked as usurious, were permissible under 12 U.S.C. 85, because such charges could be made by State savings and loan associations, although they could not be made by State commercial banks.

E. New Banks

1. *Cases brought by competitors.* Eight suits involving competitor challenges to the Comptroller's approvals of new banks were before federal courts during 1972. *Somerset Trust Co.* v. *Camp,* Civil No. 659–70, D. N.J.; *Wood County Bank* v. *Camp,* Civil No. 1277–72, D. D.C., 348 F. Supp. 1321, *appeal pending; Missouri State Bank & Trust Co.* v. *Camp,* Civil No. 72C 436(1), E.D. Mo.; *Lewis & Clark State Bank* v. *Camp,* Civil No. 72C 402(2), E.D. Mo.; *Bank of Utah* v. *Camp,* Civil No. NC 15–72, D. Utah; *First National Bank of Shawnee Mission* v. *Roeland Park State Bank & Trust Co.,* Civil No. 3669, D. Kan.; *Roeland Park State Bank & Trust Co.* v. *Camp,* Civil No. 2563–72, D. D.C.; *Bank of Commerce of Laredo* v. *Camp,* Civil No. 72–L–25, S.D. Texas. One case, *Somerset,* resulted in a final order upholding the Comptroller's decision; one case was voluntarily dismissed by plaintiff shortly after filing, *Bank of Utah;* two cases were dismissed by separate federal district courts for lack of jurisdiction, *Missouri State Bank* and *Lewis & Clark;* and four cases, *Wood County, Shawnee Mission, Laredo,* and *Roeland Park,* were pending at year-end 1972. In *Somerset,* a district court order granting judgment for the Comptroller and rejecting contentions that New Jersey State law prohibited the chartering of new National banks under the circumstances involved, became final during 1972, when plaintiff did not pursue an appeal. In the *Wood County* case, the district court entered a preliminary injunction preventing the Comptroller from issuing a charter, upon the theory that the Comptroller's hearings are "adjudicatory" rather than "investigatory", and that the Comptroller's approval of the application there involved without formal findings, consequently amounted to a denial of due process. The Comptroller's appeal from the district court's preliminary injunction order was pending at the end of the year. In the *Bank of Commerce* case, the plaintiff bank alleged that the Comptroller's approval of a charter for a new National bank which proposed to be affiliated with an existing bank was unlawful. At year-end, the case was pending on the Comptroller's motion for summary judgment.

The Comptroller's approval of a charter for a new National bank in Fairway, Kans., resulted in two lawsuits in 1972. Upon receiving information that two competing banks planned to seek an injunction that would prevent the new bank, on the eve of its opening, from commencing business, the applicant bank, *First National Bank of Shawnee Mission,* filed a complaint in the U.S. District Court in Kansas against the competing banks for declaratory and injunctive relief affirming the right of the new bank to conduct its banking business pursuant to the Comptroller's approval. Subsequently, the two competing banks, which had threatened to prevent the bank from commencing business, filed a lawsuit, *Roeland Park,* against the Comptroller only, in the District of Columbia, alleging that the Comptroller's approval was invalid. At year-end 1972, no proceedings had taken place in either of those cases other than the filing of the complaints.

2. *Cases brought by applicants.* At the end of 1972, three cases were pending by organizers of proposed National banks, challenging the Comptroller's denial of their charter applications. *Pitts, et al.* v. *Camp,* 329 F. Supp. 1302, *reversed and remanded,* 463 F.2d 632 (4th Cir. 1972), *petition for certiorari pending; Meisel* v. *Camp,* Civil No. 71–C–437(4), E.D. Mo.; *Schwartz, et al.* v. *Camp,* Civil No. 4655, S.D. N.Y. In *Pitts,* the district court granted judgment for the Comptroller on the ground that his administrative record demonstrated that his denial was rational and in accordance with law. On appeal, the court of appeals reversed and remanded the case to the district court for receipt of additional evidence as to the issue of lack of need for the new bank. Because the rationale of the court of appeals' opinion conflicted with decisions of other courts of appeals, previous decisions of the same court, and decisions of the Supreme Court, the Solicitor General filed a petition for *certiorari,* seeking Supreme Court review of the appellate decision. The Supreme Court had not acted upon the petition by year-end. The *Meisel* case was pending in the district court at year-end, on the Comptroller's motion for summary judgment; while no proceedings had taken place in the *Schwartz* case other than the filing of the complaint.

F. Main Office Relocations

A decision of a federal district court in Mississippi, granting judgment for the Comptroller in a case wherein a rejected applicant sought to have the court compel the Comptroller to approve applicant's simultaneous applications to relocate its main office and to retain its former main office structure as a branch, was upheld in a brief order by the U.S. Court of Appeals for the Fifth Circuit during 1972. *First National Bank of Southaven* v. *Camp,* Civil No. DC 7074K, N.D. Miss., *affirmed* C.A. No. 71–3507 (5th Cir. 1972). The district court had ruled that the Comptroller had a rational basis for disapproving the application even though he had received recommendations for approval from each of his reviewing subordinates.

G. Branches

Branch litigation resulted in a number of significant district and appellate court decisions during 1972. In *First National Bank of Fairbanks* v. *Camp,* 326 F. Supp. 541 (D. D.C. 1971), *aff'd.,* 465 F.2d 586 (D.C. Cir. 1972), *petition for certiorari pending,* the court of appeals affirmed the district court's granting of judgment for the Comptroller in a lengthy opinion which (1) rejected plaintiff's charges that the Comptroller's proceedings denied due process, (2) rejected the contention that the Comptroller was bound to follow the Alaska State banking supervisor's views as to the application of State law to the branch application, and (3) observed that the Comptroller was not bound to deny National bank branch applications in order to achieve quantitative asset balance between State and National banks. At year-end, plaintiffs had asked the Supreme Court to review and reverse the court of appeals' opinion.

In *Commonwealth of Virginia ex rel State Corporation Commission* v. *Camp,* 333 F. Supp. 847 (E.D. Va. 1971), *appeal dismissed,* the district court had ruled that the Comptroller was not bound to follow an interpretation advanced by the Virginia State Corporation Commission with regard to the Virginia branching statute, and that the Comptroller's interpretation and application of the statute to the National bank application before him was reasonable. The Virginia State Corporation Commission appealed that decision during 1972, but later voluntarily abandoned the appeal.

Three other cases involving challenges by state banking supervisors to the Comptroller's decisions on National bank branch applications resulted in judgments for the Comptroller during 1972. *Dunn* v. *First National Bank of Cartersville and Camp,* Civil No. 2375, N.D. Ga.; *First National Bank of Southaven* v. *Camp and Coahoma National Bank,* Civil No. 7145–K, N.D. Miss., *appeal pending; Driscoll* v. *Northwestern National Bank of St. Paul and Camp,* Civil No. 3–72–Civ–42, D. Minn., *appeal pending.* In *Dunn,* the district court upheld the Comptroller's approval of an additional branch for the First National Bank of Cartersville, Ga., and rejected the contention of the Superintendent of Banks for the State of Georgia that the Comptroller's approval gave First National one more branch than was permitted to State banks in Georgia.

The sole issue presented by the case was whether the Comptroller had correctly concluded that an installment loan building, operated by First National across the street from its main office, was a mere extension of the main office and not a branch bank within the meaning of 12 U.S.C. § 36(f). After reviewing the factors considered by the Comptroller, which included such matters as the distance separating the main banking house and the installment loan building, the number of intervening structures, the types of physical connection between the main banking house and the installment loan building, and the economic effect of the installment loan building on the balance of competition in the community, the court "found as a matter of law that the installment loan building does not constitute a branch bank as contemplated by 12 U.S.C. § 36(f)." The state supervisor's appeal from that decision was pending before the U.S. Court of Appeals for the Fifth Circuit at year-end.

In *Southaven,* the district court held, contrary to the contentions of the state banking supervisor, that the Comptroller had reasonably construed the branch banking statutes of Mississippi to permit establishment of branches within 100 miles of the parent bank. At year-end, the case was pending on the appeal of the plaintiff bank. The state banking supervisor declined to appeal.

In *Driscoll,* the state banking supervisor disputed the Comptroller's refusal to be bound by a State definition of "detached facilities", in determining what constitutes a "branch" for a National bank under federal law. The district court agreed with the Comptroller's determination, and granted judgment for the Comptroller, observing:

> To permit the Minnesota Legislature to define the Skyway facility as a branch or "detached" facility and to obligate the Comptroller to apply that law would permit the legislature to overrule the prior decision of the Comptroller that it was not a branch under federal law. Then state, not federal, law would govern the content of the term "branch." This would be contrary to the teachings of [the Supreme Court in *First National Bank in Plant City* v.] *Dickinson.*

The state supervisor has appealed the decision.

In *First National Bank of Crown Point* v. *Camp,* 463 F.2d 595 (7th Cir. 1972), the court of appeals affirmed the judgment of the district court in Hammond, Ind., which had upheld the Comptroller's approval of an application by a National bank to establish a branch in an unincorporated town near Crown Point, Ind. In ruling for the Comptroller, the Court of Appeals emphasized that the Comptroller's interpretation of State statutes must be upheld, if reasonable, and that the district court was correct in declining to conduct a trial *de novo* on the questions presented to the Comptroller.

Several issues were raised for the first time in suits challenging the Comptroller's approvals of branch applications during the year. In *Independent Bankers of Oregon* v. *Camp,* Civil No. 71–528, D. Ore., and *Olin* v. *Camp,* Civil No. 72–535, D. Ore., plaintiffs requested the district court to invalidate the Comptroller's approval of an automated teller facility established by a National bank in Oregon, on the theory that Oregon law does not affirmatively authorize, and consequently prohibits, such automated tellers at any location other than the main office of a bank. In *Billings* v. *Camp,* Civil No. 1366–72, D. D.C., and *Grenada Bank* v. *Camp,* Civil No. EC–72–119 S, N.D. Miss., plaintiffs ask that the Comptroller's approval of branch applications be overturned upon the grounds that the Comptroller allegedly failed to comply with the National Environmental Policy Act. At year-end, the *Independent Bankers* and *Olin* cases were pending on the Comptroller's motion for summary judgment; the *Billings* case was pending on appeal by the Comptroller from an adverse district court determination; and no proceedings had taken place in the *Grenada Bank* case, other than the filing of the complaint.

A case challenging the Comptroller's authority to grant a branch application for a National bank while there was pending an application to merge that bank into another bank that would not have authority to branch at the location proposed, resulted in a district court judgment for the Comptroller during the year. *Fidelity Trust Co.* v. *Camp,* D. Conn., 337 F. Supp. 1396, *appeal pending.* The district court concluded that the Comptroller did not act unreasonably in granting the branch application without regard to whether or not the merger should be consummated; and that the Comptroller's subsequent approval of both the merger and the retention of the new branch office by the new bank was likewise not unlawful. At year-end, plaintiff had appealed the district court judgment to the U.S. Court of Appeals for the Second Circuit.

H. *Authority of Comptroller To Appraise Value of National Bank Shares*

In *Karpf, et al.* v. *First National Bank of South Jersey and Camp,* Civil No. 1020–72, D. N.J., plaintiffs who had dissented to a merger and received an appraisal of the value of their stock and a payment from the receiving bank pursuant to 12 U.S.C. § 215a(d), disagreed with the Comptroller's appraisal and sought to have the court make a new appraisal. The district court dismissed the lawsuit, ruling that the Comptroller's appraisal, made "final and binding" by statute, was not subject to judicial review.

I. *Bank Merger Act Cases*

In 1972, the Comptroller was involved in the litigation of three bank merger cases based on the "potential competition" theory, and also submitted an *amicus curiae* brief to the Supreme Court in *United States* v. *First National Bancorporation,* No. 71–703, which also involved the same theory.

In *United States* v. *United Virginia Bankshares,* Civil No. 85–70–A (D. Va. 1972), Judge Oren R. Lewis upheld the Comptroller's decision that the acquisition was not violative of the antitrust laws. The Court held that the acquiring bank holding company was not a potential entrant into the market except by the acquisition, and did not exert any influence from the edge of the market, particularly in light of the existing competition. Moreover, Judge Lewis said that it was "somewhat debatable whether the 'potential competition' theory is applicable to banking." Although the memorandum opinion was filed on September 8, 1972, the judgment is being held open pending submission of further findings of fact and conclusions of law, to be argued early next year.

In *United States* v. *The Connecticut National Bank,* Civil No. 14583 (D. Conn.), filed in 1971, the Justice Department sought to block the consolidation of The Connecticut National Bank, Bridgeport, Conn., and The First New Haven National Bank, New Haven, Conn., alleging that the consolidation would eliminate both actual and potential competition in violation of § 7 of the Clayton Act. The trial in this case lasted from October 10, 1972, until November 15, 1972, and closing oral arguments are to be heard in early 1973.

In *United States* v. *Marine Bancorporation,* Civil No. 237–71C2 (D. Wash.), also filed in 1971, the Justice Department again sought to block a merger thought to eliminate potential competition. In that case, the Department of Justice alleged that the National Bank of Commerce of Seattle, Seattle, Wash., was a "potential entrant" into the Spokane area, and therefore, could not be permitted to acquire Washington Trust Bank, Spokane, Wash. The Comptroller and the defendant banks maintained that the National Bank of Commerce was only a "potential entrant" through the merger, and that *de novo* entry, suggested by the Justice Department as a less anticompetitive means of entry, was not permitted by the State branching law. Furthermore, the Comptroller and the defendants asserted that the procompetitive benefits of this merger, as considered under the affirmative defense of convenience and needs provided by the Bank Merger Act of 1966, clearly outweighed the alleged anticompetitive effects. The trial date has been set for January 8, 1973.

The Comptroller submitted an *amicus curiae* brief to the Supreme Court in *United States* v. *First National Bancorporation,* No. 71–703. That case involved the proposed acquisition of The First National Bank of Greeley, Greeley, Colo., by the First National Bancorporation, Inc. of Denver, Colo. The Justice Department sought to prevent the merger on the grounds that the holding company, First National Bancorporation, was a "potential competitor" of the Greeley bank. Oral arguments were heard in mid-October and a decision is expected in early 1973.

By the end of 1972, the Justice Department had lost all six of its attempts to apply the theory of potential competition to the banking business. The Comptroller had intervened in five cases where he had approved the acquisition, and in each case a Federal District Judge upheld the Comptroller's decision and dismissed the Justice Department's complaint.

In another antitrust case where potential competition was not involved, *United States* v. *County National Bank of Bennington,* Civil No. 6088 (D. Vt.), the parties stipulated all material facts save the sole legal issue of whether the "Bennington area" is or is not too insignificant economically, demographically, and geographically to be a section of the country in a § 7 Clayton Act case. On cross motions for summary judgment, the Court, on January 27, 1972, at 330 F. Supp. 85, ruled that the "Bennington area" constituted a "section of the country" for § 7 Clayton Act purposes. The banks thereafter chose to abandon the merger and the case became moot.

VI. *Fiduciary Activities of National Banks*

The trust departments of National banks experienced continued growth in numbers of fiduciary accounts and in market value of assets held in 1972. During the year, 37 applications for permits to exercise fiduciary powers were received from National banks, and 20 were approved. In addition, six 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 1950.

Against that background, the Comptroller's Office continued its efforts to carry out its responsibilities in the most effective manner possible. Training of personnel continued to have a high priority. In May, a 1-week workshop was held for the Representatives-in-Trusts, in Washington, D. C. Forty-two representatives attended from the various regions. The course was divided into two parts, the first was designed to enable the representatives to keep abreast of regulatory developments, and the second dealt with the supervisory policies and procedures whereby the responsibilities of this Office are brought to bear. The first portion drew upon the assistance of a number of specialists on various topics. The second was conducted by Dr. Henry Herrell, Management Consultant and Training Specialist.

Plans were made for a school for Assistants-in-Trusts and Associates-in-Trusts, early in 1973. It is projected that there will be a two-part curriculum. The first will deal with regulatory matters, and will be available to assistants and associates who have never before attended an Office school. The second will deal with management supervision, along the lines of the corresponding part of the representatives' workshop, and will be attended only by the associates. Consistent with the practice at prior schools, it is expected that State banking departments will be invited to send examiners to attend.

During the year, Regulation 9 was amended. Proposed amendments had been published in the *Federal Register* in 1971, and were the subject of numerous comments and criticisms on the part of interested parties. Extensive study was given to the issues raised by those comments, and, after some modification, the proposals were put into effect in November. Many of the revisions incorporate, into regulatory form, preexisting interpretations of the Regulation. Definitions of "fiduciary powers" and "trust department" were amended to correspond with rulings that had been made as to permissible activities of National banks. The amendment also made it clear that the Regulation does not provide any bank the authority to utilize personnel of other departments to perform fiduciary functions, or vice versa, where the law prohibits such usage. Another amendment made clear that a bank can buy an asset from a trust account where requested to do so by the Comptroller. Use of a central certificate service was permitted.

Several changes pertained to collective investment funds. A general statement of the bank's investment policy with respect to such funds is now required. In addition, valuations must, under usual circumstances, be made within 10 business days. Clarifications of the requirements necessary for a bank to obtain tax-exemption status for its collective investment funds under the dissimilar requirements of Section 584 of the Internal Revenue Code and of Revenue Ruling 56–267 were made. Sections referring to common trust funds for managing agency accounts were deleted to reflect the fact that the authority for those types of funds no longer exists. Although the action was not required by the Supreme Court's holding in the case of *Investment Company Institute* vs. *Camp,* it was decided that it would be desirable to avoid confusion.

Certain changes in the Regulation were substantive in nature, primarily those relating to promotion and advertisement of collective investment funds. Under the revised rules, a distinction is provided between traditional common trust funds and pooled employee-benefit trusts, with stricter standards being imposed upon the former. At the same time, banks were reminded that in the promotion of their collective investment funds they must keep in mind the anti-fraud provisions of the securities laws which are applicable to such funds, and accordingly they and their counsel should be alert to avoid any infringement of the standards provided by those laws.

Not adopted, but still under consideration by this Office, are a number of proposed revisions. Those include provisions relating to best execution of securities purchases and sales, the application of the common trust fund 10 percent limitations where exceeded because of withdrawals or market appreciation, and a requirement that requests for admissions and withdrawals be accepted up to the valuation date.

Close attention was given by this Office to the proposed legislation that would enact several substantive requirements as to transfer agent activity. As that legislation, in the form passed by the Senate, would have placed a measure of responsibility for its application to National banks in this Office, preliminary plans were made for its implementation. Although the bill died in the closing days of the Congress, it is anticipated that similar legislation will be enacted in 1973.

VII. *International Banking and Finance*

Epidemic European inflation, Japanese recession, the appearance of exchange controls in E.E.C. countries, political uncertainties in Latin America and the Far East, and rising nationalism in third world countries were only some of the factors National banks had to contend with in their 1972 international activities. Also, during that period, the international banking environment witnessed a soaring of the price of gold, while the value of pound sterling floated downward. London branch overhead increased, while loan spreads narrowed, and Japan's surplus burgeoned as the U.S. trade deficit widened. Against that background, a variety of adjustments were effected by National banks in order that their international activities might continue to expand in a profitable manner.

During 1972, 24 National banks opened 56 foreign branches, and three banks closed 18 branches; a net increase of 38 branches. The greatest activity continued to be in Nassau, where 16 branches were established, compared to 9 openings during 1971. Since 1966, the total number of National bank foreign branches has increased from 230 to 566. At year-end, there were 28 approved, but unopened, branches, most of which had Cayman Islands locations.

A major method of international expansion by National banks during 1972 was the investment in foreign financial institutions, either directly, or indirectly through Edge Act corporations. Such investments were made on a 100 percent basis, on a consortium basis, or by partnership agreement. The ownership limitations in foreign banking laws, as well as the nature of the market to be served, generally determined the avenue of investment. At year-end, 48 National banks held such investments in foreign financial entities.

The International Division also had to adjust in order to keep abreast of the changes in the international banking environment. Most significant was the establishment of a London Embassy office staffed by three National Bank Examiners who are primarily responsible for examining the branches of 20 National banks operating in London, the United Kingdom, and on the continent. The greatest concentration of National bank foreign assets continues to be in the U.K., and the London office offers the International Division a more economic and efficient method by which to supervise those branch activities.

In addition to the London effort, 58 men travelled to 24 countries during 1972 in order to examine the branches of 16 banks, 184 foreign branch reports of examination were completed during the year. In several locations, examiners met with the host country's banking officials for mutually beneficial discussions concerning examining techniques and philosophies. In one instance the Italian Central Bank examiners and National Bank Examiners conducted a joint examination. Finally, a National Bank Examiner, specializing in electronic data processing, travelled overseas this year to examine foreign branch computer functions.

During 1972, the International Division also continued to play an educational role in international banking supervision. As in previous years, foreign bankers and foreign bank supervisors visited the division seeking information on examining procedures, legal matters, and international trends and developments. Copies of the *Comptroller's Manual for National Banks,* and the *Comptroller's Handbook of Examination Procedures* were sent to several foreign banking supervisors in response to their requests. In the spring the International Division began the "International Report," which contains media clippings, trade articles, and treatises on international financial affairs. That publication is circulated weekly to field examiners as well as to staff members of the Federal Reserve System and this Office. During July, four examiners received intensive training at the American Bankers Association school for International Banking.

VIII. *Administrative and Management Developments*

During 1972, many actions were taken to strengthen the internal administrative operations of the Office. Efforts to streamline procedures and maintain reasonable employment and cost figures contributed to realizing significant improvements.

The cost of operating the Comptroller's Office continued to be a matter of concern to management in view of the general economic environment. The Fiscal Management Division provided the necessary cost data that allowed management to continue the cost control program and assess its effectiveness. As a result, expenses for 1972 rose only 6.65 percent over 1971, which is significantly below the 1971 and 1970 increases of 11.03 percent and 18.84 percent, respectively.

The change in the method of investing assessment funds initiated in July 1971 produced additional interest income of $194,000 through December 1972. While only small gains were realized in total interest income during 1971 and 1972 due to lower Treasury bill yields, the Office would have experienced decreases in those years had there not been a change in investment policy.

Further refinements were made to the cost accounting system during 1972; more definite guidelines were established for the allocation of operating costs to the various organizational segments. Additionally, fixed asset records were computerized to provide more comprehensive data with respect to depreciation and identication of individual items.

Late in 1972, the Fiscal Management Division began converting its manual record of total branches by bank to an automated record. That automated record, scheduled for completion early in 1973, will facilitate the audit of branch assessments paid by National banks.

Through a reorganization in mid-1972, the travel expense voucher payment and audit functions were combined to provide for more efficient and expeditious processing of travel claims.

Through the Comptroller's personnel management evaluation program, several personnel practices were improved in 1972. Efforts were concentrated in the areas of staffing and manpower utilization, equal employment opportunity, communications, and training.

The personnel management evaluation system is intended to assess and improve personnel programs and systems. It also is intended to identify and resolve basic personnel management issues. The evaluation activities have had a favorable impact on our personnel management, primarily at the regional level, as a direct result of on-site visits.

The Office continued to operate under personnel ceilings in 1972, thus creating the necessity for quality staffing and effective manpower utilization. In an effort to determine bank examiner positions, staffing patterns were developed for several additional regions. Based upon a systematic analysis of workload, manpower and skill requirements were projected for those regions.

Results of the cooperative-education program have been excellent. There were approximately 110 financial interns on the rolls at the end of 1972. Approximately 25 percent of the financial interns are minority group members. The program is designed to train and develop college students for future bank examiner positions, and has proved to be an effective means of recruiting minority personnel.

Dramatic results were realized in the equal employment opportunity program. Our 1972 survey showed we had approximately 180 minority employees on the rolls. We experienced an increase of 55 percent in total minority examiner personnel, and an increase of 21 percent in field minority support personnel, during 1972. Approximately 90 women are employed in examiner positions. Forty percent of all employees in the Washington headquarters office are minority group members and 50 percent are females.

The need for a more uniform and equitable program for appointing, testing, and promoting assistant associate examiners was realized during the personnel management evaluation process. To correct those problems, guidelines were issued recently. Implementation of those guidelines on a uniform basis throughout all regions will provide a career ladder for examiners from entrance level to commissioned level, and will create a uniform policy for appointing, testing, and promoting all assistant and associate examiners. It also will shorten the normal time requirement for commissioning, and grade promotions will be related to progress demonstrated by each examiner in assuming increased responsibilities.

To improve communication channels between management and examiners, several regional administrators conducted periodic visits to banks with examinations in progress. Those visits included informal interviews and discussions with groups of examiners.

Significant progress also was made in meeting new priorities established in 1972. Special emphasis was given the grade de-escalation program. In an effort to reduce the average grade, positions were filled at lower grade levels, jobs were left vacant unless absolutely necessary, and jobs were combined wherever possible.

Effort was made during the year to reduce the time required to prepare various statistical reports by simplifying worksheets, organizing base data more effectively, and refining terminology. Better internal reconcilement procedures and controls made more accurate reporting possible. Greater productivity was made possible by introduction of a pre-appointment package system, providing new employees with necessary appointment forms and orientation material before their entrance on duty.

Surveys were conducted reviewing individual positions in a number of divisions throughout the year, particularly in the Bank Organization Division. Regional positions also were evaluated and a formal review of official titling practices for headquarters was completed for the first time.

A cost reduction resulted from changing the rate of pay for new assistant examiners from grade 6 to 5, prior to 1972. Tangible and measurable cost reductions as a result of the incentive awards program saved $47,838. Thirty-one awards were granted for adopted suggestions and special achievements. High quality increases were approved for 96 employees in recognition of their superior performance.

High priority continues to be given to the training and development of examiners. After an initial orientation program, formal training is given to assistant examiners and financial interns. Training is given in accrual accounting, bank investments, monetary and fiscal policies, and related topics. That is supplemented through correspondence courses. Specialized schools are held in the EDP and trust areas. Examiners are receiving training in electronic data processing to enable them to examine automated banks more efficiently. The course reviews basic principles of data processing and analyzes potential problem areas in bank data centers in order to help the examiners gain a better understanding of automated bank applications. A trust school was held in the fall of 1972 for all Representatives-in-Trust, to review trust examination procedures. Topics included proposed amendments to Regulation 9, current developments, restricted securities, stock transfer problems, reports of examination, and supervision. The National Bank Examiner school continues to be of prime importance to the career development of newly-commissioned National Bank Examiners. Those schools cover all aspects of commercial bank examinations. To enhance their effectiveness, selected examiners also attend graduate schools of banking.

The administrative responsibilities of Representatives-in-Trust and National Bank Examiners in such areas as performance evaluation, grievances, employee development, leave, pay recommendations, counseling, training, etc., were defined by developing supervisory handbooks. In one region a supervisory training course was held for National Bank Examiners. As part of a Representatives-in-Trust workshop held in the fall of 1972, a week of supervisory training was conducted to clearly define their role as supervisors. Through those efforts, participants examined the principles and practices of supervising employees and the managerial functions of planning, scheduling, organizing, and controlling. Those concepts were then related to practical supervisory and management experience.

Better quality of service to employees is expected as a result of hiring an employee relations specialist and issuing a formal grievance system and leave policy for Washington employees.

In 1972, the Administrative Services Division continued to meet the organization's needs for support services in an efficient manner. A major task has been the search for suitable office space in which to relocate and consolidate all Washington offices and personnel. That project is of great significance, and the ultimate relocation should increase the effectiveness of operations in headquarters. Space management in the field also continued active, with the relocation of four subregional offices, the establishment of two additional offices, and the elimination of one.

The staff of the Records Management Branch completed a program of visiting each regional headquarters office in 1972. The purpose of the program was to assist field personnel in a continuing effort to tighten control of records and correspondence and to better utilize space and file equipment. Considerable success and progress was achieved.

The Supply, Printing, and Services Branch underwent a significant reorganization during the year. As a result of an extensive survey, personnel classifications were re-evaluated and redesigned to more realistically reflect work assignments, and the organizational structure was modified to reflect the changed responsibilities.

A preliminary effort was made to evaluate the Office's internal capability of furnishing more information to the public. If developments occur as anticipated, it is probable that additional capability will be necessary.

Procurement activity consisted primarily of upgrading much of the office machine inventory, principally in the regions, and changing several copying machines to accommodate a need for greater and faster output. Also, initial steps were taken to introduce electronic calculators into our equipment inventory on a large scale.

The Internal Audit Division made comprehensive reviews in five regional offices and one of the six computerized payroll centers in addition to operational and management reviews in Washington. The audit reports contained 62 recommendations of which 50 were accepted.

The program of professional development initiated in 1969 for the Internal Audit staff was continued in 1972 through attendance at seminars sponsored by professional associations. The staff attended five different seminars relating to concepts and techniques of the modern audit function.

In 1972, the Management Services Division participated in several government-wide programs, among them a revised management review and improvement program and a feasibility study of measuring productivity in the federal sector. Additionally, data processing support for other functional areas continued to increase in scope and variety of applications. The Office's management improvement program contributed substantial tangible savings and improved operations procedures.

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

Total income for the year was $44.9 million, an increase of 10.76 percent over 1971. The percentage increase in income approximates the 1971 increase, when the growth rate was 10.08 percent. The increase in total income is primarily due to the $3.4 million rise in assessment income, resulting from a $35.5 billion rise in National bank assets. National bank assets affecting 1972 assessment income rose 10.43 percent, compared to an increase of 8.55 percent in the previous year.

Revenues from trust examinations totaled $2,323,000, for an increase of $88,000. There were 1,660 examinations made in 1972, compared to 1,665 in 1971. Branch investigations were up sharply, with an increase in income of $104,000. One thousand one hundred and eight branch applications were received in 1972, compared to 872 in 1971. New bank charter revenues increased by $295,000, while merger and consolidation fees increased by $169,000. There were 293 new bank charter applications in 1972, compared to 182 in 1971, and the number of bank merger applications increased to 155, compared to 103 in 1971.

Interest on investments increased only $20,000 to a total of $1,886,000, but continues to be a prominent income factor. The substantial decline in Treasury bill yields prior to 1971 continued to have its effect on interest income through 1972. However, a change in our investment policy has yielded rewarding results to the extent that if that policy had not been instituted, interest income would have declined during the last 2 years.

As a result of hurricane Agnes, during the summer of 1972, some of the bank regulatory agencies provided assistance, on a reimbursable basis, to the Small Business Administration in processing applications under the flood disaster program. The assistance provided by the Comptrollers' Office resulted in the SBA reimbursing this Office for $344,000 for costs incurred by us.

All other income categories remained at substantially the same levels when compared to 1971.

Total expenses amounted to $40.5 million, compared to $38.0 million for 1971, an increase of $2.5 million. That amounts to a 6.65 percent increase for 1972. That significant decrease in the percentage growth of expenditures represents a reduction of more than 4 percent, compared to 1971, and 12 percent, compared to 1970. Moreover, this is the first time in several years that the percentage growth in expenditures has not exceeded the percentage growth in revenues, and represents the culmination of management's conscious efforts to control expenditures.

Salaries, personnel benefits, and travel expenses amounted to $38.2 million, or 94.4 percent of the total expenses for the year. Those same expenses amounted to $35.7 million, in 1971. A 5.5 percent across-the-board pay raise, effective January 1972, was the principal reason for the rise in those expenses. Travel expense totaled $5.7 million, and remained at the same level as 1971. Several new subregional offices were established during 1971 and 1972, and provided some cost savings which offset what would otherwise have been an increase in travel expense.

The remaining expenses totaled $2,249,000, an increase of $33,000 over the previous year. The most significant increase in that area is the result of liberalizing allowances paid to employees when they relocate for the benefit of the office.

The equity account is in reality a reserve for contingencies. Transfers of $4.4 million increased the equity to $27.0 million at year-end. That represents 7.8 months' reserve for operating expenses, based on the level of expenses over the last 6 months of 1972.

TABLE 11

OFFICE OF THE COMPTROLLER OF THE CURRENCY

BALANCE SHEETS

Assets	December 31, 1972	December 31, 1971
Current assets:		
Cash	$162,763	$264,986
Obligations of U.S. Government, at cost adjusted for amortization of discount and premium (approximates market value)	9,089,412	6,737,958
Accrued interest on investments	562,287	516,399
Accounts receivable (Note 4)	499,139	169,056
Travel advances	435,817	406,105
Prepaid expenses and other assets	74,822	82,655
Total current assets	10,824,240	8,177,159
Long-term obligations of U.S. Government, at cost adjusted for amortization of discount and premium (approximates market value)	21,667,965	20,742,646
Fixed assets, at cost (Note 1):		
Furniture and fixtures	868,440	863,620
Office machinery and equipment	443,612	424,288
	1,312,052	1,287,908
Less accumulated depreciation	718,946	671,564
	593,106	616,344
Total assets	$33,085,311	$29,536,149
Liabilities and Comptroller's Equity		
Current liabilities:		
Accounts payable and other accruals	$193,194	$178,452
Taxes and other payroll deductions	133,536	83,279
Accrued travel and salaries	857,838	1,973,677
Total current liabilities	1,184,568	2,235,408
Accumulated annual leave	2,208,146	2,050,012
Closed receivership funds (Note 2)	2,706,358	2,705,391
Total liabilities	6,099,072	6,990,811
Comptroller's equity commitments and contingencies (Note 3)	26,986,239	22,545,338
Total liabilities and Comptroller's equity	$33,085,311	$29,536,149

See Notes at end of Section.

Table 12

OFFICE OF THE COMPTROLLER OF THE CURRENCY

STATEMENTS OF REVENUE, EXPENSES AND COMPTROLLER'S EQUITY

	Year Ended December 31 1972	Year Ended December 31 1971*
Revenue (Note 1):		
Semi-annual assessments	$37, 824, 450	$34, 439, 052
Examinations and investigations	4, 335, 914	3, 661, 012
Investment income	1, 886, 494	1, 866, 431
Examination reports sold	490, 355	517, 680
Other (Note 4)	380, 501	69, 741
	44, 917, 714	40, 553, 916
Expenses:		
Salaries	29, 998, 319	27, 705, 837
Per diem	3, 840, 710	3, 862, 031
Retirement and other contributions (Note 3)	2, 538, 394	2, 336, 534
Travel	1, 850, 070	1, 832, 729
Rent and maintenance (Note 3)	608, 819	495, 313
Communications	445, 849	408, 988
Moving and shipping	248, 478	139, 127
Employee education and training	205, 521	233, 225
Printing, reproduction and subscriptions	204, 012	274, 440
Office machine repairs and rentals	129, 458	121, 807
Depreciation	124, 937	128, 722
Supplies	80, 953	92, 254
Remodeling	18, 202	42, 787
Grant to Presidential Commission on Financial Structure and Regulation		122, 000
Other	183, 091	157, 573
	40, 476, 813	37, 953, 367
Excess of revenue over expenses	4, 440, 901	2, 600, 549
Comptroller's equity at beginning of year	22, 545, 338	19, 944, 789
Comptroller's equity at end of year	$26, 986, 239	$22, 545, 338

See Notes at end of Section.

*Reclassified to conform with 1972 presentation.

TABLE 13

OFFICE OF THE COMPTROLLER OF THE CURRENCY

STATEMENTS OF CHANGES IN FINANCIAL POSITION

	Year Ended December 31 1972	Year Ended December 31 1971
Financial resources were provided by:		
Excess of revenue over expenses	$4, 440, 901	$2, 600, 549
Add charges and credits not affecting working capital in the period:		
Additions to accumulated annual leave	369, 635	347, 562
Depreciation	124, 937	128, 722
Amortization of premium and accretion of discount on long-term U.S. Government obligations (net)	(4, 066)	17, 923
Net loss on sales of fixed assets	2, 111	12, 656
Working capital provided by operations for the period	4, 933, 518	3, 107, 412
Long-term U.S. Government obligations:		
Redeemed	7, 848, 067	218, 881
Transferred to current assets	4, 061, 003	
Proceeds received on sales of fixed assets	2, 319	4, 737
Total	16, 844, 907	3, 331, 030
Financial resources were used for:		
Purchase of long-term U.S. Government obligations	12, 830, 323	3, 695, 032
Payments of accrued annual leave	211, 501	137, 793
Purchase of fixed assets	106, 129	72, 255
Net receivership fund disbursements (receipts)	(967)	1, 292
Total	13, 146, 986	3, 906, 372
Increase (decrease) in working capital	$3, 697, 921	($575, 342)

Analysis of Changes in Working Capital

	1972	1971
Increase (decrease) in current assets:		
Cash	($102, 223)	$197, 111
Obligations of U.S. Government	2, 351, 454	(505, 457)
Accrued interest	45, 888	61, 329
Accounts receivable	330, 083	(111, 383)
Travel advances	29, 712	(2, 047)
Prepaid expenses and other assets	(7, 833)	12, 619
	2, 647, 081	(347, 828)
(Increase) decrease in current liabilities:		
Accounts payable and other accruals	(14, 742)	33, 171
Taxes and other payroll deductions	(50, 257)	(11, 664)
Accrued travel and salaries	1, 115, 839	(249, 021)
	1, 050, 840	(227, 514)
Increase (decrease) in working capital	$3, 697, 921	($575, 342)

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 changes in financial position present fairly the financial position of the Office of the Comptroller of the Currency at December 31, 1972 and 1971, the results of its operations and the changes in financial position 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, including confirmation of securities owned by correspondence with the depositary.

PRICE WATERHOUSE & CO.

WASHINGTON, D.C.
January 31, 1973.

NOTES TO FINANCIAL STATEMENTS

Note 1—Organization and Accounting Policies

The Office of the Comptroller of the Currency was created for the purpose of establishing and regulating a National Banking System. The National Currency Act of 1863, rewritten and reenacted as The National Banking Act of 1864, created the Comptroller's Office, provided for its supervisory functions and the chartering of banks. The revenue of the Comptroller's Office is derived principally from assessments paid by the National banks and interest on investments in U.S. Government obligations. Assessments paid by National banks are not construed to be government funds. No funds derived from taxes or Federal appropriations are allocated to or used by the Comptroller's Office in any of its operations.

The accounts of the Comptroller's Office are maintained on the accrual basis. Fixed assets are depreciated on the straight-line basis principally over an estimated useful life of 10 years.

Note 2—Closed Receivership Funds

This amount represents a liability for unclaimed depositors' account balances, resulting principally from the failure and closing of certain National banks during the 1930's. At such time the assets of the banks were transferred to the custody of the Comptroller's Office to be held in trust for their depositors. These funds have been invested in government securities pending claim by depositors.

Note 3—Commitments and Contingencies

Regional and sub-regional offices of the Comptroller of the Currency lease office space under agreements which expire at varying dates through 1981. As of December 31, 1972, total lease commitments for these offices approximated $600,000 annually. The Washington, D.C. office and certain regional offices located in Federal Government facilities are occupied on a rent-free basis.

The Comptroller's Office contributes to the Civil Service Retirement plan for the benefit of all of its eligible employees. Contributions aggregated $2,037,847 and $1,903,601, respectively, in 1972 and 1971. The plan is participatory, with 7% of salary being contributed by each party.

Various banks in the District of Columbia have deposited securities with the Comptroller's Office as collateral for those banks entering into and administering trust activities. These securities are not assets of the Comptroller's Office and accordingly are not included in the accompanying financial statements.

Note 4—Assistance to the U.S. Small Business Administration

During 1972 the Comptroller's Office assisted the Small Business Administration in the processing of flood disaster loan applications. The Small Business Administration has agreed to reimburse the Comptroller's Office for salaries and other expenses of approximately $344,000 relating to this assistance.

APPENDIX A

Merger Decisions, 1972

Merger* Decisions, 1972

I. Mergers consummated, 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

III. Additional approvals

NOTE.—The 1970 *Annual Report* carried the Comptroller's decision approving the proposed consolidation of Catamount National Bank, North Bennington, Vt., and the County National Bank of Bennington, Bennington, Vt., under the heading "Approved, but in litigation". After the filing of an action against the consolidation by the Justice Department in 1970, the banks abandoned their consolidation plans on December 8, 1972.

The 1971 *Annual Report* carried the Comptroller's decision approving the proposed purchase of the First National Bank of Ferndale, Ferndale, Wash., by Seattle-First National Bank, Seattle, Wash., under the heading "Approved, but in litigation". After the filing of an action against the purchase by the Justice Department in 1971, the banks abandoned their purchase plans on January 4, 1972.

That *Annual Report* also carried the Comptroller's decision approving the proposed merger of The First National Bank of Tucker, Tucker, Ga., and The First National Bank of Atlanta, Atlanta, Ga., under that same heading. After the filing of an action against the merger by the Justice Department in 1971, the banks abandoned their merger plans on April 18, 1972.

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

National Bank of Alaska, Anchorage, Alaska, and Bank of Petersburg, Petersburg, Alaska

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bank of Petersburg, Petersburg, Alaska, with	$7, 496, 743	1	
and National Bank of Alaska, Anchorage, Alaska (14651), which had	238, 887, 138	26	
merged Jan. 1, 1972, under charter and title of the latter bank (14651). The merged bank at date of merger had	246, 245, 666		27

COMPTROLLER'S DECISION

On January 6, 1971, the Bank of Petersburg, Petersburg, Alaska, and the National Bank of Alaska, Anchorage, Alaska, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Anchorage, with a population of over 53,000 is the financial, commercial, and communications center of Alaska. The greater Anchorage borough has a 1970 estimated population of 117,500, and is one of the most rapidly growing metropolitan areas in the Nation. Construction is a leading industry in the area and various forms of new construction are evident throughout the borough. Most of the major oil companies maintain offices in Anchorage, and its international airport serves as one of the major supply terminals for oil companies and their employees who are working the north slope of the State, an area where large deposits of oil were recently discovered. Economic prospects for the entire State appear promising.

The National Bank of Alaska, with total deposits of $185 million, is the largest commercial bank in Alaska and presently operates 26 banking offices in various sections of the State. The bank, which was originally organized in 1916, is a well run, full-service institution. Other banks headquartered in Anchorage are the First National Bank of Anchorage, with deposits of $153 million; the Alaska State Bank, with deposits of $54 million; the Matanuska Valley Bank, with deposits of $44 million; and the Peoples Bank and Trust Company, with deposits of $6 million. In addition, the $29 million First Federal Savings and Loan Association of Anchorage, the $29 million Alaska Mutual Savings Bank, and several credit unions are located in Anchorage.

Petersburg, with a present population of about 2,015, is a relatively isolated community. It is located in the central portion of the southeastern "panhandle" of Alaska approximately 680 air miles to the southeast of Anchorage. Since transportation overland is nearly impossible, the movement of people and goods is accomplished by boat or airplane. Fishing and logging are the backbone of Petersburg's economy. Economic prospects for the area do not appear promising.

The merging bank, the Bank of Petersburg, with total deposits of $7 million, was originally organized in 1912 and is a single-office institution. It remains the only uninsured bank in the State. Because of its size, it has not been able to adequately meet the credit needs of its community. Since 1968, when the Rasmuson family acquired control of the merging bank, the charter bank has closely supervised the merging bank and supplied it with management.

The subject proposal will have no adverse competitive effects. The merging bank has no close competitor. The closest office of the charter bank to the merging bank is located on the Island of Wrangell, about 30 air miles to the southeast of Petersburg. The next closest banking offices are over 100 air miles distant. Because of the distance between the participating banks there is no competition between them which will be eliminated by consummation of this merger. The addition of $7 million in deposits to the charter bank will have no significant effect on the overall banking structure in the State. On the other hand, approval of this merger will solve the problems at the merging bank and introduce into Petersburg a modern banking institution able to meet adequately the needs of that community. The resulting bank will provide the banking public of Petersburg with new and improved banking services including expertise in the vital industries of that area. Further, the depositors of the merging bank will be protected by federal deposit insurance.

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

November 30, 1971.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Generally, banking competition is evaluated within fairly limited geographic areas because of the desire and need of most ordinary customers to have easy access to their bank. However, when a bank has the only office within an area, its customers must of necessity go beyond that area to find any alternative to the local monopolist. When two banks which enjoy such local monopoly, checked only by competitive alternatives in adjacent areas, propose to merge and thus eliminate the only remaining check on monopoly power, it is relevant to consider a larger area in appraising the competitive effects of a merger. Furthermore, the comparatively low deposit level of the existing banking offices in the area and lack of rapid population growth mean that entry of other banks into this area in the future is extremely unlikely.

In this case, National Bank of Alaska's Wrangell office is the only alternative banking facility within 100 miles of Bank of Petersburg. These offices, located on separate islands, are 30 miles apart. Hence, this merger would create an absolute regional monopoly of commercial banking offices in the Wrangell-Petersburg area, under the control of the largest bank in the State. It would also reinforce and entrench National Bank of Alaska's dominant position in the entire southeastern area of Alaska. Therefore, we conclude that this merger would have an adverse effect on competition.

* * *

WACHOVIA BANK AND TRUST COMPANY, N.A., WINSTON-SALEM, N.C., AND FIRST STATE BANK, REIDSVILLE, N.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
First State Bank, Reidsville, N.C., with	$25, 928, 414	7	
and Wachovia Bank and Trust Company, N. A., Winston-Salem, N.C. (15673), which had	2, 013, 049, 917	164	
merged Jan. 3, 1972, under charter and title of the latter bank (15673). The merged bank at date of merger had	2, 037, 667, 546		171

COMPTROLLER'S DECISION

On September 29, 1971, First State Bank, Reidsville, N.C. and Wachovia Bank and Trust Company, N.A., Winston-Salem, 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., Winston-Salem, N.C., the charter bank, was organized in 1879 at Winston-Salem. Its 155 offices serve 54 North Carolina communities. Its IPC deposits of $1.2 billion exceed those of any other bank in the State. The charter bank is the principal component of the Wachovia Corporation, a registered one-bank holding company which engages, through several subsidiaries, in a number of bank-related activities.

The charter bank generates the majority of its business from the Piedmont Crescent which begins at Charlotte, on the west, and extends through the Piedmont Corridor to Winston-Salem, the location of its head office, and eastward to the Raleigh-Durham area.

Wachovia competes in one way or another with every major bank in the southeastern United States. In North Carolina, its primary competitors are the $1.6 billion Carolina National Bank, the $1.2 billion First Union National Bank of North Carolina; the $788 million First Citizens Bank and Trust Company, and the $622 million Northwestern Bank. North Carolina National Bank has 80 offices in communities served by Wachovia; First Union National Bank of North Carolina has 65; First Citizens, 54; and the Northwestern Bank, 28.

First State Bank, the merging bank, with IPC deposits of $17.2 million, was organized in 1882. It operates its main office and three branches in Reidsville and single offices in Eden and Ruffin in Rockingham County, and in Yanceyville in neighboring Caswell County. The merging bank has been conservative through the years though generally well managed and operated. The bank is now facing very acute present and prospective management problems due to the age of upper management and the lack of a recruiting program to assure adequate, experienced successor management.

This bank, sorely needing to replace its aged banking house, lacks the resources to undertake an adequate building program.

The merging bank serves Caswell and Rockingham counties. Caswell County has a population of 19,055 and Rockingham County has a population of 72,402. Eden and Reidsville are the two largest communities in Rockingham County and contain populations of 15,871 and 16,636, respectively. The economy of Caswell County is based mainly on agriculture and the economy of Rockingham County is based mainly on the manufacture of textiles and apparel.

Banking competition in the area of the head office of the merging bank in Reidsville is offered by one office of the $23 million Carolina National Bank of Commerce, four offices of the $19 million First National Bank, and one office of the First Citizens Bank and Trust Company. In Eden, where the merging bank has a single office, the Carolina Bank of Commerce has five offices and the Southern National Bank of North Carolina has three offices. In Yanceyville, where the merging bank has a single office, the Northwestern Bank also has an office.

This merger will be in the public interest by benefiting the convenience and needs of the merging bank's service area. That economically static area should be stimulated by the introduction of the charter bank and the many and varied services which it offers and which will be made available in the area. In addition, the management succession problem of the merging bank will be solved by the ready availability of a pool of management talent upon which to draw. Also, needed capital improvements which the merging bank is not presently in a position to undertake can be made from the resources of the charter bank after the merger.

Competition will not be adversely affected. Because the nearest offices of the two banks are 24 miles apart, there is little, if any, present competition between them. Statewide and in the local service areas of the charter bank, the addition of the much smaller merging bank will have little effect on the charter bank's competitive position.

It is not probable that charter bank would enter either Caswell or Rockingham County with a *de novo* branch in the reasonably foreseeable future. Neither Caswell nor Rockingham County constitutes an attractive area for *de novo* entry by charter bank. Caswell County has a very poor economic base. It is losing population and presently ranks substantially below the State averages in such economic measures as per capita income, retail and wholesale sales, and total bank deposits, among others.

Some eight banks and 25 banking offices now operate in Rockingham County. While economically somewhat stronger than Caswell County, Rockingham suffers from the trend toward urbanization of the four large cities immediately to its north and south; Danville and Martinsville, in Virginia, and Burlington and Greensboro, in North Carolina. The textile and apparel industry, the mainstay of the county's economy, has recently experienced difficulties because of increasing imports which have caused the closing of numerous plants in the State, including one in Reidsville. The tobacco industry, the country's second largest industry. likewise faces an uncertain future, and has evidenced little or no growth in recent years.

Because of the size and ability to compete, Wachovia's presence can aid the growth of the economy of these counties and should have a positive effect on competition.

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

DECEMBER 3, 1971.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of Wachovia to any of those of First State Bank are in Greensboro, about 24 miles from the main office of First State Bank. In the four towns serviced by First State Bank, Wachovia holds only minimal amounts of small retail loans and deposits. Although Wachovia does have a significant amount of other deposits and loans from the service area of First State Bank, these are apparently commercial deposits and loans of such a size that First State Bank would be unable to service them. 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, Wachovia, the largest bank in North Carolina and with offices in adjacent Guilford County, must be considered a significant potential entrant into Rockingham and/or Caswell counties. However, the economic prospects of the area lessens the likelihood of such *de novo* entry in the foreseeable future.

* * *

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THE BRIDGETON NATIONAL BANK, BRIDGETON, N.J., AND CITIZENS NATIONAL BANK OF SOUTH JERSEY, WOODBINE, N.J.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Citizens National Bank of South Jersey, Woodbine, N.J. (12977), with	$8,274,284	2	
and The Bridgeton National Bank, Bridgeton, N.J. (2999), which had	10,662,876	2	
merged Jan. 14, 1972, under charter of the latter bank (2999) and title "Citizens National Bank of South Jersey." The merged bank at date of merger had	18,937,122		4

COMPTROLLER'S DECISION

On August 6, 1971, the Citizens National Bank of South Jersey, Woodbine, N.J., and The Bridgeton National Bank, Bridgeton, N.J., applied to the Office of the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "Citizens National Bank of South Jersey."

The Bridgeton National Bank, the charter bank, with total IPC deposits of $7.1 million, was organized in 1883 under its present title. The charter bank operates one in-town branch which began *de novo* in March 1970. During 1971, a substantial change took place in the composition of the board of directors of the charter bank when four of its eight directors resigned and five new directors were appointed, three of whom were also directors of the merging bank. During the period January 1971 to July 1971, as a direct result of the management reorganization which established an aggressive, coordinated direction of the charter bank's policies, the total assets of the bank expanded from $7.9 million to $9.1 million.

The service area of the charter bank is confined to Cumberland County, in the south central portion of New Jersey and in the Third Banking District. Traditionally, that area has been primarily agricultural, but recent development has made the county a center of the plastics and glass manufacturing industry. There are also several nationally-known food processing plants and numerous locally owned businesses and service establishments. In addition, the building of a new bridge and highway system in adjacent Salem County as a part of the Ameri-Port Complex is increasing the residential and industrial growth potential of the charter bank's service area.

The Citizens National Bank of South Jersey, the merging bank, with total IPC deposits of $4.1 million, was originally organized as The Woodbine National Bank in 1926. It subsequently changed to its present name in July 1969. The merging bank, located in Cape May County, operates one branch which began operations in March 1971. Prior to March 1969, when a change in the management structure took place, the merging bank experienced a slow, conservative rate of growth. As a result of that management change which was intimately connected with the management reorganization in the charter bank, a rapid increase in the assets of the merging bank, from $2.4 million to $6.6 million, took place. Then, on May 6, 1971, a further tie between the managements of the two banks occurred when a director of the charter bank was appointed to the board of directors of the Citizens National Bank of South Jersey. The number of dirrectors common to the two banks involved in this transaction was brought to four.

Adjoining the eastern border of Cumberland County is Cape May County, the service area of the merging bank. That county, located along the South Jersey shore, is primarily devoted to farming, fishing, and seafood processing. Tourism and retirement living are also becoming important to the economic base of the area. A proposed industrial park, a considerable amount of construction of vacation and year-round living units, and large tracts of still undeveloped land insure the continued growth of the area which already has a good system of bridges and highways which allow easy access.

At present, competition between the applicant banks has been insignificant, primarily due to the old State banking law which did not permit branching across county lines. The nearest office of the charter bank, located in Bridgeton, is approximately 34 miles northwest of Woodbine, with 13 banking alternatives between. As of the date of application, the charter and merging banks were participating in only two loans.

This merger will not substantially reduce competition. The resulting bank will be the smallest of three banks located in Bridgeton and will be the fourth largest bank headquartered in Cumberland County. It will also be the fifth largest bank in Cape May County. The trade area of the resulting bank will contain many banking alternatives; 12 commercial banks with 33 offices and total resources of $281 million. The four largest banks in the Third Banking District have a total of 15 offices in the trade area. In addition, there are 19 savings and loan or building and loan associations with total assets of $139 million as well as various mortgage companies, credit unions, and personal loan companies. The abundance of banking alternatives is sufficient to foster competition in this growing area.

Approval of the proposed merger will allow the resulting bank to offer new and more complete services to its customers. Trust services, the future introduction of a credit card plan and a check credit overdraft plan, as well as an increased loan limit will place the bank in a better competitive position from which to serve the existing and future business needs of the area.

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

DECEMBER 15, 1971.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Bridgeton is located about 30 miles west of Woodbine and about 50 miles northwest of Citizens National's branch in West Cape May. There are several intervening banks and competition between the merging banks appears to be negligible.

Home office protection would prevent either bank from branching into the immediate service area of the other. In view of this fact and the size and relative market position of both banks, their proposed merger would be unlikely to have any adverse effect on potential competition.

* * *

NORTH CAROLINA NATIONAL BANK, CHARLOTTE, N.C., AND THE BANNER ELK BANK, BANNER ELK, N.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Banner Elk Bank, Banner Elk, N.C., with	$4, 375, 735	1	
and North Carolina National Bank, Charlotte, N.C., (13761), which had	1, 746, 667, 642	113	
merged Jan. 21, 1972, under charter and title of the latter bank (13761). The merged bank at date of merger had	1, 751, 048, 916		114

COMPTROLLER'S DECISION

On October 1, 1971, North Carolina National Bank Charlotte, N.C., applied to the Office of the Comptroller of the Currency for permission to merge with The Banner Elk Bank, Banner Elk, N.C., under the charter and title of the former.

North Carolina National Bank, the charter bank, has IPC deposits of $979.4 million. It operates 109 offices in 33 communities in North Carolina. Although it is essentially a statewide bank, the major part of its business is generated in the piedmont section, where most of the State's industry is situated. In total assets, the charter bank is the second largest bank in the State; in number of offices and number of communities served, it ranks fifth.

The bank is highly competitive with other institutions in the fields of commercial lending, consumer credit, computerization, business development, and correspondent banking. It is the principal component of NCNB Corporation, a registered one-bank holding company which, through several subsidiaries, engages in various bank-related activities.

The Banner Elk Bank, which was established in 1919, has IPC deposits of $3.2 million. The conservative operation of the bank, indicated by its 33 percent loan-deposit ratio, has been adequate for the community up to now, but more capital and managerial energy will be needed to meet the community's growing needs.

Avery County, where Banner Elk is located, is in the northwest section of North Carolina. The county is sparsely settled, 75 percent of the area is National parkland. The population has fallen from 13,561 in 1940, to 12,155 in 1970. The county's principal towns are Banner Elk, with a population of 754, and Newton, with a population of 524. Manufacturing and agriculture have produced the bulk of the economic activity. Tourism has recently become an important economic factor through the construction of tourist attractions, skiing facilities, and seasonal and retirement homes.

Credit needs for that development have had to come from large regional or statewide banks outside the area. The merger will enable the resulting branch office to start meeting those needs locally, through a larger lending limit, trust services that can be used by retired people who move to the area, and other specialized services. The management capability that the charter bank can provide, will better local service.

The Avery County Bank, which is twice the size of the merging bank, is located 12 miles southwest in Newland, and is the merging bank's main competition in Avery County. The Northwestern Bank, in North Wilkesboro, has offices in the larger communities in the region and has an application pending for a branch in Newland. Its deposits are in excess of $500 million.

The head office of North Carolina National Bank in Charlotte is about 100 miles southeast of Banner Elk. The nearest offices are in Boone and Spruce Pine, 15 and 25 miles away, respectively. Because of the distance and the merged bank's competition with all major banks in the State, this merger is more likely to increase than eliminate competition. As, in addition, it will also provide for increased needs and conveniences to Avery County, the application to merge is approved.

DECEMBER 16, 1971.

SUMMARY OF REPORT BY ATTORNEY GENERAL

North Carolina National Bank has six offices in the counties which border Avery County, the area where Banner Elk Bank derives the preponderance of its business. These offices are from 15 to 50 miles from Banner Elk and only derive a small amount of their business from Avery County. Thus, it appears that the proposed merger will not eliminate any significant existing competition. Considering the unattractive economic condition and outlook of Avery County, and the number of large banks capable of branching *de novo* into the county, it does not appear likely that the proposed merger will eliminate significant potential competition.

* * *

THE NATIONAL STATE BANK, ELIZABETH, N.J., ELIZABETH, N.J., AND TRENTON TRUST COMPANY, TRENTON, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Trenton Trust Company, Trenton, N.J., with	$170, 830, 080	10	
and The National State Bank, Elizabeth, N.J., Elizabeth, N.J. (1436) which had	449, 219, 093	33	
merged Feb. 25, 1972, under charter and title of the latter bank (1436). The merged bank at date of merger had	613, 327, 744		43

COMPTROLLER'S DECISION

On October 27, 1971, The National State Bank, Elizabeth, N.J., Elizabeth, N.J. and the Trenton Trust Company, Trenton, N.J., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and title of the former.

The National State Bank, Elizabeth, N.J., the charter bank, with IPC deposits of $319.9 million, was originally incorporated in 1812 and joined the National Bank System in 1865. The charter bank has become the second largest of the 65 commercial banks headquartered in the Second Banking District of New Jersey. The National State Bank operates 17 branches in Union County, 11 branches in Middlesex County, and four branches in Hunterdon County. Its main office is located in Union County.

Competition for the charter bank is provided by virtually all of the commercial banks operating in Union, Middlesex, and Hunterdon counties. Among the largest of those competitors are the Central Jersey Bank and Trust Company, Freehold, with deposits of $281 million; the Union County Trust Company, Elizabeth, with deposits of $213 million; the Summit and Elizabeth Trust Company, Summit, with deposits of $161 million; and the First National Bank of Central Jersey, Somerville, with deposits of $130 million. Additional competition is furnished by banks which are affiliated with the large, multi-bank holding companies in New Jersey, such as the National Bank of New Jersey, New Brunswick, with deposits of $68 million, a member of Fidelity Union Bancorporation which controls deposits of $762 million; the Edison Bank, National Association, South Plainfield, with deposits of $67 million, a member of First National State Bancorporation which controls deposits of $941 million; and the Central Home Trust Company of Elizabeth,

Elizabeth, with deposits of $41 million, a member of United Jersey Banks which holds deposits of $940 million. Competition is also provided by the multi-million dollar banks based in Newark and the multi-billion dollar banks based in New York.

The Trenton Trust Company, Trenton, the merging bank, with total IPC deposits of $117.6 million, was originally incorporated in 1887 as The Real Estate, Safe Deposit, Trust and Investment Company of New Jersey. The merging bank has expanded in the past by merging with two banks in 1928, and by purchasing an additional bank in 1958. It currently ranks sixth among the 65 commercial banks located in the Second Banking District of New Jersey. The Trenton Trust Company operates six branches in the city of Trenton, the State capital, and one branch each in Hopewell Township and Lawrence Township, two of the thirteen municipalities that comprise Mercer County. In addition, the merging bank has pending applications to establish another branch in Lawrence Township and one in the city of Trenton.

Competition for the merging bank is provided by all of the commercial banks operating in Mercer County. Those competitors include the New Jersey National Bank, Trenton, with deposits of $519 million; First Merchants National Bank, Neptune Township, with deposits of $171 million; and the First Charter National Bank, Monroe Township, with deposits of $105 million. Additional competition is furnished by banks which are affiliated with large, multi-bank holding companies such as the First National Bank of Princeton, Princeton, with deposits of $81 million, a member of United Jersey Banks which controls deposits of $940 million; and the Princeton Bank and Trust Company, Princeton Township, with deposits of $78 million, a proposed member of American Holding Corporation of New Jersey, a planned multi-bank holding company. Competition is also provided by two small banks headquartered in Bucks County, Pa., and by branches of the billion-dollar banks based in Philadelphia, Pa.

The service area of the Trenton Trust Company consists primarily of Mercer County, which is located in the southern portion of the Second Banking District of New Jersey, and also a portion of Bucks County, Pa., located directly across the Delaware River. The economy of the area is based on many factors, including large-scale commercial and manufacturing industries, residential communities, and large-scale government employment.

The diversified trade area from which The National State Bank draws its trade includes Union, Middlesex, and Hunterdon counties in the Second Banking District and the southern portion of Essex County, which is located in the First Banking District of New Jersey. That service area reflects the varied economic characteristics of residential, commercial, industrial, and agricultural activity. In addition, Union County is the location of the Elizabeth Marine Terminal of the Port of New York Authority, which is considered the container shipping center of the world. The charter bank serves a population in excess of 1.3 million people.

At present, there is no significant competition between the charter and merging banks. The main offices of the two banks are 44 miles apart, and the nearest branch of The National State Bank is approximately 25 miles from an office of the Trenton Trust Company. In addition, there are numerous banking offices located between the two banks involved in this transaction which further dilutes the competitive effect that the two banks have on each other.

Upon consummation of the proposed merger, there will be no adverse competitive effects in the Second Banking District of New Jersey. The $648 million resulting bank will become the largest commercial bank in the Second Banking District and will be the fifth largest commercial banking organization, including the multi-bank holding companies, operating in the district. The resulting bank will operate 44 existing and approved offices located in four of the six counties that comprise that district. Yet the proposed merger will have a favorable effect on competition, especially in the Mercer County area where the resulting bank will provide a more aggressive and effective competitor to the large banks already operating in that county. In addition, the resulting bank will introduce additional and expanded services to the residents and businessmen of Mercer County, including a substantially larger lending limit, data processing facilities, trust services, and specilized lending services.

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

January 26, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of National State and Trenton Trust are about 44 miles apart, their closest offices are about 25 miles apart, and there are a number of offices of other banks in the intervening areas. Thus, although the banks operate in contiguous counties, it does not appear that the proposed merger would eliminate any significant amount of competition between them.

New Jersey law permits banks to branch throughout their respective banking districts, except that home office protection is provided for all communities, and branch office protection is provided for municipalities with populations of 7,500 or less. In addition, bank holding companies are permitted to operate bank subsidiaries throughout the State.

With total deposits of about $200 million, Trenton Trust should be considered capable of establishing *de novo* branches in areas of the Second Banking District which it does not already serve. Trenton Trust is the sixth largest bank located in the Second Banking District, but a number of the other larger district banks already serve those areas served by National State to a greater or lesser extent. Thus, Trenton Trust is a source of potential competition in National State's service area, either through *de novo* entry, or through acquisition of a smaller, "foothold" bank. Also providing potential competition in these areas are other larger banking institutions, some of which have formed multibank holding companies with existing subsidiaries in the Second Banking District.

As the second largest bank in the district, and the largest not serving Trenton or Mercer County, National State is clearly a significant source of potential competition in this area. Potential competition is also provided by the other larger banking institutions referred to in the preceding paragraph. The city of Trenton and the adjoining townships of Ewing and Hamilton are closed to *de novo* branching by virtue of home office protection. However, Lawrence, the third township contiguous to Trenton, as well as the nearby townships of Hopewell and East Windsor are "open"; these municipalities, which are the only ones open at the present time among the 13 in Mercer County, have a combined population of over 41,000, are presently served by 15 banking offices, and appear to be growing steadily.

Commercial banking in the Trenton Metropolitan Area and Mercer County is highly concentrated. New Jersey National Bank and Trenton Trust, the two largest of the 11 banks headquartered in Mercer County and the 13 banks operating there, held, as of June 30, 1970, about 77 percent of IPC demand deposits in the Trenton area and about 57 percent of such deposits in the county as a whole. Trenton Trust held about 35 percent and 22 percent of such deposits in the Trenton area and the county, respectively.

The proposed merger would eliminate each bank as a source of potential competition in those areas served by the other. The more serious effect would be the elimination of National State as a *de novo* or "foothold" entrant into Trenton and Mercer County. While there are a number of other sources of potential competition, the fact that the merging banks are the second and sixth largest banks in the Second Banking District indicates that the proposed merger, and others of a similar nature which its approval may trigger, could ultimately lead to undue concentration of banking resources in the district in a few banks. We conclude that the overall effect of the proposed merger on competition would be adverse.

* * *

AMERICAN NATIONAL BANK, BAKERSFIELD, CALIF., AND SAN JOAQUIN VALLEY NATIONAL BANK, TULARE, CALIF.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
San Joaquin Valley National Bank, Tulare, Calif. (15357), with	$20, 768, 741	6	
and American National Bank, Bakersfield, Calif. (15437), which had	56, 264, 565	9	
merged Mar. 10, 1972, under charter and title of the latter bank (15437). The merged bank at date of merger had	79, 095, 779		15

COMPTROLLER'S DECISION

On November 10, 1971, the San Joaquin Valley National Bank, Tulare, Calif., and the American National Bank, Bakersfield, 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 American National Bank, the charter bank, with IPC deposits of $39.9 million, opened for business on December 4, 1964. It operates seven branches and has an application pending for an eighth.

The charter bank serves three separate areas including the Greater Metropolitan Bakersfield Area, with a population of 200,000; the Antelope Valley in Northern Los Angeles County; and the Santa Ynez

Valley, located in the central coastal section of the State. The economy of those three areas is agriculturally oriented. Bakersfield, although located in an agriculturally dependent area, has a diverse economy which includes significant oil production. The Santa Ynez Valley is tourist oriented. The aerospace industry and government installations contribute significantly to the Antelope Valley area, and industry is rapidly moving in.

The area served by the charter bank contains 49 banking offices of 11 banks including offices of the seven largest banks in the State. Bank of America, National Trust and Savings Association, San Francisco, has 12 offices in the area; Security Pacific National Bank, Los Angeles, has seven offices; Crocker National Bank, San Francisco, has five offices; and United California Bank, Los Angeles, has four. The area also contains offices of a number of savings and loan associations.

The San Joaquin Valley National Bank, the merging institution, with IPC deposits of $15.5 million, opened for business in 1964. It presently operates four branches in central San Joaquin Valley. In addition, it operates a seasonal branch at the Tulare County Fairgrounds, and has received approval to establish a branch in Fresno County. The bank has been subject to an increased number of problems due primarily to depressed farm prices.

The merging bank serves an agricultural area situated in the central San Joaquin Valley. Tulare County, the location of three offices of the bank, is the leading county in the United States in dollar volume of farm products produced. Merced and Madera counties, where the other offices are located, are also large farm product producers. The central valley area is growing rapidly and the subject bank has been able to share in that growth.

The merging bank competes with 21 offices of large statewide banking institutions. Among those are Bank of America, National Trust and Savings Association; Crocker National Bank; Security Pacific National Bank; United California Bank; and Wells Fargo Bank, National Association. It also competes with numerous offices of savings and loan associations.

The merger will aid the resulting offices of both banks by strengthening their capital and adding needed depth to management. Services to be offered will be improved and streamlined and the lending limit will be increased.

Competition will not be adversely affected. Because their service areas do not overlap, there is no competition between the two merging banks. Their closest offices are 50 miles apart and they have no common depositors or borrowers. In the combined service area of the two banks, the resulting bank will be a more effective competitor to the large statewide banks without adversely affecting smaller competitors. Statewide, the merger will have little effect since the resulting bank will continue as essentially a regional institution.

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

FEBRUARY 8, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the two banks are more than 40 miles apart in the communities of Bakersfield and Porterville. There are several banking offices located in the intervening area. It seems unlikely that substantial existing competition between the two banks will be eliminated.

Banking in the three counties in which San Joaquin Bank presently competes is highly concentrated with the two largest organizations holding 82 percent of deposits in Tulare County, 71 percent of deposits in Merced County, and 84 percent of deposits in Madera County. San Joaquin Bank is the fourth largest of seven banks in Tulare County with 4 percent of the county's deposits, the smallest of six banks in Merced County with less than 1 percent of county deposits, and the smallest of five banks in Madera County with 3 percent of county deposits. Thus, San Joaquin Bank constitutes a foothold acquisition for any banking organization seeking entry into its markets by merger.

In terms of deposits, American Bank ranked 47th among California commercial banks at mid-1971. In light of its relatively small size and the numerous larger banks outside the market, its acquisition of San Joaquin Bank should not result in the loss of any significant potential competition in the central San Joaquin Valley.

* * *

THE FIRST-HARDIN NATIONAL BANK OF ELIZABETHTOWN, ELIZABETHTOWN, KY., AND BANK OF SONORA, SONORA, KY.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bank of Sonora, Sonora, Ky., with	$1, 296, 618	1	
was purchased Mar. 17, 1972, by The First-Hardin National Bank of Elizabethtown, Elizabethtown, Ky. (6028), which had	46, 051, 619	6	
After the purchase was effected, the receiving bank had	47, 348, 237		7

COMPTROLLER'S DECISION

On October 14, 1971, The First-Hardin National Bank of Elizabethtown, Elizabethtown, Ky., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the Bank of Sonora, Sonora, Ky.

The First-Hardin National Bank of Elizabethtown, the purchasing bank, was chartered in 1833. With IPC deposits of $32.7 million, the bank operates five branches: two in Elizabethtown, two in Radcliff, and one in Upton, Ky. Elizabethtown, headquarters of the purchasing bank, is the seat of Hardin County and has a population of 11,700. The economy of Elizabethtown is based upon several small industrial plants employing about 2,200 workers, and upon the payroll of residents commuting to work at the Fort Knox military base, 14 miles to the northwest. Elizabethtown is served by only one other commercial institution, a bank approximately one-third the size of the applicant.

The Bank of Sonora was chartered in 1895, and is a single office institution with IPC deposits of $1 million. Located about 13 miles south of Elizabethtown, the Bank of Sonora is the only bank in the village of Sonora, which has a population of 270. As Sonora's population has been declining in recent years, the Bank of Sonora has grown little and its earnings have been modest. The bank has a management succession problem which is made difficult to solve by the bank's small size and village location.

The applicant's service area includes contiguous portions of Bullitt, Grayson, Hart, Larue, Meade, and Nelson counties. That area contains 14 banks of which the applicant presently holds 22.7 percent of deposits.

Although the applicant and selling banks are located about 13 miles apart, there is very little present competition between them as the selling bank is not an aggressive and effective competitor in its region. However, its acquisition by the applicant will insure the continuance of a local banking outlet in Sonora and, in addition, will bring an increased lending limit, more efficient and new services, and needed management resources to the selling bank. Consummation of the proposed acquisition will not reduce the number of banking outlets available to the public, but will substitute for the selling bank one better able to serve the public and compete in its region.

Applying the statutory criteria to the proposed acquisition, we conclude that it will serve the public. The application is, therefore, approved.

FEBRUARY 15, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

First-Hardin is Hardin County's largest bank. Sonora is the smallest of the seven banks in Hardin County, and is located 4 miles north of First-Hardin's branch in Upton (population 552). The proposed acquisition would eliminate existing competition and would add to First-Hardin's dominant county position.

* * *

Peoples National Bank of New Jersey, Westmont, N.J., and The First National Bank of Woodstown, Woodstown, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Peoples National Bank of New Jersey, Westmont, N.J. (12022), with	$247, 114, 722	25	
and The First National Bank of Woodstown, Woodstown, N.J. (399), which had	10, 248, 140	1	
consolidated Mar. 17, 1972, under charter of the latter bank (399) and title "Peoples National Bank of New Jersey." The consolidated bank at date of consolidation had	257, 294, 688		26

COMPTROLLER'S DECISION

On October 19, 1971, The First National Bank of Woodstown, Woodstown, N.J., and the Peoples National Bank of New Jersey, Westmont, Haddon Township, N.J., applied to the Comptroller of the Currency for permission to consolidate under the charter of the former and with the title of the latter, with headquarters in Westmont, Haddon Township, N.J.

Peoples National Bank of New Jersey, with $202.9 million in total deposits, was organized in 1921. It has 23 branches and four approved but unopened branches.

The First National Bank of Woodstown, with total deposits of $8.7 million, was organized in 1864, and is a unit bank.

The service area of the resulting bank will be the Third Banking District of New Jersey with the exception of Cape May County. The area encompasses Camden, Gloucester, and Cumberland counties, and parts of Atlantic, Burlington, Ocean, and Salem counties. It has a population of 1.5 million. Along the area's western extreme, on the Delaware River, are 42 of the Nation's largest industrial concerns. The Port of Philadelphia Industrial Complex, the second largest such facility in the United States, is in the area and extends from Trenton to the Delaware Bay. Moving eastward, there are suburban areas and farm land. Farther east are ocean resort areas and housing developments for retired people.

Camden County, where Peoples National Bank operates its home office and nine branches, is the smallest county in the district, but it is highly industrialized along its western border. The city of Camden is located there, and the county's population at year-end 1970 was 456,291. Salem County, where The First National Bank of Woodstown operates a single office, has a population of 60,346, and is the least populated of the area's counties. The economy of Salem County is substantially agricultural, but a large number of county residents are employed by the industries located along the Delaware.

The People's National is the third largest of the nine banks headquartered in Camden County and the fourth largest of the 60 commercial banks located in the Third Banking District. Its competition includes the Bank of New Jersey, Camden, with $348 million in deposits; South Jersey National Bank, Camden, with $337 million in deposits; First National Bank of South Jersey, Egg Harbor Township, with $258 million in deposits; Colonial National Bank, Haddonfield, with $155 million in deposits; and National Bank and Trust Company of Gloucester County, Woodbury, with $86 million in deposits. Through affiliation with registered bank holding companies, competition is also provided by the Third National Bank of New Jersey, Camden, with $27 million in deposits, and the Cumberland National Bank of Bridgeton, with deposits of $29 million, both members of the $600 million deposit United Jersey Banks, Inc.; and the Bank of West Jersey, Delran Township, with deposits of $26 million, a member of the $913 million deposit Fidelity Union Bancorporation. Competition is also provided by the large billion-dollar Philadelphia, Pa., banks.

The First National Bank of Woodstown ranks sixth in size among seven commercial banks headquartered in Salem County. It ranks 54th in size among the banks in the Third Banking District. Competition includes the City National Bank and Trust Company of Salem, with deposits of $21 million; the Penns Grove National Bank and Trust Company, with deposits of $19 million; the Elmer Bank and Trust Company, a member of the $904 million deposit Midlantic Banks Holding Company, with deposits of $10 million; the First National Bank of Elmer, with deposits of $9 million; and the Woodstown National Bank and Trust Company, with deposits of $9 million.

Consummation of the proposal will benefit residents and businessmen of the Woodstown area by introducing additional and expanded services, including a substantially larger lending limit, customer electronic data processing facilities, and trust investment advisory services. It will provide a credit card program, specialized lending services and higher interest rates on several types of savings plans, and community rooms for the use of local non-profit and civic organizations.

Competition will not be adversely affected. Because the home offices of the banks are 25 miles apart and their nearest existing branches 16 miles apart, there is little, if any, competition between them to be eliminated. Within a 10-mile radius of Woodstown are 22 banking offices of ten different commercial banks, and replacing the home office of The First National Bank of Woodstown with an office of the Peoples National Bank will not eliminate a banking alternative and should have no negative effect. In the Third Banking District, the resulting bank will continue the charter bank's size ranking of fourth largest. It would be substantially more capable of competing with its larger competitors without disadvantaging its smaller ones.

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

FEBRUARY 2, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The main offices of the merging banks are about 30 miles apart. Peoples Bank operates closer offices, however, particularly in Gloucester County. The closest branches are located in Pitman, at a distance of approximately 14 miles. In view of the distances involved and the existence of intervening competing banking offices, it is likely that the proposed merger would eliminate only a limited amount of direct competition.

Peoples Bank is among the larger banks in the Third Banking District, and must be considered a potential entrant into Salem County. It has the resources to open *de novo* branches in attractive areas; although many of Salem County's more populous areas are presently closed to *de novo* branching, growth projections and coming economic changes indicate that attractive branching sites will develop in the not too distant future. However, there are a number of other large potential entrants into the area, including other larger banks in the third district, as well as bank holding companies with principal resources in other districts.

Woodstown Bank is among the smaller banks located in Salem County, and holds about 8 percent of total county deposits.

We conclude that the proposed merger is unlikely to have a significantly adverse effect on competition.

* * *

PEOPLES NATIONAL BANK OF WASHINGTON, SEATTLE, WASH., AND OLYMPIC NATIONAL BANK, PORT ANGELES, WASH.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Olympic National Bank, Port Angeles, Wash. (15906), with	$13, 083, 680	3	
was purchased Mar. 17, 1972, by Peoples National Bank of Washington, Seattle, Wash. (14394), which had	516, 544, 122	53	
After the purchase was effected, the receiving bank had	529, 627, 802		56

COMPTROLLER'S DECISION

On December 6, 1971, the 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 the Olympic National Bank, Port Angeles, Wash.

The Peoples National Bank of Washington, the purchasing bank, was organized in 1889 as a savings bank. The bank became a commercial bank in 1926 and obtained a National charter in 1937. The purchasing bank is the fourth largest commercial bank in the State of Washington, with total assets of $507 million and IPC deposits of $382.4 million. It operates 52 branches throughout the State, 23 of which are in the Seattle Metropolitan Area.

Competition is provided by larger commercial banks headquartered in Seattle. The major competitors include the Seattle-First National Bank, with deposits of $1.9 billion; the National Bank of Commerce of Seattle, with deposits of $1.2 billion; the Pacific National Bank of Washington, with deposits of $623 million; and the Seattle branch of the Bank of California, National Association, with deposits of $129 million in the Seattle area.

The Olympic National Bank, the selling bank, was organized as a State bank in 1941 and converted to a National charter late in 1971. This bank is the 36th largest bank in the State of Washington, with total assets of $13.3 million and IPC deposits of $11.5 million. The selling bank operates two branches, a depository in Port Angeles and a new full-service facility in Sequim, 15 miles east of the main office.

Competition for the Olympic National Bank is provided by three local banks. The largest of these is the First National Bank in Port Angeles which operates five offices and has total deposits of $25 million. The other two smaller banks are the Bank of Sequim, with deposits of $10 million and the Forks State Bank, with deposits of $5 million.

The principal service area of the Peoples National Bank of Washington is Seattle, the leading commercial, industrial, and financial center in the Pacific Northwest. That metropolitan area, which includes King and Snohomish counties, has a total population of 1.3 million. The economy of the area is closely related to the aerospace and lumber industries, both of which have experienced decline. The service area of the selling bank is Port Angeles, situated on the northern coast of the Olympic peninsula across the Strait of San Juan De Fuca from Vancouver Island. Port Angeles is the seat of Clallam County and is the only sizable city in the sparsely settled region. That isolation has limited industrial growth to lumbering and related industries. However, the scenic beauty of the area has stimulated tourism which provides most of the current development for the area.

At present, there is no competition between the purchasing and selling banks. The closest branches of the two banks are separated by Puget Sound and 68 miles of narrow highway. The two banks operate in two distinct service areas. In addition, control of the Olympic National Bank was recently acquired by the shareholders of the Peoples National Bank of Washington, the purchasing bank. In view of this close affiliation, the subject application represents a corporate reorganization of commonly owned assets, primarily for the convenience of the two banks, and will not adversely affect competition.

Consummation of the proposed transaction will bring improved and expanded services to the present offices of the Olympic National Bank. A larger lending limit, trust services, investment and computer services, and adequate management succession will all benefit and aid the development of Clallam County. In addition, the relative size of the resulting bank will remain unchanged in the State.

Accordingly, it is the view of this Office, that the proposed transaction is in the public interest and will not produce any adverse competitive results. The application is, therefore, approved.

FEBRUARY 15, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Since the nearest offices of the banks are 68 miles apart, the proposed merger will not foreclose significant existing competition.

Washington law prohibits State-chartered commercial banks headquartered outside Clallam County from branching into most areas of the county; but since Peoples National is a National bank it is questionable whether that rule applies to it. In any event, Peoples National could enter by other means including chartering a new bank through nominees and subsequently acquiring that bank. As the State's fourth largest bank, and the fourth largest bank in the State, not serving this area, Peoples National must be considered a significant potential entrant into Clallam County. However, considering that the county's economy is not likely to expand significantly, the proposed merger's effect on potential competition is not likely to be significantly adverse.

* * *

The St. Lawrence County National Bank, Canton, N.Y., and Bank of Gouverneur, Gouverneur, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bank of Gouverneur, Gouverneur, N.Y., with	$12,633,834	1	
and The St. Lawrence County National Bank, Canton, N.Y. (8531), which had	48,545,161	9	
merged Mar. 17, 1972, under charter of the latter bank (8531) and title "The St. Lawrence National Bank." The merged bank at date of merger had	61,246,870		10

COMPTROLLER'S DECISION

On December 1, 1971, the Bank of Gouverneur, Gouverneur, N.Y., and The St. Lawrence County National Bank, Canton, N.Y., 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 "The St. Lawrence National Bank."

The St. Lawrence County National Bank, Canton, N.Y., the charter bank, was originally organized in 1866, and currently has assets of $44.6 million and IPC deposits of $32.3 million. The charter bank has applications pending for *de novo* branches in Potsdam and Massena.

The charter bank, which operates seven branches in St. Lawrence County and one in Lewis County, is the third largest of the 23 commercial banks operating 58 offices in the trade area of The St. Lawrence County National Bank. While the charter bank also ranks as the largest bank in St. Lawrence County, its competition includes the Marine Midland-Northern, Watertown, with deposits of $148.8 million, which is a member of the $6.4 billion Marine Midland Banks, Inc., a registered bank holding company; the National Bank of Northern New York, Watertown, with deposits of $92.8 million; and the Farmers National Bank of Malone, Malone, with deposits of $30.6 million.

The Bank of Gouverneur, N.Y., the merging bank, was originally formed in 1860, and currently has assets of $12.1 million and IPC deposits of $8.7 million. The merging bank was incorporated in 1879, and is headquartered in St. Lawrence County. The Bank of Gouverneur is the fourth largest bank headquartered in St. Lawrence County and is the ninth largest of the 23 commercial banks in the Fifth Banking District of New York.

The merging bank operates no branches and has not been involved in any previous mergers. Competition is provided it by the First National Bank of Gouverneur, with deposits of $8.4 million. Additional competition comes from branches of Marine Midland-Northern, the National Bank of Northern New York in Watertown, and the Lewis County Trust Company in Lewisville.

The service area of the charter bank consists of portions of the four counties comprising the Fifth Banking District of New York State, and includes a population of approximately 268,000. The area is on the northern boundary of New York State. The economy of Canton, the city in which the charter bank is headquartered, is closely related to the institutions of higher education located there. The remainder of the Fifth Banking District is highly agricultural with dairy farming the major activity. By contrast, the service area of the Bank of Gouverneur is closely tied to mining, manufacturing, and recreation, with only a limited amount of agriculture. The economy of that area is tied to local firms, many of which are subsidiaries of nationally-known companies. The area serves a population of approximately 5,000 people.

At present, there is no significant competition between the charter and merging banks. The main offices of the two banks are 24 miles apart and the nearest office of The St. Lawrence County National Bank to the merging bank is in Edwards, 14 miles distant.

Consummation of the proposed merger will have no adverse competitive effects in the Fifth Banking District of New York. The merger will not significantly increase the deposits of the charter bank nor will the transaction eliminate a competitor. The resulting bank will be able to provide improved and expanded services to the residents of the Gouverneur area including a larger lending limit, electronic data processing, credit card services and an expanded trust department. The proposed merger will also allow the charter bank to provide the management personnel who will be needed when the president and two senior officers, all over 70 years old, retire from the Bank of Gouverneur.

Accordingly, it is the view of this Office that the proposed merger is in the public interest. The application, therefore, is approved.

FEBRUARY 9, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Bank of Gouverneur is located 24 miles from the home office of St. Lawrence Bank. A major highway connects the towns in which these two offices are located and no other bank lies along this highway in the intervening distance. Only one other bank, located in Hermon, and holding total deposits of about $2.5 million, serves the rural areas of St. Lawrence County between Canton and Gouverneur. The office of St. Lawrence Bank closest to Gouverneur is located in Edwards at a distance of about 14 miles, with no competing banks in the intervening area, and a total of five St. Lawrence County Bank offices lie within 30 miles of Gouverneur.

According to the application and to supplemental data supplied by St. Lawrence Bank, 9.7 percent and 6.3 percent of Bank of Gouverneur's deposits and loans, respectively, originate in the service area of St. Lawrence Bank, while less than 1 percent and about 1.2 percent of the deposits and loans of St. Lawrence Bank originate in the service area of Bank of Gouverneur.

It would appear that a limited amount of existing competition would be eliminated by the proposed merger.

While two of the banks doing business in St. Lawrence County are larger overall than St. Lawrence Bank, the latter holds the largest share, about 23 percent, of total commercial bank deposits in St. Lawrence County. The proposed merger would increase this share to about 30 percent and would increase the shares of the four leading banks from about 71 percent to about 78 percent.

St. Lawrence Bank presently draws only a limited amount of business from the area served by Bank of Gouverneur. However, in view of its leading position in St. Lawrence County, and the number and proximity of its offices to that of Bank of Gouverneur, we believe that the proposed merger would have an adverse effect on competition.

* * *

THE NATIONAL BANK OF COMMERCE OF SEATTLE, SEATTLE, WASH., AND OROVILLE STATE BANK, OROVILLE, WASH.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Oroville State Bank, Oroville, Wash., with	$7, 214, 061	1	
was purchased Mar. 20, 1972, by The National Bank of Commerce of Seattle, Seattle, Wash. (4375), which had	1, 436, 205, 404	106	
After the purchase was effected, the receiving bank had	1, 443, 419, 465		107

COMPTROLLER'S DECISION

On March 7, 1972, application was made to the Comptroller of the Currency by The National Bank of Commerce, Seattle, Wash., for permission to purchase the assets and assume deposit liabilities of the Oroville State Bank, Oroville, Wash.

In accordance with the provisions of 12 U.S.C. 1828 (c) (6), it is found that an emergency exists and that this Office must act immediately to prevent the probable failure of the Oroville State Bank and to protect its depositors, creditors, and shareholders.

Accordingly, the application of The National Bank of Commerce to purchase the assets and assume the deposit liability of the Oroville State Bank is approved.

MARCH 7, 1972.

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

* * *

First-City National Bank of Binghamton, N.Y., Binghamton, N.Y., and The Chenango County National Bank and Trust Company of Norwich, Norwich, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Chenago County National Bank and Trust Company of Norwich, Norwich, N.Y., (3011), with	$12,767,713	1	
and First-City National Bank of Binghamton, N.Y., Binghamton, N.Y. (15625), which had	198,857,489	14	
merged Mar. 31, 1972, under charter and title of the latter bank (15625). The merged bank at date of merger had	211,625,203		15

COMPTROLLER'S DECISION

On December 2, 1971, The Chenango County National Bank and Trust Company of Norwich, Norwich, N.Y., and the First-City National Bank of Binghamton, N.Y., Binghamton, N.Y., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter with headquarters in Binghamton.

The First-City National Bank of Binghamton, the charter bank, was originally organized in 1863, and currently holds IPC deposits of $140.6 million. In May 1967, the charter bank assumed its present title and became a subsidiary of Lincoln First Banks, Inc., a registered bank holding company, which, with aggregate deposits of $1.7 billion, is the 12th largest commercial banking organization in New York State. At present, the charter bank is the second largest of the 33 commercial banks in the Seventh Banking District of New York.

The First-City National Bank of Binghamton operates 12 offices in Broome County and one in the town of Owego, Tioga County, which defines a service area with an estimated population of 250,000. Strong competition is provided by the Marine Midland Bank-Southern, Elmira, with total deposits of $246 million, which is a member of the $6.4 billion Marine Midland Banks, Inc.; The Endicott Trust Company, Endicott, with total deposits of $75 million, which is a member of the $4.6 billion Charter New York Corporation; the Endicott Bank of New York, with total deposits of $40 million, which is a member of the $2.5 billion Bank of New York Company; and the Bankers Trust of Binghamton, Binghamton, with total deposits of $20 million, which is a member of the $6.7 billion Bankers Trust New York Corporation.

The Chenango County National Bank and Trust Company of Norwich, the merging bank, was originally chartered in 1883, and currently has IPC deposits of $9.4 million. In 1925, the merging bank assumed its present title. The Chenango County National Bank and Trust Company is currently the 20th largest of the 33 commercial banks in the Seventh Banking District.

The merging bank operates no branches. Its primary competitor is the National Bank and Trust Company of Norwich, Norwich, with total deposits of $85.6 million. The National Bank of Oxford, Oxford, with total deposits of $5.7 million, is located 9 miles south of Norwich and is the only other competitor for the merging bank.

The primary service area of the merging bank has an estimated population of 8,850 and is centered in the city of Norwich, the county seat of Chenango County. Industry in the area consists of farming, milk processing, and the manufacture of drugs, shoes, aerospace equipment, and food products. The trade area of the First-City National Bank of Binghamton is Broome County and the town of Owego in Tioga County. The city of Binghamton is the county seat of Broome County, and, together with the villages of Endicott and Johnson City, account for the majority of industrial growth and employment in the area.

At present, there is no competition between the charter and merging banks nor between any other subsidiary of Lincoln First Banks, Inc. The main offices of the two banks are situated 43 miles apart and the nearest office of First-City National is 33 miles distant at Whitney Point.

The resulting bank, with total deposits of $175 million, will continue to rank second both in its immediate trade area and in the Seventh Banking District of New York. The remaining 32 banks in the Seventh Banking District will provide adequate competition for the resulting bank. In addition, the parent holding company of the resulting bank, Lincoln First Banks, Inc., will continue to rank 12th in size among all of the commercial banking organizations in New York State.

The resulting bank will be able to provide expanded services to residents of the Norwich area, including a larger lending limit, data processing services, the introduction of a credit card, and improved trust facilities. The resulting bank will also serve the community by providing a realistic alternative to the Norwich National Bank.

Accordingly, it is the view of this Office that the proposed merger is in the public interest and, therefore, is approved.

FEBRUARY 23, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of First-City and Chenango National are about 43 miles apart, the closest office of First-City to the sole Chenango National office is 33 miles distant, and there are several offices of three other banks in the intervening areas. Thus, although the merging banks operate in contiguous counties and although First-City draws some loan business from Chenango County, it appears the proposed merger would eliminate only a limited amount of competition between the participating banks.

New York law permits banks to branch throughout their respective banking districts, except that home office protection is provided for all communities with populations of 75,000 or less (by 1976, when statewide branching will be permitted, this ceiling will be reduced to 50,000). In addition, bank holding companies are permitted to operate bank subsidiaries throughout the State and to establish one *de novo* bank in each of the existing nine banking districts (this latter limitation will be eliminated in 1976).

As the second largest of the 34 banks in the Seventh Banking District of New York, First-City represents a significant source of potential competition in the Norwich area and Chenango County. Although Norwich is closed to *de novo* entry by virtue of home office protection, First-City could be permitted to establish a branch near that city, and, in addition, its parent, Lincoln First Banks, Inc., could be permitted to establish a *de novo* bank in Chenango County. Potential competition is also provided in this area by other large bank holding companies which presently do not have subsidiaries in Chenango County.

Four banks operate 12 offices in Chenango County. Chenango National, the 18th largest bank in the seventh district and the third largest in Chenango County, holds about 13 percent of total deposits in the county. The largest county bank holds about 67 percent of such deposits.

The proposed merger would eliminate First-City and the Lincoln First Banks group as significant sources of potential competition in the Norwick area and Chenango County, where banking is highly concentrated and dominated by one bank.

* * *

CITIZENS & NORTHERN NATIONAL BANK AND TRUST COMPANY, TOWANDA, PA., AND THE FIRST NATIONAL BANK OF RALSTON, RALSTON, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Ralston, Ralston, Pa. (9508), with	$2, 160, 046	1	
and Citizens & Northern National Bank and Trust Company, Towanda, Pa. (328), which had	56, 674, 731	9	
consolidated May 1, 1972, under charter and title of the latter bank (328). The consolidated bank at date of consolidation had	58, 906, 816		10

COMPTROLLER'S DECISIONS

On November 26, 1971, the Citizens & Northern National Bank and Trust Company, Towanda, Pa., and The First National Bank of Ralston, Ralston, Pa., applied to the Office of the Comptroller of the Currency for permission to consolidate under the charter and with the title of the former, with headquarters in Ralston.

The Citizens & Northern National Bank and Trust Company, Towanda, the charter bank, was originally organized in 1864, and currently has assets of $52.2 million and IPC deposits of $44.3 million. The charter bank is headquartered in Bradford County. Since 1964, the charter bank has grown larger through purchase or merger of four banks, making Citizens & Northern National Bank and Trust Company the second largest bank in its trade area.

The charter bank operates eight branches in Tioga and Bradford counties. The major competitors of the charter bank include the Commonwealth Bank and Trust Company, Muncy, with total deposits of $58 million; the County National Bank of Montrose, Montrose, with deposits of $27.2 million; the First National Bank of Towanda, Towanda, with deposits of $20.5 million; and the First National Bank of Troy, Troy, with deposits of $15.7 million. Additional competition is provided by seven smaller banks in Bradford County, each of which has deposits of less than $10 million.

The First National Bank of Ralston, the consolidating bank, was originally organized in 1909 and has remained a unit bank since that time. The bank has assets of $2.1 million and IPC deposits of $1.6 million. Competition is provided by the Northern Central Bank and Trust Company, Williamsport, with deposits of $74.4 million, and the First National Bank of Canton, Canton, with deposits of $9.8 million.

The service area of the consolidating bank consists of the town of Ralston and several nearby villages. The economy of the area, once dependent on logging, is now static. Many residents must commute long distances to industrialized cities in neighboring counties for employment. The economy of the charter bank's service area is based on light industry and agriculture, with an emphasis on dairy farming. A large portion of the area which is forestland is devoted to recreational sports such as hunting and fishing.

At present, no significant competition exists between the two principal banks in the transaction. The nearest office of the charter bank to The First National Bank of Ralston is in Liberty, located 10 miles from Ralston. The isolated, rural setting of the consolidating bank prevents it from competing significantly with any of the banks in the area. That any banks hold deposits from the Ralston area is due to the fact that many of its residents commute to the larger cities of Canton, Blossburg, and Williamsport for employment, and chose to open accounts with the larger banks based in those cities.

Upon consummation, an office of a large bank will be established in the town of Ralston providing modern banking services and a greatly expanded lending limit. The consolidation will not eliminate any competition in the service area of the charter bank.

Accordingly, it is the view of this office that the proposed consolidation is in the public interest and is, therefore, approved.

March 9, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The two offices of Citizens & Northern nearest Ralston are located at Liberty in Tioga County and at Troy in Bradford County. The Troy office is 23 miles from Ralston; the First National Bank of Canton (total deposits of $10 million) is located in the intervening area. The Liberty office of Citizens & Northern is located on the opposite side of a mountain range from Ralston, and is about 28 road miles away. First National obtains most of its business from customers living in an area extending south from the town of Canton, 15 miles northeast of Ralston, to Williamsport. Citizens & Northern's offices obtain very little business from this area. Thus, it would appear that the proposed consolidation would eliminate only a limited amount of direct competition.

Under Pennsylvania law, Citizens & Northern could branch into Lycoming County and First National could branch into Tioga and Bradford counties. However, in view of the size of First National and the static economic conditions of the areas involved, it does not appear that potential competition would be adversely effected by the proposed consolidation. First National is the smallest of 11 commercial banks operating offices in Lycoming County, and holds only about 1 percent of total deposits of such banks.

While a number of recent mergers have increased concentration in banking generally in largely rural north central Pennsylvania, the small size of First National indicates that this proposed consolidation would not substantially contribute to this trend.

* * *

Bellefontaine National Bank, Bellefontaine, Ohio, and The Belle Center Bank Company, Belle Center, Ohio

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Belle Center Bank Company, Belle Center, Ohio, with	$2, 917, 256	1	
was purchased May 1, 1972, by Bellefontaine National Bank, Bellefontaine, Ohio (13749), which had	20, 712, 753	3	
After the purchase was effected, the receiving bank had	23, 630, 009		4

COMPTROLLER'S DECISION

On January 16, 1972, the Bellefontaine National Bank, Bellefontaine, Ohio, applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of The Belle Center Bank Company, Belle Center, Ohio.

The Bellefontaine National Bank, the purchasing bank, was originally organized in 1933. That bank, the largest of the eight commercial banks in Logan County and second among the 14 commercial banks that compete in the bank's tri-county service area, has total assets of $16.7 million and IPC deposits of $13.1 million. It operates two branches; one an in-town drive-in facility, the other an independent branch located 8 miles south of Bellefontaine in West Liberty.

The major competitors of the Bellefontaine National Bank include the Citizens National Bank of Urbana, with deposits of $17 million; the Champaign National Bank, with deposits of $15 million; and the First National Bank of Kenton, with deposits of $14 million. In addition, two other competing institutions in the service area are affiliated with multi-bank holding companies and a third bank has announced its intention to become affiliated.

The Belle Center Bank Company, the selling bank, was organized in 1886 and absorbed The Farmers and Merchants Bank, Belle Center, in 1900. No subsequent mergers have taken place since that time and the selling bank currently operates as a unit bank. The Belle Center Bank Company has total assets of $2.6 million and IPC deposits of $1.8 million.

The major competitors of the selling bank include the First National Bank, Kenton, with deposits of $14 million; the Logan County Bank, Bellefontaine, with deposits of $11.2 million; and the Kenton National Bank, Kenton, with deposits of $11 million. Additional competition is provided by several savings banks, the largest among which is the Kenton Savings Bank, with deposits of $16 million.

The service area of the selling bank consists of the village of Belle Center which is located on the northern border of Logan County. The village has a population of 1,000 people and derives the basis of its economic activity from agricultural pursuits in the surrounding area. By contrast, the service area of the purchasing bank consists of the three counties of Logan, Champaign, and Hardin. The local economy of Bellefontaine is supported by several manufacturing and assembly facilities which employ approximately 2,200 persons. The entire area is also heavily dependent on agricultural enterprises which include grain, livestock, and dairy farms.

At present, there is no significant competition between the purchasing and selling banks. Although some overlap does exist north of Bellefontaine, a statistical examination of deposits in that area shows that the competitive factor between these two institutions is minimal. The relatively sparse population and the wide open farmland separating the two banks reinforces that conclusion. In addition, a history of very conservative management at The Belle Center Bank Company has restricted the service area of the bank to its own community and the established farms immediately surrounding the bank's headquarters.

Upon consummation, the proposed transactions will produce no adverse competitive effects in Logan County. Improved and expanded services such as the introduction of monthly bank statements for individual checking accounts, a greatly increased lending limit which will enable the bank to meet the expanding needs of neighboring farmers, and adequate management succession will all benefit and aid the development of northern Logan County. In addition, the relative size of the resulting bank will remain unchanged in Logan County. The resulting bank will become the largest bank in its service area, but only by an insignificant amount. Adequate banking alternatives will remain in Logan County to prevent any adverse competitive effects from developing.

Accordingly, it is the view of this Office that the proposed transaction is in the public interest. The application is therefore, approved.

MARCH 24, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Although the merging banks are located only 11 miles apart, there is one intervening banking office between them, and there is only a slight degree of overlap in service areas. The existing competition, which would be eliminated by this merger, is therefore, limited.

Bellefontaine National Bank is by far the largest of the eight banks with offices in Logan County, being 50 percent larger than its nearest competitor. It holds about 33 percent of deposits attributable to Logan County commercial banking offices, and the three largest banks in the county account for 73 percent of such deposits. Belle Center Bank, the seventh largest bank in the county, currently holds about 5 percent of the county's deposits. Thus, if this merger is approved, the share of Logan County deposits controlled by Bellefontaine National Bank would increase from the present level of 33 percent to 38 percent, and the share of the three largest banks in the county would grow from the present level of 73 percent to 78 percent. Also, the approval of this merger would remove Belle Center Bank as an alternative banking organization in Logan County and as a vehicle by which banking organizations not now operating in Logan County might enter that market.

We therefore conclude that the proposed merger would have an adverse effect on banking competition in Logan County.

* * *

THE FIRST NATIONAL BANK OF SAN JOSE, SAN JOSE, CALIF., AND COMMERCIAL NATIONAL BANK OF SAN LEANDRO, SAN LEANDRO, CALIF.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Commercial National Bank of San Leandro, San Leandro, Calif. (15451), with...	$15, 808, 944	2	....
and The First National Bank of San Jose, San Jose, Calif. (2158), which had....	237, 417, 758	24	....
merged May 1, 1972, under charter and title of the latter bank (2158). The merged bank at date of merger had..	253, 226, 702	....	26

COMPTROLLER'S DECISION

On January 21, 1972, The First National Bank of San Jose, San Jose, Calif., applied to the Comptroller of the Currency for permission to merge with the Commercial National Bank of San Leandro, San Leandro, Calif., under charter and title of the former.

The First National Bank of San Jose, the charter bank, was originally organized in 1874, under the title, "The Farmers National Gold Bank of San Jose." The bank changed to its present name in 1880. The charter bank, with total assets of $226.9 million and IPC deposits of $190 million, operated as a unit bank until 1947. Since that time it has established 23 branch offices, all but one of which are located in Santa Clara County.

The service area of the charter bank consists of Santa Clara County and a portion of San Mateo County on the San Francisco Peninsula. This area has experienced dynamic residential growth in the past 20 years. The economy of Santa Clara County is based on diverse industrial activities concentrated in highly skilled technological and electronic firms. Agriculture, food processing, and related pursuits also contribute to the local economy.

Competition is provided by 171 banking offices of 18 banks in Santa Clara County, including all of the large California banks. At present, the charter bank is the 13th largest in size. Competing banks include branches of the Bank of America, the Wells Fargo Bank, the Crocker National Bank, and the United California Bank.

The Commercial National Bank of San Leandro, the merging bank, was organized in 1964. Since that time, the bank has established one branch in nearby San Lorenzo, and has received approval for a second branch in San Leandro. It has total assets of $15.7 million and IPC deposits of $10.7 million.

The service area of the merging bank is limited to the city of San Leandro and the unincorporated area of Alameda County known as San Lorenzo. This area, located across the bay approximately 20 miles from San Francisco, contains a population of approximately 105,000 people and has both residential and industrial sections. The Commercial National Bank of San Leandro has concentrated its efforts toward serving the smaller commercial and industrial firms in its market area.

Competition for the merging bank is provided by 17 banks, many of which are branches of such large California banks as the Bank of America, the Wells Fargo Bank, and the Crocker National Bank. Local competition is provided by the First State Bank of Northern California, San Leandro, which has deposits of $30.8 million.

At present, there is no competition between the charter and merging banks. The closest branches of both banks, located in Milpitas and San Lorenzo, are over 25 miles apart. Both the distance that separates the two banks and the heavy concentration of competing banks in the intervening area further emphasize the non-competitive situation existing between the two banks.

Consummation of the proposed merger will not have any adverse competitive effects in the service areas of the charter and merging banks. The merger will allow both banks to offer expanded services and thus to become more viable competitors to the local branches of the large California banks. The two banks complement each other in that The First National Bank of San Jose is a retail bank strongly oriented toward services for the individual customer while the Commercial National Bank of San Leandro has emphasized service to commercial and industrial businesses. In addition, the resulting merger will remedy a potential management succession problem at the Commercial National Bank of San Leandro.

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

MARCH 23, 1972.

NOTE.—No Attorney General's report received.

* * *

BANK OF NORTH CAROLINA, NATIONAL ASSOCIATION, JACKSONVILLE, N.C., AND BANK OF WINSTON-SALEM, WINSTON-SALEM, N.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bank of Winston-Salem, Winston-Salem, N.C., with	$4, 217, 332	2	
and Bank of North Carolina, National Association, Jacksonville, N.C. (14676), which had	287, 718, 384	48	
merged May 5, 1972, under charter and title of the latter bank (14676). The merged bank at date of merger had	291, 935, 716		50

COMPTROLLER'S DECISION

On February 11, 1972, the Bank of Winston-Salem, Winston-Salem, N.C., and the Bank of North Carolina, National Association, 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 Bank of North Carolina, National Association, the charter bank is seventh largest bank in North Carolina. The bank was originally organized in 1952, and currently has assets of $250 million and IPC deposits of $150 million. It operates 49 offices in 30 communities throughout North Carolina. The Bank of North Carolina, N.A., is the principal subsidiary of Bancshares of North Carolina, Inc., a recently organized one-bank holding company.

Although the charter bank is becoming a statewide financial institution, it still generates the majority of its business from the eastern section of the State, where most of the bank's offices are located in small agriculturally oriented towns and communities. The bank has recently established offices in Charlotte, Greensboro, and Raleigh in the piedmont section of the State where the major portion of the State's industry is located.

The Bank of North Carolina, National Association, is generally in competition with every major bank in North Carolina. Its principal competitors include the Wachovia Bank and Trust Company, National Association, with deposits of $1.6 billion; the North Carolina National Bank, with deposits of $1.5 billion; the

First Union National Bank of North Carolina, with deposits of $1.1 billion; and the First Citizens Bank and Trust Company, with deposits of $715 million.

The Bank of Winston-Salem, the merging bank, was established in 1925 as an industrial bank and subsequently became a commercial bank in 1958. The bank operates three offices in Winston-Salem, and has total assets of $4.8 million and IPC deposits of $3.4 million.

The economic activity in Winston-Salem and in Forsyth County, which is situated in the upper piedmont section of North Carolina and has a population of approximately 214,000 people, is generally well diversified and growing. Forsyth County has about 439 industrial employers, and its total employment was approximately 190,000 in 1970. The unemployment figure in the area is generally well below the National average.

Banking competition in the Winston-Salem area includes the main office and branches of the Wachovia Bank and Trust Company, National Association, and branches of the North Carolina National Bank and the First Union National Bank of North Carolina.

There is no competition between the charter and merging banks. The closest office of the charter bank to Winston-Salem is in Greensboro, approximately 25 miles to the east. The next closest office is in Charlotte, 85 miles southwest of the merging bank.

Consummation of the proposed merger will result in no adverse competitive effects in Forsyth County. The merger will not materially alter the charter bank's position in the statewide market. The resulting bank will be in competition with the five largest banks in North Carolina, all of which have offices in the Winston-Salem area. In addition, the resulting bank will provide an expanded range of services, many of which are not presently available from the merging bank, and will therefore stimulate competition in the area.

Applying the statutory criteria to this application, it is the view of this Office that the proposed merger is in the public interest. It is, therefore, approved.

April 4, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest office of Bank of North Carolina, N.A. to an office of Bank of Winston-Salem is located in Greensboro, N.C., in adjacent Guilford County, about 30 miles east of Winston-Salem. Due to the distance between these offices and the small size of Bank of Winston-Salem, it does not appear that the proposed merger will eliminate significant existing competition between the two banks.

The Bank of North Carolina, N.A. is the seventh largest bank in North Carolina, and the third largest bank not already operating an office in Winston-Salem. The Bank of Winston-Salem is the smallest bank in Winston-Salem, and competes against offices of four of the five largest banks in North Carolina, one of which is headquartered in Winston-Salem. The Bank of Winston-Salem's share of Forsyth County total deposits is very small, less than 1 percent. Its acquisition by Bank of North Carolina, N.A. will not, therefore, eliminate significant potential competition.

* * *

North Carolina National Bank, Charlotte, N.C., and Carolina Bank of Commerce, Eden, N.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Carolina Bank of Commerce, Eden, N. C., with	$30, 314, 680	8	
and North Carolina National Bank, Charlotte, N.C. (13761), which had	1, 883, 287, 655	117	
merged May 5, 1972, under charter and title of the latter bank (13761). The merged bank at date of merger had	1, 913, 684, 553		125

COMPTROLLER'S DECISION

On January 25, 1972, the Carolina Bank of Commerce, Eden, N.C., and the North Carolina National Bank, Charlotte, N.C., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The North Carolina National Bank, the charter bank, was organized in 1933. At present, the bank is the second largest commercial bank in the State, and ranks fifth in the number of branches it operates. The charter bank operates 110 offices in 33 communities in North Carolina, and has assets of $1.7 billion and IPC deposits of $1.01 billion. The bank is highly competitive in the fields of commercial lending, consumer credit, business development, and correspondent banking. The charter bank is the principal subsidiary of the North Carolina National Bank Corporation, a leading bank holding company in the State.

The major competitors of the North Carolina National Bank include the Wachovia Bank and Trust Company, National Association, with deposits of $1.6 billion; the First Union National Bank of North Carolina, with deposits of $1.1 billion; the First Citizens Bank and Trust Company, with deposits of $715 million; and the Northwestern Bank, with deposits of $631 million.

The Carolina Bank of Commerce, Eden, N.C., the merging bank, was established in 1889. This bank serves the town of Eden and surrounding Rockingham County through its main office and four branches in Eden and through its single offices situated in Wentworth, Reidsville, and Elon College. The Elon College office is approximately 3 miles from Burlington, where the charter bank maintains an office, and incident to the consummation of this proposal, the physical assets of the Elon College office will be sold by the resulting bank to the Bank of North Carolina, National Association. The Wentworth office is approximately 8 miles south of Eden, and the Reidsville office, also in Rockingham County, is 13 miles southeast of Eden. The merging bank has assets of $26.7 million and IPC deposits of $20.8 million.

Banking competition in Rockingham County derives from eight banks with 27 banking offices. The major competitors for the merging bank include offices of the Wachovia Bank and Trust Company, National Association; the First Citizens Bank and Trust Company, the Southern National Bank of North Carolina; and the First National Bank of Reidsville.

The economy of the service area of the merging bank is relatively static in comparison with the economic growth of the rest of the State. Of the 36 industrial plants in Rockingham County that employ 50 or more people, 25 are engaged in the manufacture of textiles or apparel. The textile industry has experienced difficulties in recent years which have caused the closing of several textile firms in the Reidsville area. That indicates a need for diversification to broaden the economic base of Rockingham County. In contrast, the charter bank is essentially a statewide institution which generates the majority of its business from the piedmont section of the State, wherein the major portion of the State's industry is located.

At present there is minimal competition between the charter and merging banks because of the distance separating the two banks and the adequate number of competitors operating in the intervening space. The head office of the North Carolina National Bank, in Charlotte, is situated approximately 120 miles southwest of the head office of the Carolina Bank of Commerce. Assuming the sale of the Elon College office of the merging bank, the nearest office of the charter bank to an office of the Carolina Bank of Commerce is at Greensboro, approximately 35 miles south.

Consummation of the subject proposal will not result in any adverse competitive effects within Rockingham County. The proposed merger will allow the resulting bank to offer an expanded range of services to the residents of the county and will make it a more meaningful competitor to the local branches of the large banks in the area. In addition, the merger will solve the management succession problem at the Carolina Bank of Commerce created by recent loss of both its president and its chief executive officer.

Applying the statutory criteria it is the view of this Office that the proposed merger is in the public interest and is, therefore, approved.

April 4, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

North Carolina National Bank operates no banking offices in Rockingham County. Its closest offices are in Greensboro, about 22 miles southwest of Reidsville, and in Burlington, about 25 miles southeast of Reidsville. According to the application, North Carolina National Bank draws about $200,000 in demand deposits from the service area of Carolina Bank, an amount equal to about 3.5 percent of the latter's demand deposits. No data is available with respect to other types of business (time and savings deposits, loans) drawn by North Carolina National Bank from this area. However, North Carolina National Bank in all probability makes some types of loans in this area. For instance, NCNB may make direct or indirect automobile loan to residents of Rockingham County which, in the aggregate, may be substantial enough to warrant competitive concern. Since the application supplies no information on which to assess this competition, the department is seeking additional information from NCNB about its operations in this line with respect to Rockingham County. In any event, it would appear that the proposed merger would eliminate some existing competition.

North Carolina National Bank's Burlington offices would appear to compete more directly with the Carolina Bank branch at Elon College. However, the application states that North Carolina National Bank has entered into an agreement with Bank of North Carolina, N. A., for the purchase of the physical assets of this branch. If this agreement is consummated Bank of North Carolina, N. A., will in part replace Carolina Bank as a competitive alternative in the Burlington area.

Under North Carolina law, North Carolina National Bank could be permitted to establish *de novo* branches in Rockingham County and become a new competitive banking alternative. North Carolina National Bank is the largest bank in North Carolina not presently operating offices in this county, and is clearly capable of establishing *de novo* branches. Rockingham County, however, has not been an area of extensive growth, which diminishes the possibilities for extensive short term *de novo* branching. Nonetheless, North Carolina National Bank would appear to have powerful incentives to enter Rockingham County, in order to keep abreast of its major statewide competitors, and to protect its existing customer relationships, as well as compete for new business. And in that respect, it is relevant that a small independent bank (with deposits of about $7 million) also operates in the county, a situation which raises the possibility that NCNB could gain a foothold in the county by a merger which might well be pro-competitive and, in any event, would be substantially less anticompetitive than would be its combination with the county's largest bank.

As of June 30, 1970, eight banks operated offices in Rockingham County. Carolina Bank held the largest share of deposits in the county, about 21.4 percent. The three leading banks in the county (including a bank recently merged into Wachovia Bank and Trust Company, N. A.) held about 57 percent. The proposed acquisition would tend to perpetuate concentration in this county and, taken in the context of the recent merger of First State Bank, Reidsville, into Wachovia, could deter entry into the county by other less capable potential entrants.

In a very realistic sense, the situation presented in Rockingham County by the proposed acquisition is characteristic of statewide developments in North Carolina over the past several years. In the last 5 years, the five largest banks in the State have acquired at least seven banks with deposits in the $15–25 million range, thus acquiring in the aggregate about $140 million in deposits. These banks have been eliminated as potential element in newly developing regional and statewide banks which present the greatest possibility of effective statewide competition to existing banking giants such as North Carolina National Bank. By acquiring banks of this size, and their leading positions in localized banking markets, rather than entering *de novo* or through smaller mergers, the largest banks in the State have continued to extend their dominance.

In view of this statewide trend, and of its clear demonstration of Rockingham County, we conclude that the proposed acquisition would have an adverse effect on competition.

* * *

SECURITY NATIONAL BANK, HUNTINGTON, N.Y., AND ROYAL NATIONAL BANK OF NEW YORK, NEW YORK, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Royal National Bank of New York, New York, N.Y. (15029), with	$283, 329, 958	12	....
and Security National Bank, Huntington, N.Y. (6587), which had	1, 401, 513, 359	71	....
merged May 5, 1972, under charter and title of the latter bank (6587). The merged bank at date of merger had	1, 684, 379, 988	....	83

COMPTROLLER'S DECISION

On December 30, 1971, Security National Bank, Huntington, N.Y., and Royal National Bank of New York, New York, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and title of the former with the head office of the resulting bank to be located at 31 Main Street, Hempstead, Nassau County, N.Y.

Security National Bank, the charter bank, was organized in 1903 as the First National Bank of Huntington, and assumed its present name in 1968. This bank, which is the largest of 15 banks headquartered in Suffolk County, Long Island, has deposits of $1.1 billion. It has 70 offices, 16 of which are located in Nassau County, 53 in Suffolk County, and one in Queens County. Security National Bank also maintains a New York City office which is not a branch. In addition to existing branches, the charter bank has obtained approval to establish eight additional branch offices in Suffolk County and three in Nassau County.

Royal National Bank, the merging bank, was organized on November 5, 1925, under the name Royal Investment Finance Corporation. On November 30, 1962, after a number of name changes and reorganizations, it was chartered as a National bank and, on February 1, 1963, it assumed its present name. The bank, with deposits of $234 million, ranks 15th in size among the 47 banks headquartered in New York City.

Competition between the charter bank and the merging bank is negligible. The head offices of these banks are approximately 40 miles apart. Their nearest offices are the charter bank's Long Island City branch and the merging bank's head office which are 3.2 miles apart. While the primary area served by the charter bank is Suffolk County and southeastern Nassau County, the merging bank serves selected areas of Manhattan, Brooklyn, Queens, and the Bronx.

Indeed, the proposed merger will not eliminate existing competition but will enable the resulting bank to compete more effectively for local and National customers in the New York City area. It is anticipated that the resulting bank will emerge as a particularly aggressive competitor for the business of metropolitan area firms which have loan requirements up to $5 million and whose executives prefer to deal with a bank's senior management. Upon completion of the proposed transaction, the resulting bank, with deposits in excess of $1 billion, will be 12th in size of all commercial banks in the New York-Long Island area. Its capital funds will exceed $118 million and its lending limit will be more than $12 million.

In addition to serving the convenience and needs of the community by adding an additional competitor for medium-sized New York City firms, the proposed merger will resolve a potential management succession problem at the merging bank. Furthermore, existing customers of the merging bank will have a larger lending limit and other important services such as overdraft checking available to them.

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

April 5, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the two banks are about 40 miles apart. Security Bank operates only one banking office in New York City while Royal Bank operates no offices outside the city. Security Bank's office in Queens, however, is located directly across the East River from Midtown Manhattan. Security Bank obtains 4.3 percent of its deposits and 22.9 percent of its loans from New York City, while Royal Bank obtains smaller, but significant, proportions of its business from Nassau and Suffolk counties. Thus, it appears that despite the significant distances which separate most of the offices of the two banks the merger would eliminate some existing competition between them.

The New York branching laws would permit Royal Bank to branch *de novo* into Nassau County in competition with Security Bank, and Security Bank to branch into Queens County (Queens Borough) and Kings County (Brooklyn Borough) in competition with Royal Bank. Should Security Bank change the location of its head office to Nassau County, as it is applying to do concurrently with this merger, Security Bank could branch *de novo* throughout New York City.

In recent years Security Bank has significantly increased its commercial business obtained from New York City customers, an indication that Security Bank is a potential *de novo* entrant into the city. Security Bank has already begun such expansion through its office in Queens and its commercial lending office in the city. Thus, to the extent the two banks are not now competing with each other because of the distances between most of their offices, the merger would eliminate potential competition between them. Because of the relatively small market position held by Royal Bank in New York City, however, the effect of the merger on competition would not be significantly adverse.

* * *

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Economy Bank of Ambridge, Ambridge, Pa., with	$17, 206, 575	1	
was purchased May 6, 1972, by Western Pennsylvania National Bank, Pittsburgh, Pa. (2222), which had	1, 177, 151, 272	77	
After the purchase was effected, the receiving bank had	1, 194, 357, 847		78

COMPTROLLER'S DECISION

On January 11, 1972, the Western Pennsylvania National Bank, Pittsburgh, Pa., applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the Economy Bank of Ambridge, Ambridge, Pa.

The Western Pennsylvania National Bank, the purchasing bank, is the third largest of all commercial banks operating in the metropolitan Pittsburgh area. The bank has assets of $1.2 billion and IPC deposits of $791.8 million. The bank, headquartered in downtown Pittsburgh, operates 79 branches in five of the six counties that surround its headquarters city. That network of branches covers an area of approximately 4,500 square miles.

In the five-county area where the purchasing bank has established community offices, there are 46 commercial banks with aggregate deposits in excess of $9 billion. Those banks offer a full range of services through 428 offices. The major competitors for the purchasing bank include the Mellon National Bank and Trust Company, Pittsburgh, with total deposits of $4.9 billion; the Pittsburgh National Bank, Pittsburgh, with total deposits of $1.5 billion; and the Union National Bank of Pittsburgh, with total deposits of $716 million.

The Economy Bank of Ambridge, the selling bank, is the 28th largest commercial bank in the six-county area which surrounds Pittsburgh. This bank, originally founded in 1900 and later reorganized in 1934, has total assets of $16.7 million and IPC deposits of $14.1 million.

The topography of the six-county trade area that surrounds Pittsburgh has caused the development of myriad isolated and distinct communities. That in turn has caused localization of very distinct and separate banking areas. As a result, the deposits and loans of the Economy Bank of Ambridge originate within a 2-mile radius of its office. The selling bank is located in Beaver County at a point 16.5 miles from downtown Pittsburgh. The trade area of the bank consisting of the land within a 2-mile radius of Ambridge, includes Ambridge Borough, Leetsdale Borough, Leet Township, Bell Acres Borough, Harmony Township, and a portion of Economy Borough. That area, which contains 19,000 people and is economically depressed, is a small segment of the overall trade area of the purchasing bank. The banks most competitive with the selling bank are local branches of the Mellon National Bank and Trust Company, situated one block northwest, and the Pittsburgh National Bank, situated two blocks northwest of the sole office of the Economy Bank of Ambridge.

In contrast to the restricted service area of the selling bank, the Western Pennsylvania National Bank stretches its resources across six counties, including Allegheny, Armstrong, Beaver, Butler, Washington, and Westmoreland counties. By means of its large network of branch offices, the purchasing bank surmounts the geographical barriers that divide those counties into isolated communities. The heart of this trade area is a vital center of heavy industry, commerce, and business.

At present, there is no significant competition between the purchasing and selling banks. The closest offices of the selling bank and the Western Pennsylvania National Bank are 2.35 miles apart. Although the selling bank is located in a small segment of the overall trade area of the purchasing bank, the market areas are separated and clearly defined by natural physical barriers and outmoded traffic patterns. This isolation negates any interchange between the two banking markets and prevents common depositors.

Upon consummation, the proposed purchase will not produce any adverse competitive effects. The selling bank is located in a geographical pocket of retarded economic activity and competes against branches of much larger banking organizations headquartered in Pittsburgh. The purchase of this bank by Western Pennsylvania National will enable the resulting unit in

Ambridge to offer an expanded range of services that will enable it to compete more effectively with neighboring banks. Those improved services will include revolving credit programs, check cashing services, computer services, a broad range of savings programs, and the introduction of a trust department.

Applying the statutory criteria, it is the view of this Office that the proposed purchase is in the public interest and it is therefore approved.

APRIL 6, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Western Pennsylvania National Bank is the third leading bank in the Pittsburgh area, and operates banking offices throughout this area, including offices in Beaver County and in areas of adjoining Allegheny County near Ambridge. The closest office of Western Pennsylvania National Bank to Ambridge is its Quaker Valley office, located in Leetsdale Borough, Allegheny County, at a distance of about 2.3 miles. In view of this proximity, and of the area-wide significance of Western Pennsylvania National Bank, it is likely that the proposed merger would eliminate existing competition between the parties for banking business originating in the area presently served by Economy.

Four banks operate a total of five banking offices in those boroughs and townships listed in the application as totally or partially within the service area of Economy. Economy holds about 30 percent of deposits in these offices, while Western Pennsylvania National Bank holds almost 5 percent. While this area may understate the relevant market affected by the proposed merger, we conclude that this merger would have an adverse effect on competition.

* * *

CROCKER NATIONAL BANK, SAN FRANCISCO, CALIF., AND THE FIRST NATIONAL BANK OF UPLAND, UPLAND, CALIF.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Upland, Upland, Calif. (8266), with	$12, 322, 431	1	
was purchased May 19, 1972, by Crocker National Bank, San Francisco, Calif. (1741), which had	5, 593, 438, 496	286	
After the purchase was effected, the receiving bank had	5, 605, 760, 927		287

COMPTROLLER'S DECISION

On May 19, 1972, application was made to the Comptroller of the Currency by the Crocker National Bank, San Francisco, Calif., for permission to purchase the assets and assume deposit liabilities of The First National Bank of Upland, Upland, Calif.

In accordance with the provisions of 12 U.S.C. 1828(c) (6), 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 Upland and to protect its depositors, creditors, and shareholders.

Accordingly, the application of the Crocker National Bank to purchase the assets and assume the deposit liability of The First National Bank of Upland is approved.

MAY 19, 1972.

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

* * *

THE FARMERS NATIONAL BANK OF LITITZ, LITITZ, PA., AND THE FIRST NATIONAL BANK OF INTERCOURSE, INTERCOURSE, PA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The First National Bank of Intercourse, Intercourse, Pa. (9216), with	$11,301,452	1	
and The Farmers National Bank of Lititz, Lititz, Pa. (5773), which had	62,553,643	4	
consolidated June 5, 1972, under charter of the latter bank (5773) and title "Farmers First National Bank." The consolidated bank at date of consolidation had	74,000,162		5

COMPTROLLER'S DECISION

On October 14, 1971, The Farmers National Bank of Lititz, Lititz, Pa., and The First National Bank of Intercourse, Intercourse, Pa., applied to the Office of the Comptroller of the Currency for permission to consolidate under the charter of The Farmers National Bank of Lititz, and with the title "Farmers First National Bank."

The Farmers National Bank of Lititz, the charter bank, was chartered in 1901, and currently has assets of $52.6 million and IPC deposits of $45.3 million. The charter bank has established three *de novo* branch offices and its 10-year record reflects an aggressive growth in total assets from $12 million, in 1960, to over $50 million, today. Although the charter bank is headquartered in Lititz, a community with a population of 7,000 people, it is only 9 miles from Lancaster city, a large commercial area. The charter bank, through its branching activity, has penetrated into the Lancaster city limits, and thus has come into direct competition with the largest banks in Lancaster. The service area of The Farmers National Bank of Lititz must be defined in terms of the entire county of Lancaster.

The major competitiors of the charter bank include the National Central Bank, Lancaster, with total deposits of $532 million; the Fulton National Bank of Lancaster, Lancaster, with total deposits of $145.6 million; and the Commonwealth National Bank, Lancaster, with total deposits of $92.9 million.

The First National Bank of Intercourse is located in a small town with a population of approximately 1,300 people, and can be described as a conservative, locally-oriented, country bank. The bank was chartered in 1908, and currently has total assets of $10 million and IPC deposits of $8.8 million. The bank has no branches and its service area is restricted to the surrounding community. The First National Bank of Intercourse has only one active executive officer who holds the title of cashier and who acts in all capacities, both managerial and clerical. The proposed consolidation will, therefore, provide a solution to the bank's management succession problem arising from its inability to attract personnel to succeed the present cashier. The town of Intercourse is a one-bank town and, therefore, The First National Bank of Intercourse faces virtually no competition.

Both the charter bank and the consolidating bank share a common economic base in their respective service areas. Of primary importance are both light and heavy industry, agriculture, and tourism. There are 643 widely diversified industries in Lancaster County with production of nearly $1.4 billion. In addition, agricultural crops, dairy farming, and livestock contributed $178 million to the economy of the county in 1970. The Amish people provide Lancaster County with a tourist industry of approximately $90 million. The growth prospects for the county in all three areas are considered excellent.

At present, competition between the consolidating banks is negligible since each bank has developed a separate and distinct trade area. The Farmers National Bank of Lititz has directed its trade from Lititz toward Lancaster to the south and west. The First National Bank of Intercourse has restricted its trade to the town of Intercourse, located several miles to the east of the service area of the charter bank. Any common customers are due primarily to the small loan limit of the consolidating bank which has caused local customers with large credit requirements to seek the resources of larger banks.

Consummation of the proposed consolidation will not have an adverse effect upon competition in Lancaster County. The impact of the consolidation will primarily be felt in the Intercourse community. The resulting bank's office in Intercourse will be in a much better competitive position to serve the needs of its community. The expanded loan limit will allow the bank to retain the larger local customers who previously were forced to seek the services of nearby banks for extended credit needs. The resulting bank will also be able to offer a wide variety of services previously not available to local customers, such as installment loans, trust services, the introduction of a major credit card, advanced auditing techniques, and computerized services. The remaining 20 commercial banks in Lancaster County will insure adequate banking alternatives to the residents of the area.

Accordingly, it is the view of this Office that the proposed consolidation is in the public interest and will have no adverse competitive effects. It is, therefore, approved.

DECEMBER 17, 1971.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Lititz Bank has its main office in Lititz, 8 miles north of the city of Lancaster, and three branches between Lititz and Lancaster. Intercourse Bank is 12 miles east of Lancaster.

Intercourse Bank lies about 15 miles east of the nearest branch of Lititz Bank, and is within 20 miles of all four offices of Lititz Bank. Competitive banking offices intervene between Intercourse Bank and Lititz Bank. It would appear that some competition between Lititz Bank and Intercourse Bank would be eliminated by the proposed consolidation.

As of June 30, 1970, 21 banks operated offices in Lancaster County. The three leading banks held 52.4 percent of total deposits in county commercial banks. Lititz Bank, the fourth leading bank, held 6.0 percent of such deposits, and Intercourse Bank held 1.3 percent. The consolidated bank would hold 7.3 percent of total county commercial bank deposits.

* * *

FIRST NATIONAL BANK & TRUST CO., WASHINGTON, PA., WASHINGTON, PA., AND COMMUNITY BANK OF PITTSBURGH, PITTSBURGH, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Community Bank of Pittsburgh, Pittsburgh, Pa., with	$5, 159, 913	1	
was purchased June 9, 1972, by First National Bank & Trust Co., Washington, Pa., Washington, Pa. (5920), which had	107, 478, 276	11	
After the purchase was effected, the receiving bank had	112, 638, 189		12

COMPTROLLER'S DECISION

On February 28, 1972, the First National Bank & Trust Co., Washington, Pa., Washington, Pa., applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the Community Bank of Pittsburgh, Pittsburgh, Pa.

The First National Bank & Trust Co., the purchasing bank, is headquartered in Washington, Pa., and through a network of 11 offices, serves Washington County, eastern Greene County, western Fayette County, and southwest Allegheny County. The bank was established in 1901, and currently has assets of $99.4 million and IPC deposits of $78.9 million. The economy of the service area of this bank is supported by a wide variety of businesses and industries ranging from coal mining in Fayette and Greene counties to light and heavy manufacturing in Washington and Allegheny counties. The bank serves an estimated 180,000 people.

The purchasing bank is the only independent bank headquartered in Washington County and thus competes with branches of all the large Pittsburgh-based banks. These competitors include the Mellon National Bank and Trust Company, with deposits of $4.9 billion; the Pittsburgh National Bank, with deposits of $1.5 billion; and the Union National Bank, with deposits of $716 million.

The Community Bank of Pittsburgh, the selling bank, was incorporated in November 1967, and currently has assets of $4.6 million and IPC deposits of $3.5 million. Since its inception, the selling bank has encountered managerial and operating problems that have become more acute in the last year. Through its single office, the bank serves the primarily residential community that surrounds its location and which has a population of approximately 10,000 people.

The major competitors of the selling bank consist of local branches of the Mellon National Bank and Trust Company, the Pittsburgh National Bank, and the Union National Bank, all of which are headquartered in downtown Pittsburgh, approximately 5 miles from Community Bank of Pittsburgh. Within a 2-mile radius of the selling bank are 11 savings and loan associations.

Competition between the purchasing and selling banks is nonexistent. The closest branch of the purchasing bank is its Carnegie office, 7 miles from the selling bank. Natural boundaries as well as the adequate number of large competitors in the intervening distance preclude the possibility of any competition between the two banks.

Consummation of the proposed transaction will not result in any adverse competitive effects in the service area of the selling bank. The selling bank, which is the smallest bank in Allegheny County, will be replaced by an office of a larger, aggressive bank which will compete near the headquarters of the large multibillion dollar Pittsburgh banks. Thus this proposal will act to stimulate banking competition in the service area of the selling bank. The resulting unit in Pittsburgh will offer an expanded range of services including an increased lending limit, trust services, credit card services, data processing, and more flexible savings programs to its customers. In addition to offering more services to local residents, consummation of the subject proposal will ameliorate the operating difficulties of the selling bank.

Applying the statutory criteria, it is the view of this Office that the proposed transaction is in the public interest and is, therefore, approved.

May 9, 1972.

Note.—No Attorney General's report received.

* * *

First National State Bank of North Jersey, Hackensack, N.J., and Ridgefield Park Trust Company Ridgefield Park, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Ridgefield Park Trust Company, Ridgefield Park, N.J., with	$19,379,193	1	
and First National State Bank of North Jersey, Hackensack, N.J. (12014), which had	57,719,663	4	
merged June 23, 1972, under charter and title of the latter bank (12014). The merged bank at date of merger had	77,098,856		5

COMPTROLLER'S DECISION

On November 8, 1971, the Ridgefield Park Trust Company, Ridgefield Park, N.J., and the First National State Bank of North Jersey, Hackensack, 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.

The First National State Bank of North Jersey, Hackensack, N.J., the charter bank, was organized in 1921, and currently holds IPC deposits of $43.9 million. In December 1970, the charter bank assumed its present title and became a subsidiary of First National State Bancorporation, Newark, the largest registered bank holding company in the State, which has total deposits of $984 million. At present, the charter bank is 24th largest of the 85 commercial banks in the First Banking District of New Jersey, and ranks seventh in size of the 29 commercial banks in Bergen County.

The First National State Bank of North Jersey operates four offices, and has one approved but as yet unopened branch, all in Bergen County, which has a population of 900,000 people. Competition comes from Bergen County-based banks including Peoples Trust of New Jersey, Hackensack, with total deposits of $726 million, a member of United Jersey Banks, a registered bank holding company with total deposits of $940 million; the National Community Bank of Rutherford, Rutherford, with total deposits of $430 million; and the Garden State National Bank, Hackensack, with total deposits of $341 million. Additional banks operating branches in the county include New Jersey Bank, National Association, Clifton, with total deposits of $513 million; and Commercial Trust Company of New Jersey, Jersey City, with total deposits of $216 million. Keen competition is also offered by multi-billion dollar banks located in New York City, where many Bergen County residents commute daily.

The Ridgefield Park Trust Company, Ridgefield Park, N.J., the merging bank, was originally chartered in 1910, and currently has IPC deposits of $14.4 million. The bank is currently the 60th in size of the 85 commercial banks in the First Banking District of New Jersey, and is the 22nd largest of the 29 commercial banks located in Bergen County.

The merging bank operates one office in Ridgefield Park, a town with a population of 14,000 people. Competition in the area of the merging bank derives from the Peoples Trust of New Jersey, Hackensack; National Community Bank of Rutherford, Rutherford; and the Garden State National Bank, Hackensack. Competition is also furnished by large New York City banks.

The service area of the First National State Bank of North Jersey consists of all of Bergen County, a residential, commercial, and industrial area which has experienced rapid growth in the recent past. The county has a population of 900,000 people. The merging bank primarily serves Ridgefield Park and its environs, a residential community located in Bergen County which has many residents who are employed in New York City. The service area of the merging bank is approximately 109,000.

At present, the service areas of the charter and merging banks overlap to a limited degree. The nearest office of the First National State Bank of North Jersey is in Little Ferry, 1.8 miles from Ridgefield Park. The two offices are separated by the Hackensack River, which acts as a natural barrier between the two banks; Route 46 provides limited access between the two communities. In spite of the close proximity of the two banks, consummation of the proposed merger will stimulate competition since it will open Ridgefield Park to *de novo* branching by elimination of the "head office protection" which the merging bank currently enjoys. As evidence of that, Peoples Trust of New Jersey, Hackensack, has filed an application for a branch in Ridgefield Park contingent upon consummation of the proposed merger.

The $73 million resulting bank, with deposits of $66 million, will rank 23rd in size of the 84 remaining commercial banks in the First Banking District, and will still rank 7th in size of the 28 commercial banks in Bergen County. The merger will not significantly alter the size of the First National State Bancorporation, the parent company of the charter bank. Competition from other registered bank holding companies will be provided by United Jersey Banks, Hackensack, with total deposits of $940 million; Midlantic Banks, Inc., Newark, with total deposits of $773 million; and Fidelity Union Bancorporation, Newark, with total deposits of $762 million.

The resulting bank will be able to provide expanded services to the residents and businessmen of Ridgefield Park, including drive-in facilities, an increased loan limit, international banking facilities, and trust services. In addition, a management succession problem which now threatens the Ridgefield Park Trust Company will be solved by the merger.

Accordingly, it is the view of this Office that the proposed merger is in the public interest and will not adversely affect competition. The application is therefore approved.

May 23, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

North Jersey's closest office to Ridgefield Bank is located about 1.8 miles distant in Little Ferry. There are no offices of other commercial banks in the intervening area. According to the application, North Jersey's primary service area does not encompass Ridgefield Park. However, in view of its proximity to this area, it seems clear that North Jersey, along with other banks in the Hackensack area, is a convenient alternative for banking services for customers which also look to Ridgefield Bank.

While Ridgefield Bank draws over half of its deposits from Ridgefield Park, its service area also includes the nearby communities of Teaneck, Bogota, Little Ferry, and Hackensack, three of which are also within the service area of North Jersey. It is apparent that the proposed merger would eliminate existing direct competition between the merging banks.

Seven commercial banks operate 22 banking offices in the service area of Ridgefield Bank as defined in the application. The three offices of North Jersey in this area hold about 8 percent of total commercial bank deposits in these offices; Ridgefield Bank holds about 3 percent. While these percentages do not take account of deposits which originate in this area and are held by outside banks, (and so may overstate the market shares of the merging banks), they do include all deposits in the head offices of two of the larger banks in Bergen County, Peoples Trust of New Jersey, and Garden State National Bank, a great deal of which may well originate outside the area.

The proposed merger is First National State Bancorporation's second acquisition of a bank serving the Greater Hackensack Area within 1 year. Permitting large banking institutions to make repeated acquisitions in the same market areas would not only eliminate competition between the banks that are acquired; it would also eliminate entry vehicles for other banks which might seek to enter the market. Therefore, while the proposed merger would eliminate home office protection presently accorded the community of Ridgefield Park, we conclude that its overall effect on competition would be adverse.

* * *

The Union National Bank of Youngstown, Youngstown, Ohio, and The North Bloomfield Banking Company, North Bloomfield, Ohio

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The North Bloomfield Banking Company, North Bloomfield, Ohio, with	$15,760,951	2	
and The Union National Bank of Youngstown, Youngstown, Ohio (13586), which had	158,026,680	9	
merged June 27, 1972, under charter and title of the latter bank (13586). The merged bank at date of merger had	175,472,146		11

COMPTROLLER'S DECISION

On February 3, 1972, The Union National Bank of Youngstown, Youngstown, Ohio, applied to the Comptroller of the Currency for permission to merge with The North Bloomfield Banking Company, North Bloomfield, Ohio, under the charter and with the title of the former.

The Union National Bank of Youngstown, the charter bank, was chartered in 1931. This bank has total assets of $149 million and IPC deposits of $102.2 million. Because Youngstown, the location of the charter bank's main office, lies in both Mahoning and Trumbull counties, The Union National Bank of Youngstown may branch into both counties. At present the bank has seven branch offices in Mahoning County and one branch in Trumbull County. Five of those branches are located in Youngstown, and one each in Austintown, Canfield, and Poland.

The major competitors for the charter bank in Mahoning County include the Dollar Savings and Trust Company in Youngstown, with deposits of $207 million; the Mahoning National Bank of Youngstown, with deposits of $138 million; The Peoples Bank of Youngstown, with deposits of $33 million; and the Farmers National Bank of Canfield, with deposits of $30 million.

The North Bloomfield Banking Company, the merging bank, was originally organized in 1903. This bank, with assets of $14.3 million and IPC deposits of $12.4 million, operates one branch, opened in 1955, in Campion, a suburb of Warren. It has two major problems at the present time, *viz.*, the members of the bank's management group are approaching the retirement age, and no provisions have been made for their succession, and the bank lacks sufficient capital.

The merging bank's major competitors in Trumbull County include the Second National Bank of Warren, with total deposits of $102 million; the Union Savings and Trust Company, Warren, with deposits of $130 million; and the Niles Bank Company, Niles, with deposits of $25 million.

Mahoning and Trumbull counties, wherein the charter and merging bank are headquartered, have long been considered major producing areas of steel and other primary metals. Consequently, the economy of the area is heavily dependent on those industries. During the past decade a decline in steel oriented manufacturing has produced adverse economic effects in the Youngstown area. In contrast, Trumbull County has benefited from diversification in its industrial base and has continued to show growth in population, as well as in wholesale and retail trade.

The closest branches of the charter and merging banks are situated approximately 20 miles apart. That distance precludes significant direct competition.

Consummation of the proposed merger will not produce any adverse competitive effects in Mahoning and Trumbull counties. At present, 14 commercial banks in the two-county area operate a total of 65 branch offices. The charter bank is the fourth largest in terms of total deposits and the fifth largest in terms of total loans; the merging bank is the 12th largest in terms of both deposits and loans. The resulting bank will be the third largest in deposits and the fourth largest in loans in the two-county trade area. Thus, the total competitive impact will be negligible in view of the alternative banking facilities that will remain in the area. In addition, the subject merger will add management depth to the merging bank, will rectify the capitalization problem, and will result in a broader range of services for the residents of North Bloomfield, including a larger lending limit and the introduction of complete trust services.

Applying the statutory criteria, it is the view of this Office that the proposed merger is in the public interest, and is, therefore, approved.

MAY 8, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The merging banks' main offices are 28 miles apart. Bloomfield Bank's Champion Heights branch is approximately 14 miles northwest of four branches of Union Bank; six banks have offices intervening between the closest branches of the merging banks. It therefore appears that the merging banks are not substantial competitors to one another and that the merger would not eliminate any significant existing competition.

As of June 30, 1970, Bloomfield Bank held approximately 4 percent of total deposits in the nine banks in Trumbull County. As of June 30, 1971, Union Bank held 24 percent of Mahoning County total bank deposits, the third largest share held by any of the seven banks in the county. Their respective shares of deposits in the Youngstown-Warren Standard Metropolitan Statistical Area ("SMSA") are about 12 percent and 2 percent. Although Union Bank is the largest bank without offices in Trumbull County which can legally branch into that county, its acquisition of the relatively small Bloomfield Bank would not have a significantly adverse effect on potential competition.

* * *

CENTRAL NATIONAL BANK, CANAJOHARIE, CANAJOHARIE, N.Y., AND THE FIRST NATIONAL BANK OF EDMESTON, EDMESTON, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Edmeston, Edmeston, N.Y. (3681), with	$6, 390, 209	1	
and Central National Bank, Canajoharie, Canajoharie, N.Y. (1122), which had	61, 707, 611	9	
merged June 30, 1972, under charter and title of the latter bank (1122). The merged bank at date of merger had	68, 138, 012		10

COMPTROLLER'S DECISION

On January 25, 1972, The First National Bank of Edmeston, Edmeston, N.Y., and the Central National Bank, Canajoharie, Canajoharie, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Central National Bank, Canajoharie, the charter bank, was originally organized in 1885. The bank, with assets of $58 million and IPC deposits of $44.3 million, operates seven offices and has one additional, but as yet unopened, branch in Cobleskill. The charter bank is the 10th largest of the 35 commercial banks headquartered in the Fourth Banking District of New York.

The Central National Bank, with total deposits of $50 million, is the third largest of the 10 commercial banks headquartered in the four-county area in which the charter bank operates. Competition is provided by the National Commercial Bank and Trust Company, Albany, with total deposits of $917 million; the State Bank of Albany, Albany, with deposits of $747 million; the Albany Savings Bank, with deposits of $384 million; and the Mechanics Exchange Savings Bank, Albany, with deposits of $120 million.

The First National Bank of Edmeston, the merging bank, was chartered in 1887. The bank, with assets of $6.4 million and IPC deposits of $5.1 million, has operated as a unit bank since its inception. The active management of the bank is supervised by its cashier, who is 68 years old. There is, at present, no middle level management personnel who can take control of the daily functions of the bank when the cashier retires.

The First National Bank of Edmeston is the 34th largest of the 35 commercial banks in the Fourth Banking District of New York. Competition includes the Oneida National Bank and Trust Company of Central New York, Utica, with deposits of $287 million; the National Bank and Trust Company of Norwich, with deposits of $86 million; the Wilber National Bank of Oneonta, with deposits of $40 million;

and the First National Bank of Cooperstown, with deposits of $10 million.

The primary service area of the merging bank is limited to the city of Edmeston and its immediate environs, which contain an estimated population of 8,000 people. The area is almost entirely devoted to dairy farming. Similar in nature, but on a larger scale, the trade area of the charter bank consists of the four-county area of Montgomery, Otsego, Schenectady, and Schoharie counties. This area serves an estimated population of 50,000 people. Although the economy of this area is primarily supported by dairy farming, local industrial employment is approximately 2,000 and substantial numbers of people commute to Albany and Schenectady for employment.

At present, competition between The First National Bank of Edmeston and the Central National Bank, Canajoharie, is insignificant. The main offices of the two banks are 45 miles apart. The nearest office of the charter bank is located 25 miles from Edmeston. Those large distances, as well as the large number of financial institutions located in the intervening area, insure that very little competition now exists between the charter and merging banks.

Consummation of the proposed merger will stimulate competition in the service area of the merging bank. The resulting bank will offer improved and expanded services to the residents of the Edmeston area, including a larger lending limit, higher interest rates for savings deposits, and the introduction of trust services. The merger will also solve the problem of management succession at The First National Bank of Edmeston. In addition, the resulting bank will not increase its ranking among competing banks nor will it significantly increase its position among other commercial banks operating in the Fourth Banking District.

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

May 23, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Edmeston Bank is the only bank in Edmeston. It is situated approximately 45 miles southwest of the main office of Central National in Canajoharie and is approximately 30 miles southwest of the nearest branch of Central National, which is located in the village of Cherry Valley, Otsego County, N.Y.

There are several other banks in the intervening area, including three branches of National Commercial Bank and Trust Co. of Albany (total deposits of $916.9 million, as of June 30, 1971) in Cooperstown, Hartwick, and Oneonta. The State Bank of Albany (total deposits of $747.0 million, as of June 30, 1971), maintains a branch in Richfield Springs, approximately 15 miles from Edmeston. It does not appear that the proposed merger would eliminate substantial existing competition.

The three leading banks in Otsego County hold about 73.6 percent of total deposits. Edmeston Bank is the fifth largest of eight in Otsego County and holds 4.3 percent of total deposits in the county, while Central National holds about 3 percent.

Although located within the same branching district, Central National is prohibited by law from entering *de novo* into Edmeston because of home office protection.

In view of the relative size of Edmeston Bank and its service area, we do not believe the proposed merger would have a significantly adverse effect on potential competition.

* * *

Jefferson National Bank, LaFargeville, N.Y., and The Waddington Bank, Waddington, N.Y., and Bank of Philadelphia, Philadelphia, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bank of Philadelphia, Philadelphia, N.Y., with	$2, 056, 210	1	
The Waddington Bank, Waddington, N.Y., with	2, 163, 152	1	
and Jefferson National Bank, LaFargeville, N.Y. (13365), which had	3, 154, 290	1	
merged June 30, 1972, under charter and title of the latter bank (13365). The merged bank at date of merger had	7, 373, 652		3

COMPTROLLER'S DECISION

On February 15, 1972, the Jefferson National Bank, LaFargeville, N.Y., the Bank of Philadelphia, Philadelphia, N.Y., and The Waddington Bank, Waddington, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and title of Jefferson National Bank.

The charter bank, with total IPC deposits of $2.2 million, is a single-office bank offering limited banking services. The bank is faced with problems common to the other participating banks such as an inadequate lending limit, increasing complexities of bank operations, difficulty of assuring continuity of management, and increasing competition from larger banks. The bank ranks sixth in size among the eight commercial banks headquartered in Jefferson County which banks have total aggregate deposits of $262 million. It ranks 20th among the 24 commercial banks located in the Fifth Banking District with about 1 percent of the total bank deposits in the district. Competition in the immediate service area of the bank is provided by the Marine Midland Trust Company of Northern New York, Watertown, with seven banking offices and $149 million in deposits, a subsidiary of the Marine Midland Banks, Inc.; the National Bank of Northern New York, Watertown, with seven banking offices and $93 million in deposits; and the Seaway National Bank of Watertown, with three banking offices and $7 million in deposits.

LaFargeville, home of the charter bank, is a small unincorporated hamlet with a population of 581, located in Jefferson County. Its economy is almost entirely agricultural. A good many people in LaFargeville are currently employed in Watertown, the largest city in the county with an estimated population of 30,787. Watertown is located approximately 20 miles to the south of LaFargeville.

Jefferson County, with an estimated population of 88,508, is predominantly a rural area dotted with small villages and hamlets. The principal economic activities of the area are farming, logging, mining, and service industries related to the St. Lawrence Seaway. The main industrial and commercial businesses are centered in Watertown.

The Bank of Philadelphia, with total IPC deposits of $1.1 million, is the smallest bank in Jefferson County. It ranks 24th among the 24 commercial banks located in the banking district, with about 0.3 percent of the total bank deposits in the district. Direct banking competition is provided by offices of the above-mentioned banks headquartered in Watertown.

Philadelphia, a small incorporated village with a population of 858, is located approximately 18 miles to the east of LaFargeville. Its economy is likewise almost entirely agricultural with some of its residents traveling 17 miles to Watertown for work.

The Waddington Bank, with total IPC deposits of $1.8 million, is a small single-office bank located in the village of Waddington in St. Lawrence County. The bank ranks 10th in size among the 11 commercial banks headquartered in the county which together have deposits of $106 million. It ranks 22nd among the 24 commercial banks located in the Fifth Banking District, with about 0.5 percent of the total bank deposits in the district. Competition in the immediate service area of the bank is provided by the St. Lawrence National Bank of Canton, with nine banking offices and $32 million in deposits; the Ogdensburg Trust Company, with two banking offices and $25 million in deposits; the First National Bank of Norfolk, a single-office bank with $4 million in deposits; and the First National Bank of Lisbon, a single-office bank with $3 million in deposits.

Waddington is a small incorporated village with a population of 955. It is located approximately 65 miles to the northeast of LaFargeville and 63 miles to the northeast of Philadelphia. Its economy is almost entirely agricultural. Area residents not engaged in farming find employment in Ogdensburg and Massena, the largest cities in the county with populations of 14,554 and 14,042, respectively. Those cities are approximately 20 miles distant from Waddington.

St. Lawrence County, with an estimated population of 11,991, is predominantly a rural area. The principal economic activities, like those of neighboring Jefferson County, are farming, logging, mining, service-related industries, and vacation resorts along the St. Lawrence River. The industrial and commercial businesses of the area are centered in Ogdensburg and Massena.

The applicant banks do not directly compete with each other. They operate in different service areas and competition is provided by intervening offices of other banks. The participating banks are presently under common ownership. The merger will not eliminate potential competition among the participating banks because of the size of these institutions and the home office protection under New York State law. The effect of this merger on overall competition in the area will not be significant.

Consummation of the proposed merger will bring together the resources of three small banks and provide for economies of operation and more effective use of personnel. The resulting bank will be better able to meet the convenience and needs of the communities served by the participants and to compete with the other banks in the area.

In accordance with the statutory criteria, this merger is deemed in the public interest. The application is, therefore, approved.

May 30, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

LaFargeville, where Jefferson Bank is located, is 18 miles from Philadelphia and 60 miles from Waddington. The application states that the three banks are presently under common ownership but does not reveal sufficient data as to the facts surrounding such ownership as to lead to firm conclusions on the weight to be afforded to this fact. In any case, however, the distances involved, the presence of intervening banking offices, and the relative size of the merging banks indicate that no substantial existing or potential competition would be eliminated by the proposed merger.

* * *

The National Bank of Boyertown, Boyertown, Pa., and The First National Bank of Oley, Oley, Pa.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Oley, Oley, Pa. (8858), with	$11,526,647	1	
and The National Bank of Boyertown, Boyertown, Pa. (2137), which had	64,502,935	5	
merged June 30, 1972, under charter of the latter bank (2137) and title "National Bank of Boyertown." The merged bank at date of merger had	76,029,581		6

COMPTROLLER'S DECISION

On February 11, 1972, The First National Bank of Oley, Oley, Pa., and The National Bank of Boyertown, Boyertown, Pa., 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 Boyertown, the charter bank, was organized in 1874. The bank, with assets of $56.8 million and IPC deposits of $44.7 million, is headquartered in Berks County, and through four branches, serves northwestern Montgomery County, northern Chester County, and eastern Berks County. It has one additional approved branch in Pottstown which is scheduled to open in June 1972.

The charter bank is the 10th largest of the 13 commercial banks in its trade area. The largest of those competitors consist of branches of very large banks headquartered in Philadelphia, Lancaster, and Reading. Those competitors include the Philadelphia National Bank, with deposits of $2 billion; the Fidelity Bank, Philadelphia, with deposits of $1.4 billion; the American Bank and Trust Company, Reading, with deposits of $631 million; and the National Central Bank, Lancaster, with deposits of $576 million.

The charter bank serves an estimated population of 27,000 people in seven townships. The borough of Boyertown is essentially industrial while the surrounding area is basically agricultural. Within the trade area of the charter bank are 81 businesses that employ approximately 6,400 people.

The First National Bank of Oley, the merging bank, was chartered in 1907, and has not participated in any previous mergers. The bank, with assets of $10.5 million and IPC deposits of $8.8 million, operates as a unit facility in an isolated rural area where there are 10 businesses employing 77 persons. The bank, drawing most of its accounts from the village of Oley and environs, serves a population of approximately 3,000. There are no direct financial competitors in the area. Indirectly, the merging bank competes with the same large Philadelphia, Reading, and Lancaster banks whose extensive banking structures border the trade area of The First National Bank of Oley.

At present, there is very little competition between the charter and merging banks. The closest office of the charter bank to Oley is 10 miles away. That distance, coupled with the self-imposed limitations of the merging bank on its trade area, minimizes the competitive impact between these two banks.

Consummation of the proposed merger will not have any adverse competitive effects in Berks County. The proposed merger will enable the resulting bank to better serve the eastern portion of Berks County and will allow the bank to more readily meet the competition of the large Philadelphia and Reading banks which have moved into the area. In addition, the merger will solve the management succession problem at the merging bank which could become serious.

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

MAY 8, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the two banks are 10 miles apart, and the Exeter office of Boyertown Bank is only about 6 miles from Oley. No banking offices intervene between Oley and the Berks County offices of Boyertown Bank. Thus, the merger would eliminate some competition between the two banks.

Boyertown Bank is the fourth largest of 14 banks operating in Berks County, holding 5.0 percent of total county deposits on June 30, 1970. The three largest banks in the county are substantially larger than Boyertown Bank, holding 82.4 percent of total county deposits between them. Oley Bank is the 10th largest bank in the county, holding 1.1 percent of total county deposits. The proposed merger would not substantially increase concentration in commercial banking in Berks County.

* * *

UNITED STATES NATIONAL BANK, SAN DIEGO, CALIF., AND BEVERLY HILLS FIDELITY BANK, BEVERLY HILLS, CALIF.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Beverly Hills Fidelity Bank, Beverly Hills, Calif., with	$88,261,934	3	
was purchased July 14, 1972, by United States National Bank, San Diego, Calif. (10391), which had	747,542,466	62	
After the purchase was effected, the receiving bank had	835,804,400		65

COMPTROLLER'S DECISION

On July 14, 1972, application was made to the Comptroller of the Currency by the United States National Bank, San Diego, Calif., for permission to purchase the assets and assume deposit liabilities of the Beverly Hills Fidelity Bank, Beverly Hills, Calif.

In accordance with the provisions of 12 U.S.C. 1828(c)(6), it is found that an emergency exists and that this Office must act immediately to prevent the probable failure of the Beverly Hills Fidelity Bank, Beverly Hills, Calif., and to protect its depositors, creditors, and shareholders.

Accordingly, the application of the United States National Bank to purchase the assets and assume the deposit liabilities of the Beverly Hills Fidelity Bank is approved.

JULY 14, 1972.

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

* * *

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

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bothell State Bank, Bothell, Wash., with	$18,654,553	4	
and Peoples National Bank of Washington, Seattle, Wash. (14394), which had	561,390,669	56	
merged July 15, 1972, under charter and title of the latter bank (14394). The merged bank at date of merger had	574,786,617		60

COMPTROLLER'S DECISION

On March 16, 1972, the Bothell State Bank, Bothell, Wash., and the Peoples National Bank of Washington, Seattle, Wash., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Peoples National Bank of Washington, the charter bank, was organized in 1889, and is currently the fourth largest bank in the State of Washington. The bank, with total assets of $507 million and IPC deposits of $382.4 million, operates 53 branches, 39 of which lie in the Puget Sound area of western Washington. Of the remaining branches, 12 are concentrated in eastern Washington and the Columbia Basin, and only two are located in isolated market areas.

The charter bank is one of 10 banks in Seattle and 18 in King County. Competition is provided by the State's largest bank, Seattle-First National Bank, with total deposits of $2.3 billion; The National Bank of Commerce, the second largest bank with total deposits of $1.6 billion; and the Pacific National Bank of Washington, the third largest bank in the State, with total deposits of $643 million.

The Bothell State Bank, the merging bank, was organized in 1908, and currently has assets of $16.8 million and IPC deposits of $13.3 million. The merging bank operates three branches, two of which are in the adjoining unincorporated communities of Kenmore and Woodinville, the third is a drive-in facility across the street from the bank's main office.

Competition for the merging bank is provided by numerous banks located within a 5-mile radius of Bothell. Those include three branches of the Seattle-First National Bank; three branches of the National Bank of Commerce, Seattle; the Juanita Branch of the Bank of the West; and the head offices of the Commercial Bank of Seattle, Northshore First National Bank, and the Evergreen State Bank.

Seattle, the head office city of the charter bank and the center of its service area, is the heart of the Puget Sound area and has a population of approximately 1.8 million. The economy of the area is based on lumber and wood products, the manufacture of transportation equipment, several major utilities, and the retail and wholesale trade industry. The area is advancing after an economic decline which reached its nadir in 1969. In contrast to the statewide character of the service area of the charter bank, the merging bank primarily serves a residential market in a "bedroom community" near Seattle and Everett in Snohomish County. Bothell lies in a sparsely populated area of King County where future growth is dependent both on the reversal of the previous economic decline and on strip-type commercial developments intended to meet the needs of local residents.

There are no branches of the charter bank within the trade area of the Bothell State Bank, and competition between the two banks is almost nonexistent. The closest branch of the Peoples National Bank of Washington is located in Kirkland, approximately 8 miles from the merging bank. The intervening distance is sparsely populated and is connected by a poor network of secondary roads hindering travel to Bothell. In addition, sufficient numbers of alternate banking facilities, in close proximity to the merging bank, prevent the Kirkland Branch of the charter bank from becoming a viable competitor.

Consummation of the proposed merger will result in no adverse competitive effects in the State of Washington. The effect of the merger will be to allow the entry of a more competitive financial institution into the Bothell market area; one that offers a greater lending limit and makes services not now provided more readily available. The merger will also eliminate the immediate problem of management succession now being experienced at the merging bank. The two separate and distinct service areas of the charter and merging banks attest to the fact that no competition will be eliminated by the proposed merger. On a statewide basis, the merger will not materially change the present banking structure but will allow the resulting bank to compete more effectively with the largest commercial banks in the State.

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

JUNE 12, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Peoples National was the third largest bank, in terms of deposits, in King County as of June 30, 1970. As of that date it held almost 14 percent of total deposits, and the four largest banks held over 78 percent of such deposits. Peoples National operates offices in most urbanized areas of the county as well as offices in Snohomish County which is directly north of King County and adjacent to the Bothell area. Because of this distribution of retail oriented offices, and because many residents of the Bothell area work in other areas of King or Snohomish County, Peoples National does provide an alternative source of banking services to residents of this area. It presently holds over $1.3 million in deposits from residents of the Bothell area and has almost $1 million in loans outstanding in this area. The Bothell area is presently served by the offices of four banks, including the two largest banks in King County and the State. A fifth bank has an application pending for a new branch office in this area. Bothell Bank has the largest share of deposits in banking offices in this area (over 50 percent) and the largest number of branches. This merger will eliminate Peoples National as one of only three substantial banks with significant office systems in the region which presently provide some competitive alternative to the very limited banking choices located within the Bothell area itself. The proposed merger would eliminate significant existing competition in the Bothell area and increase by almost 1 percent the already very high level of concentration of banking resources in King County.

Peoples National is the second largest bank in the State which does not operate an office in the Bothell area. Under Washington law, Peoples National may clearly open offices in the Kenmore and Woodinville portions of the Bothell area, and it may be lawful for National banks to open offices in Bothell itself. Banking in the Bothell area is highly concentrated and Bothell Bank holds over 50 percent of deposits in offices in this area. Thus, the proposed merger would eliminate a substantial potential for increased competition in the developing areas of King County, in the general vicinity of Bothell.

This merger would eliminate existing competition for banking business in the Bothell area and the substantial potential for increased competition. Also, the proposed merger would continue the concentration of the State's banking resources in its very largest banks. We conclude that the proposed merger will have an adverse effect on competition.

* * *

Farmers First National Bank, Lititz, Pa., and The Farmers National Bank of Ephrata, Ephrata, Pa.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Farmers National Bank of Ephrata, Ephrata, Pa. (4923), with	$32, 971, 030	3	
and Farmers First National Bank, Lititz, Pa. (5773), which had	74, 955, 286	5	
merged July 17, 1972, under charter and title of the latter bank (5773). The merged bank at date of merger had	108, 092, 670		8

Comptroller's Decision

On April 24, 1972, The Farmers National Bank of Ephrata, Ephrata, Pa., and The Farmers National Bank of Lititz, Lititz, Pa., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title, "Farmers First National Bank."

The Farmers National Bank of Lititz, the charter bank, was organized in 1901, and is headquartered in Lititz, 8 miles north of Lancaster. The bank has assets of $71.3 million and IPC deposits of $58.8 million. The charter bank operates four branch offices.

The market area of the charter bank is in central Lancaster County, covering an area from the city of Lititz to Lancaster city. The area enjoys an active and growing economy predicated on light and heavy industry, agricultural pursuits, and tourism. Competitors of the charter bank include National Central Bank, Lancaster, with deposits of $511 million; The Commonwealth National Bank, Harrisburg, with deposits of $353 million; Fulton National Bank of Lancaster, with deposits of $130 million; and Dauphin Deposit Trust Company, Harrisburg, with deposits of $236 million.

The Farmers National Bank of Ephrata, the merging bank, was organized in 1901, and is headquartered in Ephrata, approximately 7 miles northeast of Lititz. This bank has assets of $33.2 million and IPC deposits of $27.8 million. The merging bank operates two branch offices both of which are located in Ephrata. This bank has an elderly management whose policies have, in the past, been based on conservative banking principles. Those senior officers will retire soon and new personnel will be needed to replace them.

The service area of the merging bank is primarily confined to the city of Ephrata and its immediate environs. Ephrata's economy is adequately supported by a mixture of light industry and agriculture, similar to the service area of the charter bank. Competitors of the merging bank include the locally-based Ephrata National Bank, with deposits of $37.3 million; a branch of The Fulton National Bank of Lancaster; a branch of American Bank and Trust Company of Pennsylvania, Reading, with deposits of $594 million; and three smaller independent banks in Blue Ball, Brownstown, and New Holland, which have aggregate resources of $79 million.

In spite of the close proximity of the charter and merging banks, a minimum of competition exists between the two banks as they serve separate and distinct banking markets. The charter bank's market has traditionally extended southward toward Lancaster city because that is where the bulk of Lancaster County's banking business is located. In contrast, the merging bank has voluntarily limited itself to the city of Ephrata, a policy reflected in the restrictive branching practice of The Farmers National Bank of Ephrata. In addition, the communities of Lititz and Ephrata are separated by farmland and are connected, indirectly, only by secondary country roads. That further serves to isolate the service areas of the two banks.

Consummation of the proposed merger will result in a beneficial competitive impact in the service areas of both the charter and merging banks. In each of those respective service areas, the resulting bank will have a significantly increased lending limit and will, therefore, become a stronger competitor for the large financial institutions with which it competes. Yet even with this significant increase in size, the resulting bank will remain small as compared to many of its competitors, and so will not upset the competitive posture of banks in Lancaster County even though it will become a more effective competitor. The increased competition in Lancaster County, a direct result of the proposed merger, will immediately cause increased benefits for the banking public in the area. In addition, the merger will supply the resulting units in Ephrata with the needed personnel depth to insure their continuity.

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

JUNE 16, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

FNB Lititz has its main office in Lititz, 7 miles southeast of FNB Ephrata's main office in Ephrata. While the application indicates that the parties to the proposed merger draw most of their business from different parts of Lancaster County, they are alternatives for some customers, primarily in the area between Lititz, Lancaster, and Ephrata. It would appear that some competition would be eliminated by the proposed merger.

As of June 30, 1970, 21 banks operated offices in Lancaster County. The three leading banks (all located in the city of Lancaster) held 52.4 percent of total county deposits. FNB Lititz and another bank which it has been authorized to acquire would together have been the county's fourth leading bank and held 7.3 percent of total county deposits, while FNB Ephrata held 3.8 percent. The consolidated bank, using June 30, 1970 deposit data, would hold 11.1 percent of total county commercial bank deposits.

* * *

NORTH CAROLINA NATIONAL BANK, CHARLOTTE, N.C., AND THE FARMERS BANK, WOODLAND, N.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Farmers Bank, Woodland, N.C., with	$16, 886, 190	3	
and North Carolina National Bank, Charlotte, N.C. (13761), which had	1, 955, 172, 481	128	
merged July 28, 1972, under charter and title of the latter bank (13761). The merged bank at date of merger had	1, 972, 125, 047		131

COMPTROLLER'S DECISION

On April 27, 1972, The Farmers Bank, Woodland, N.C., and the North Carolina National Bank, Charlotte, N.C., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The North Carolina National Bank, the charter bank, was organized in 1933. This bank with assets of $1.9 billion and IPC deposits of $1.2 billion, operates 110 offices in 34 communities throughout North Carolina, ranging from Washington and Wilmington, in the east, to Tyron and Spruce Pine, in the west. Although essentially a statewide commercial bank, the North Carolina National Bank generates the majority of its business from the piedmont section of the State wherein the major portion of the industry of the State is situated. In Charlotte and Greensboro, the first and second largest cities in the State, it is the leading commercial bank. The charter bank is the principal component of NCNB Corporation, a one-bank holding company.

The North Carolina National Bank is in competition for certain services with every major bank in the southeast. In North Carolina, the primary competitors for the charter bank include the Wachovia Bank and Trust Company, N.A., with deposits of $1.6 billion, and the First Union National Bank of North Carolina, with deposits of $1.1 billion, which ranks as the third largest bank in North Carolina. Other principal competitors of the charter bank are the First Citizens Bank and Trust Company, with deposits of $715 million; The Northwestern Bank, with deposits of $631 million; and the Branch Banking and Trust Company, with deposits of $263 million.

The Farmers Bank, the merging bank, was organized in 1906, and is headquartered in Northampton County. This bank has assets of $18 million and IPC deposits of $14.2 million. In 1934 and 1958, the merging bank established two offices in Murfreesboro, located approximately 11 miles northeast of Woodland in Hertford County. The service area of the merging bank consists of the northeastern portion of Northampton County and the northwestern section of Hertford County. The economy of that area is relatively static, and is primarily dependent on agricultural pursuits with peanuts, corn, soybeans, and cotton as the principal cash crops.

Although the merging bank is the sole commercial bank in the town of Woodland, it has strong competition from offices of The Planters National Bank and Trust Company and the Wachovia Bank and Trust Company, N.A., as well as from the Bank of Conway. Those banks are located within a radius of 8 miles from the Woodland office of the merging bank. The offices of The Farmers Bank in Murfreesboro are in direct competition with The Tarheel Bank and Trust Company.

There is no competition between the charter and merging banks because large distances separate them and an adequate number of competitors operate in the intervening area. The main office of the North Carolina National Bank is located approximately 230 miles southwest of Woodland. The nearest office of the charter bank to an office of the Farmers Bank is at Tarboro, approximately 40 miles south of the merging bank.

Consummation of the proposed merger will not result in any adverse competitive effects. The merger will not eliminate any competition and there will remain the same number of banking alternatives located throughout that portion of the two-county area that is the service area of the merging bank. Further, the merger will not significantly increase the statewide deposit structure of the North Carolina National Bank. The entry of the charter bank into this area should bring with it the resources necessary to aid in the economic development of the two counties and to promote the needed diversification of industry. The resulting branches in Northampton and Hertford counties will offer increased banking services which will stimulate competition in the area. That will directly benefit the banking public within the service area of 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.

JUNE 21, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

NCNB does not have any branches in Northampton or Hertford counties, or in the counties immediately adjacent to them. Its branch closest to a Farmers Bank office is more than 40 road miles south in Tarboro. However, a consumer loan office of Stephenson Finance Company, a NCNB Corporation subsidiary, operates in Ahoskie which is about 16 miles south of Murfreesboro and about the same distance east of Woodland. Its volume of loans is stated to be $343,877, an amount equal to only about 4.4 percent of Farmers Bank's total loans, but about 25 percent of its consumer loans. There are three banks serving Ahoskie and one bank other than Farmers Bank in Murfreesboro, but no other banks intervene directly between Woodland, Murfreesboro, and Ahoskie. It would appear, therefore, that some existing competition may be eliminated as a result of this proposed merger.

Since North Carolina law permits statewide branching either *de novo* or by merger, NCNB could establish *de novo* branches in both Northampton and Hertford counties, thus creating additional banking alternatives. NCNB is the largest North Carolina bank not presently operating in the Northampton-Hertford area, and clearly possesses the resources and capability for establishing *de novo* branches. Admittedly, however, the area as a whole has been one of below average growth which diminishes the attractiveness of entry by *de novo* branching.

Eight banks operate 15 banking offices in Northampton and Hertford counties. As of June 30, 1970, Farmers Bank held 29 percent of the commercial bank deposits in the two-county area——the largest share held by any bank. Wachovia Bank and Trust, the State's largest bank, and Planters National Bank and Trust, the 10th largest bank, held 25 percent and 21 percent, respectively, of bank deposits in the two counties. Thus the three largest banks operating in the two counties held 75 percent of total deposits—— a highly concentrated condition. This proposed acquisition of the leading bank in the Northampton-Hertford counties area by the State's second largest bank would tend to perpetuate the present degree of concentration existing in the two counties, and, given the current growth prospects for the area, could deter any entry into the area by other less capable potential entrants.

If approved and consummated, this merger would be the second recent acquisition by NCNB of a bank with deposits exceeding $15 million, and the ninth acquisition within the last 5 years of a bank in the $15–25 million deposit range by one of the State's five largest banks. This statewide trend in North Carolina is of concern because such banks have been eliminated as potential elements in newly developing regional or statewide banks, which present the greatest possibility of effective statewide competition to such existing banking giants as NCNB. By acquiring banks of this size, and their leading positions in local markets, rather than by entering *de novo* or through smaller mergers, the largest banks in the State continue to extend their dominance.

* * *

THE FIRST NATIONAL BANK OF NEWARK, NEWARK, OHIO, AND THE JOHNSTOWN BANK, JOHNSTOWN, OHIO

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Johnstown Bank, Johnstown, Ohio, with	$6, 560, 340	1	
and The First National Bank of Newark, Newark, Ohio (858), which had	54, 690, 902	6	
merged Aug. 15, 1972, under charter and title of the latter bank (858). The merged bank at date of merger had	61, 251, 243		7

COMPTROLLER'S DECISION

On April 7, 1972, The First National Bank of Newark, Newark, Ohio, and The Johnstown Bank, Johnstown, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The First National Bank of Newark, the charter bank, was organized in 1865, and is situated in the county seat of Licking County. The charter bank has assets of $55.8 million and IPC deposits of $41.4 million. The bank currently operates five branch offices all of which are located in well-populated communities within Licking County. In addition, the charter bank is a member of Ohio's largest multi-bank holding company, BancOhio Corporation, which operates subsidiaries in Franklin, Delaware, and Pickaway counties.

The charter bank is currently the third largest of eight banks in Licking County, all of which operate an aggregate of 24 banking offices. The primary competitors for the bank include the Park National Bank, Newark, with total deposits of $89 million, and The Newark Trust Company, Newark, with deposits of $46.8 million. The charter bank also faces limited competition from large banks in Columbus which compete actively in the large loan market.

The Johnstown Bank, the merging bank, was organized in 1883, and has operated to the present time as a unit institution. The merging bank has assets of $5.9 million and IPC deposits of $4.7 million. In the near future the bank will face a crisis in the continuity of its management unless action is taken to insure more depth of personnel.

At the present time there are no other banking institutions located in Johnstown, however, The Newark Trust Company, one of the charter bank's primary competitors, has an application pending for permission to establish a branch in Johnstown within one block of the merging bank's sole office.

The economic characteristics of Newark and Johnstown, both of which are located in Licking County, are essentially the same, although Newark, with a population of 42,000 people, is larger and has a stronger economic foundation. The economic base of the county is predicated upon a mixture of agricultural pursuits and small- to medium-sized industrial concerns. Both Newark and Johnstown have a combination of those two types of activities.

There is no competition between the charter and merging bank, due to the relatively large distances which separate the two banks as well as the close proximity of Johnstown to Columbus, the trade center for central Ohio.

Consummation of the proposed merger will result in no adverse competitive effects in Licking County. Although one independent bank will be eliminated, there will remain an abundance of alternatives available to the banking public in the service area. Furthermore, the resulting bank will not be in a position to dominate the banking community in the area nor will the merger eliminate any competition. Should The Newark Trust Company's application to establish a branch in Johnstown be approved, the resulting bank will be able to provide more active competition to the new branch. In addition, the consummation of this transaction will resolve the management succession problem at the merging bank. The Johnstown banking public will benefit from the merger by virtue of a substantially increased lending limit and the introduction of a number of new, improved, and more efficient services that are not now available nor are within the merging bank's capacity to provide in the near future.

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

JULY 10, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of Newark Bank and Johnstown Bank are 17 miles apart. The office of Newark Bank closest to Johnstown is in Granville, about 10 miles from Johnstown. One other banking office intervenes between these two offices. The application indicates that both banks derive relatively little business from the areas served by the other. Newark Bank's Johnstown area deposits, however, are equivalent to about 6 percent of Johnstown Bank's deposits derived from that area (Johnstown Bank is the only commercial bank operating in Johnstown). Assuming that the other Newark banks derive comparable amounts of business from Johnstown, it appears that Newark and Johnstown can be considered to be in the same banking market.

Eight commercial banks operate in Licking County. (Ohio law limits branching to the headquarters county). Three of the eight are headquartered in Newark and control most of the county deposits, 91.0 percent. Newark Bank is third largest in the county, controlling 23.5 percent of county deposits, slightly behind the second largest bank, which controls 23.9 percent. Johnstown Bank is fourth largest, but controls only 2.5 percent of county deposits. Thus, the merger would increase Newark Bank's share to 26.0 percent, second largest in the county, and it would increase the share held by the three largest banks to 93.5 percent. This increase in concentration may be somewhat overstated, in view of the distance between the offices of the two banks, as well as the competitive influence which may exist in the Johnstown area from nearby banking offices in Delaware and Franklin counties.

Nevertheless, we conclude that the proposed merger would unduly increase concentration in the already highly concentrated Licking County banking market, and would thus have an adverse effect on competition.

* * *

THE MONMOUTH COUNTY NATIONAL BANK, RED BANK, RED BANK, N.J., AND THE FIRST NATIONAL BANK OF HIGHTSTOWN, HIGHTSTOWN, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Hightstown, Hightstown, N.J. (1737), with	$31, 105, 142	2	
and The Monmouth County National Bank, Red Bank, Red Bank, N.J. (2257), which had	271, 134, 779	16	
merged Aug. 18, 1972, under charter of the latter bank (2257) and title "Colonial First National Bank." The merged bank at date of merger had	302, 176, 433		18

COMPTROLLER'S DECISION

On May 8, 1972, The First National Bank of Hightstown, Hightstown, N.J., and The Monmouth County National Bank, Red Bank, Red Bank, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "Colonial First National Bank".

The Monmouth County National Bank, Red Bank, Red Bank, N.J., the charter bank, was organized in 1875 and is currently the fifth largest commercial bank in the Second Banking District of New Jersey. The bank, with assets of $256 million and IPC deposits of $208 million, is headquartered in Red Bank, and operates 16 offices throughout Monmouth County. It has approval for three additional offices. Monmouth County, the service area of the charter bank, is a rapidly growing residential, recreational, agricultural, and industrial area.

The Monmouth County National Bank is competing for certain services with the large Newark, N.J., banks and the multi-billion dollar banks of New York City, in addition to competing with banks located in Monmouth County. Competition from Monmouth County-based banks includes Central Jersey Bank and Trust Company, Freehold, with deposits of $301 million; First Mechants National Bank, Neptune Township, with deposits of $174 million; Peoples National Bank of Monmouth County, Hazlet, with total deposits of $38 million, which is a member of United Jersey Banks, a multi-bank holding company with total deposits of $1.1 billion; and First National State Bank of Spring Lake, Spring Lake, with deposits of $26 million, which is a member of First National State Bancorporation, a multi-bank holding company with total deposits of $1.2 billion. Other keen competition in Monmouth County is provided by offices of New Jersey National Bank, Trenton, with total deposits of $579 million.

The First National Bank of Hightstown, the merging bank, was organized in 1870. The merging bank operates one office in Hightstown and one office in East Windsor Township where it also has an approval for an additional office. The bank's service area is in Mercer County which is a residential, industrial, and agricultural area experiencing rapid growth. The First National Bank of Hightstown has assets of $30 million and IPC deposits of $24.8 million.

The merging bank ranked 38th in size of deposits among the 62 commercial banks in the Second Banking District. It ranked eighth in size of aggregate deposits held by the 10 banks headquartered in Mercer County. Competition from Mercer County-based banks includes New Jersey National Bank, Trenton, with deposits of $579 million; Princeton Bank and Trust Company, Princeton, with total deposits of $89 million, which is a member of Princeton American Bancorporation, a multi-bank holding company with total deposits of $447 million; The First National Bank of Princeton, Princeton, with total deposits of $85 million, which is a member of United Jersey Banks, a multi-bank holding company with total deposits of $1.1 billion; The Broad Street National Bank of Trenton, Trenton, with total deposits of $84 million; and The First National Bank of Hamilton Square, Hamilton Square, with deposits of $39 million.

Consummation of the proposed merger will not produce any adverse competitive effects as competition between the charter and merging banks appears insignificant. The nearest offices of the two banks are approximately 13.6 miles apart. The large number of competitors in the Mercer County area precludes any decrease in over-all banking competition because of the merger.

The resulting bank will continue to rank fifth in size of deposits held by the 61 commercial banks in the Second Banking District. It will also provide Hightstown with improved and expanded banking services.

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

JULY 19, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the applicant banks are 28.1 miles apart; the closest offices are 9.9 miles distant. Two offices of competing banks lie between these closest offices. (Upon completion of the FNBH branch in Twin Rivers, it will be 9 miles distant from MCNB's branch in Englishtown, with no banks in the intervening territory.) MCNB derives seven deposit accounts from Mercer County; FNBH has no accounts in Monmouth. Thus, the merger would not appear to eliminate any significant amount of existing competition between the two banks.

Under New Jersey banking law, commercial banks may establish branches anywhere throughout the banking districts in which they are located. *De novo* branching is limited, however, by complete home office protection and branch office protection in communities of less than 7,500 population. The Monmouth County National Bank and First National Bank of Hightstown are both located in the Second Banking District, comprised of six counties in the middle of the State.

Monmouth County National Bank is the second largest bank in Monmouth County and the fourth largest in the Second Banking District. Monmouth County National Bank has demonstrated the capability and incentive to expand its service area. Although several communities in Mercer County are closed to *de novo* branching, there are open sites, notably in the townships of West Windsor and Washington, directly west of Hightstown, into which Monmouth County National Bank logically could expand.

First National Bank of Hightstown, however, is among the smaller banks in its service area, and in Mercer County as a whole. Thus, while Monmouth County National Bank is one of the largest potential entrants into Mercer County, we conclude that its merger with First National Bank of Hightstown would be unlikely to have a significantly adverse effect on potential competition.

* * *

Colonial National Bank, Haddonfield, N.J., and Elmer Bank & Trust Company, Elmer, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Elmer Bank & Trust Company, Elmer, N.J., with	$17,249,371	2	
and Colonial National Bank, Haddonfield, N.J. (14457), which had	194,554,578	11	
consolidated Aug. 31, 1972, under charter and title of the latter bank (14457). The consolidated bank at date of consolidation had	211,803,949		13

COMPTROLLER'S DECISION

On April 4, 1972, the Colonial National Bank, Haddonfield, N.J., and the Elmer Bank & Trust Company, Elmer, N.J., applied to the Comptroller of the Currency for permission to consolidate under the charter and with the title of the former.

The Colonial National Bank, the charter bank, was organized in 1889, and is the sixth largest of the 59 commercial banks in the Third Banking District of New Jersey. The bank, with assets of $195 million and IPC deposits of $149.6 million, operates 11 offices in Camden and Gloucester counties and serves a population of approximately 630,000 persons. The area served by the Colonial National Bank is a residential, commercial, and industrial section of the State which has experienced rapid growth and development in recent years. Prospects for continued growth in this area appear favorable. Furthermore, due to its location, many of the residents in this service area commute to nearby Philadelphia for employment.

The Colonial National Bank is the fourth largest of the nine banks headquartered in Camden County. Primary competitors for the charter bank include the Bank of New Jersey, Camden, with deposits of $348 million; the South Jersey National Bank, Camden, which has deposits of $337 million and is a member of Heritage Bancorporation, a multi-bank holding company; and the Peoples National Bank of New Jersey, Westmont, with deposits of $192 million. Keen competition is also offered by the billion-dollar banks headquartered in Philadelphia.

The Elmer Bank & Trust Company, the consolidating bank, was organized in 1923, and is the 49th largest of the commercial banks in the Third Banking District. The consolidating bank, with assets of $14 million and IPC deposits of $10.7 million, operates two offices in Elmer. The service area of this bank is limited to Elmer and its immediate environs which includes a population of approximately 1,600 persons. In June 1970, the Elmer Bank & Trust Company became a subsidiary of Midlantic Banks, Inc., a Newark-based multi-bank holding company that is the third largest bank group in New Jersey. As a result of this transaction, the Colonial National Bank will become a subsidiary of Midlantic Banks, Inc.

The consolidating bank is the third largest of the seven commercial banks headquartered in Salem County. Competition is provided by The City National Bank and Trust Company of Salem, with deposits of $22 million; Penn's Grove National Bank and Trust Company, with deposits of $20 million; and The First National Bank of Elmer, with deposits of $9 million. Additional competition is furnished by branches of the large district-wide branching systems headquartered in the Third Banking District.

Competition between the charter and consolidating banks is negligible and there is no overlapping of the service areas of the two banks. The nearest office of the Colonial National Bank to a branch of the consolidating bank is approximately 20 miles. Furthermore, no subsidiary of the Midlantic Banks, Inc., competes with the Colonial National Bank since its nearest banking subsidiary, excluding the Elmer Bank & Trust Company, is over 60 miles north of the charter bank.

Consummation of the proposed consolidation will cause no adverse competitive effects in either the Third Banking District or in New Jersey as a whole. No competition will be eliminated as a result of this transaction and an adequate number of alternative banking facilities will remain to serve the banking public. The resulting bank will have assets of $209 million and will become the fifth largest bank in the Third Banking District; it will remain the fourth largest in size of the nine commercial banks based in Camden County. In addition, the proposed consolidation will not significantly affect the size of Midlantic Banks in relation to the other New Jersey holding companies. Through its affiliation with this holding company, the resulting bank will be able to provide expanded and improved services to residents of its trade area, including international banking, an expanded trust department, computer services, and municipal financing. As a result, the bank will stimulate competition within its service area and will become a more effective competitor for the large banks in Camden and Philadelphia.

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

JULY 25, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

According to the application, the nearest offices of the consolidating banks are 15 miles apart; Elmer Bank's two offices are within approximately 17 miles of two other Colonial branches. Although the application states that the banks do not compete directly, it is likely that some limited existing competition between the banks will be eliminated if the proposed consolidation is approved.

Although New Jersey law permits intra-district *de novo* branching, *de novo* branches for communities of 7,500 or less are permitted only when no office of another bank is already located therein; and, for communities of more than 7,500, *de novo* branches are permitted only when there is no main office of another bank therein. Hence, neither bank is a potential *de novo* entrant via branching into the home office of each other.

However, despite the difficulties presented by home and branch office protection, Midlantic is clearly identifiable as a significant potential entrant into those areas in the Camden vicinity served by Colonial. Alternative means of entry for Midlantic would include the chartering of *de novo* holding company banking subsidiaries, or acquisition (direct or indirect) of a smaller bank. Because of its size, resources, long standing position as one of the largest banking organizations in the State, and apparent incentive to become a statewide banking organization, Midlantic stands as one of the most significant potential entrants into the important and growing Camden area served by Colonial.

Colonial is the sixth largest commercial bank located in the entire Third Banking District, with about 5.4 percent of total commercial bank deposits therein. It is even more of a significant competitive factor in that part of the Camden area which comprises its apparent service area, since two of the larger banks in the district, the First National Bank of South Jersey and the First National Bank of Toms River, derive substantially the larger part of their business from areas in the eastern part of the district, outside of the vicinity of Camden.

As of June 30, 1970, Colonial held the third largest share of Camden County commercial bank deposits, about 15 percent. Commercial banking in the county is highly concentrated, the three leading banks holding about 79 percent of such deposits. On the same date, Colonial held about 7 percent of Gloucester County deposits. It is apparent that Midlantic's entry into the Camden area through acquisition of Colonial involves the absorption of one of the few banks of substantial size in the Camden area and the entire third district as well.

Viewed in this light, the proposed consolidation represents a clear step toward the evolution of commercial banking in New Jersey toward a statewide structure that would be characterized by dominance in all major markets by a few giant banking institutions. Since the relaxation of New Jersey's banking and bank holding company restrictions in 1968, a large number of mergers and holding company affiliations have taken place. All four of the State's largest banking institutions, headquartered in northern New Jersey, have begun to expand. Should these institutions, and others somewhat smaller, continue to expand through acquisition of leading local banks, concentration throughout the State and in its local markets would be unjustifiably increased. On the other hand, if the State's largest institutions are prevented from acquiring intermediate-sized banks, such as Colonial (and Midlantic's most recent acquisition, Citizens National Bank of Englewood) the opportunity for development of additional statewide competitors will be preserved, since banks of this size are clearly important elements of new organizations.

Therefore, while several other smaller potential entrants into the Camden area would remain if the proposed consolidation is approved, we conclude that Midlantic's acquisition of Colonial would have a significantly adverse effect on potential competition in the areas served by Colonial and would be a dangerous precedent for anticompetitive expansion in the State as a whole.

* * *

FIRST MISSISSIPPI NATIONAL BANK, HATTIESBURG, MISS., AND LUMBERTON STATE BANK, LUMBERTON, MISS.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Lumberton State Bank, Lumberton, Miss., with	$8, 723, 642	2	....
and First Mississippi National Bank, Hattiesburg, Miss. (5176), which had	119, 164, 988	13	....
merged Aug. 31, 1972, under charter and title of the latter bank (5176). The merged bank at date of merger had	128, 087, 692	....	15

COMPTROLLER'S DECISION

In April 1972, the Lumberton State Bank, Lumberton, Miss., and the First Mississippi National Bank, Hattiesburg, Miss., applied to the Comptroller of the Currency for permission to merge under the charter and title of the latter.

The First Mississippi National Bank, the charter bank, was organized in 1895. With assets of $107.9 million and IPC deposits of $73.2 million, the bank ranks fifth among the 176 banks in the State and is headquartered in Hattiesburg, Forrest County. It presently operates three local and eight outside branch offices, and has three other approved, but unopened, branches within 100 miles of the main office.

Hattiesburg has a population of about 38,000 and is the general trade center for Forrest County. Though the city is industrialized to a large extent, the surrounding area remains dependent upon agriculture. Cattle and poultry farming and processing are the chief industries. The Gulf Coast, where the charter bank presently operates six offices, is characterized by substantial heavy industry. The economic outlook of the charter bank's service area appears generally favorable.

The city of Hattiesburg is also served by the Citizens Bank, Hattiesburg, Miss., with deposits of $25.4 million, and the Southern National Bank, Hattiesburg, Miss., with deposits of $19.5 million. The merger will have no noticeable effect, economically or otherwise, on any community now being served by the charter bank.

Lumberton State Bank, the merging bank, was organized in 1947. Headquartered in Lumberton, Lamar County, and operating a single branch in Bassfield, Jefferson Davis County, the bank has $8.2 million in assets and $7 million in IPC deposits. Both Lumberton, with a population of 2,100, and Bassfield with a population of 310, are agricultural communities with downtrends in population in the last few years. Besides lumbering, which is the chief industry, and three manufacturers in Lumberton who employ some 500 workers, the area is chiefly characterized by small, tired farms. Prospects for significant economic growth within the reasonably foreseeable future are bleak.

The merging bank's principal competitor is the Lamar County Bank, Purvis, Miss., with $7.7 million in deposits and offices situated in the intervening areas between each of the merging bank's offices and the charter bank's offices in Hattiesburg. The two banks are not strong competitors. The Lamar County Bank, which is also locally-oriented, will not be adversely affected by consummation of this merger.

At present, there is virtually no competition between the charter bank and the merging bank. Both Lumberton Bank's main office and its Bassfield branch serve primarily the areas of their immediate locations. Neither of the merger proponents derives any significant portion of its business from the service area of the other.

This merger will have no effect on First Mississippi National Bank's rank by size in the State. It will remain the fifth largest bank, with total deposits of $99.5 million, ranking after Deposit Guaranty N. B., Jackson, with $499 million total deposits; First National Bank, Jackson, with $406 million deposits; Hancock Bank, Gulfport, with $108.8 million deposits; and Grenada Bank, Grenada, with $102.5 million deposits. The resulting bank will have only a minimally increased share of the State's banking market.

This merger will make available to Lumberton and Bassfield area residents increased and more efficient banking services. Management of the charter bank is aggressive and capable of solving the myriad problems now besetting the merging bank: a serious management succession problem; and inadequate lending and collection policies, internal controls, and audit procedures. Further, funds which presently lie dormant in the merging bank will be put to productive use by the resulting bank, generating better earnings and greater dividend return to shareholders. The extension of better services is expected to stimulate competition with banks in the surrounding communities to improve their own services to the public's benefit. Such services and banking policies will be increasingly in demand if this area is to attract business and grow at a rate comparable to the State in general.

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

JULY 26, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The distance separating the closest offices of First Mississippi and Lumberton State is about 25 miles—between their offices in Hattiesburg and Lumberton. Banking offices of Lamar County Bank intervene directly between both of Lumberton State's offices and any office of First Mississippi. The application states that neither bank draws a substantial share of its deposits from the service areas of the other. The application provides no data with respect to loans drawn by either bank from the service areas of the other. On the basis of information provided, however, the existing competition between the banks which would be eliminated by the proposed merger does not appear to be substantial.

Under Mississippi law, First Mississippi would not be permitted to establish a branch office or bank in Lumberton. It could, however, establish a branch office or bank in any other Lamar County community not already served by a bank operating there. It could also establish a branch bank in Bassfield, or in any other Jefferson Davis County community not already served by a bank operating there. Such branching could put First Mississippi into more direct competition with Lumberton State. However, considering the size of Bassfield and the other communities available for such *de novo* expansion, and the other relevant conditions and considerations prevailing, such *de novo* expansion would not appear to be attractive. Furthermore, though First Mississippi is the closest major bank capable of expanding into either county, almost all of the two-county area is located within 100 miles of the State's first, second, third, and eighth largest banks. Each of those banks, therefore, could (within the 100-mile limit and subject only to the same restrictions applicable to First Mississippi) also establish a branch bank in either or both counties.

Lumberton State holds approximately 29 percent of the deposits held by the three banks operating in Lamar and Jefferson Davis counties. In each of these two counties where it maintains an office, only one other bank operates. Lumberton State is the smaller of the banks in each case, and is the smallest bank in the vicinity surrounding each of its offices which might reasonably be defined as its service area. The substitution of First Mississippi for Lumberton State would not appear to materially affect the level of concentration existing in the two-county area.

* * *

First Security Bank of Utah, National Association, Ogden, Utah, and North Davis Bank, Layton, Utah

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
North Davis Bank, Layton, Utah, with	$5, 858, 331	1	
and First Security Bank of Utah, National Association, Ogden, Utah (2597), which had	725, 887, 290	49	
merged Sept. 5, 1972, under charter and title of the latter bank (2597). The merged bank at ate of merger had	731, 770, 109		50

COMPTROLLER'S DECISION

On April 17, 1972, the North Davis Bank, Layton, Utah, and the First Security Bank of Utah, National Association, Ogden, Utah, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The First Security Bank of Utah, National Association, the charter bank, was organized in 1871, and is currently the largest commercial bank in Utah. The bank is a member of a registered bank holding company, First Security Corporation. First Security Corporation, also operates in Idaho and in Wyoming. The bank has assets of $697 million and IPC deposits of $470 million. The First Security Bank of Utah operates 48 offices throughout the State. Its major offices are in Salt Lake, Ogden, and Provo, and in other areas along the so-called "Wasatch Front". The charter bank has no branches in Layton, Utah, or in that general area of Davis County, despite the fact that Davis County is the fourth largest county in the State in population, following the three other Wasatch Front counties of Salt Lake, Weber, and Utah.

The First Security Bank of Utah is in competition for certain services with every major bank in Utah. The primary competitors in Utah include the Zions First National Bank, the second largest bank in the State, with deposits of $339 million, and the Walker Bank and Trust Company, with deposits of $319 million, which ranks as the third largest bank in Utah. Other principal competitors for the charter bank are the Commercial Security Bank, with deposits of $136 million, and The Continental Bank and Trust Company, with deposits of $128 million.

The North Davis Bank, the merging bank, was organized in 1964 in Layton, Utah, and operates only one office. This bank has assets of $6.1 million and IPC deposits of $4.2 million. The economy of the area is primarily that of a major center of retail trade. The area is largely residential but is adjacent to some major industrial areas. Layton is one of the fastest growing communities in Utah. It is the second largest city in Davis County and the 10th largest city in Utah.

The trade area of the merging bank is served only by small banks. There are five banks located in the north half of Davis County within a 5-mile radius of the merging bank. All five of those banks are small, with loan limits ranging from $45,000 to $151,000. Both of the Layton banks have lending limits just above $50,000, and customers with large credit demands must go to Salt Lake City or Ogden banks to obtain their loans.

There is little competition between the charter and merging banks because of the distance that separates the main branches of the charter bank and the merging bank and because of the adequate number of competitors in the Layton area. Although the charter bank operates two bank facilities located on Hill Air Force Base, within 5 miles of the merging bank, the presence of four other banks in the area, after the merger, would ensure adequate competition.

Consummation of the proposed merger will not result in any adverse competitive effects. The merger will not eliminate any competition and the same number of banking alternatives will remain in North Davis County, the service area of the merging bank. The resulting bank will offer broader banking services and increased loan capacities to the area. The banking competition could be enhanced and the customers benefited by the ability of First Security in Layton to provide a larger loan accessibility on a local basis. With the entry of First Security into Layton, the other banks could become more aggressive in the mortgage loan market, with First Security actually serving to inject a competitive spirit and filling many needs not presently satisfied. The new branch in Layton will provide the resources necessary to aid in the development of Davis County. That will directly benefit the banking public within the service area of the merging bank. The merger will not significantly increase the statewide deposit structure of First Security.

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

August 4, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

First Security operates two banking facilities at Hill Air Force Base which accept deposits and transfer funds from customers on the base. In addition, First Security Corporation caused a new banking subsidiary to be chartered in the southern Davis County community of Bountiful late in 1971. North Davis and this new bank are about 15 road miles apart with banking alternatives in the intervening area. Furthermore, as of mid-1970, First Security Corporation subsidiaries held the largest share of commercial bank deposits in Weber County to the north (where Ogden is located) and Salt Lake County to the south. The application states that First Security extends a "considerable amount" of credit to the firms located in Freeport Center and "small amounts" of individual credit to residents of north Davis County. It also states that First Security has provided more mortgage credit in the county than any other bank, a statement which may even understate First Security Corporation's mortgage financing in Davis County since it omits the (relatively modest) credit made available by Security State and the considerable funds supplied by Utah Mortgage Loan Corporation, another subsidiary. Counting all of its subsidaries, First Security Corporation is Davis County's leading source of mortgage financing or close to it. North Davis' mortgage activities are limited to some extent by its small size.

In sum, there is competition for deposits between North Davis and First Security's Hill Air Force Base facilities as well as its offices in Ogden, Salt Lake City, and Bountiful. Although North Davis has not been as active in mortgage financing as the other banks headquartered in the northern half of Davis County, it would appear that the proposed merger would eliminate existing competition in this area. In addition, North Davis is a competitor with First Security for other types of personal and commercial lending in this area.

In the light of the existing competition between First Security and North Davis, it is not surprising that the application fails to provide any information on the amount of deposits First Security and its subsidiary banks draw from the northern half of Davis County. It is known that only six banks, including North Davis and First Security, operate offices in the area. Moreover, First Security Corporation is the leading banking organization in Salt Lake County and enjoys a dominant position in Weber County. There are very few other major banking organizations in the State.

Given these structural factors, we believe that the share of deposits of residents of north Davis County held by First Security and First Security Corporation are not insubstantial and that the acquisition of North Davis by First Security will result in a significant increase in concentration in northern Davis County.

Given the size of the acquired bank, we conclude that the effect of this merger on competition will be adverse.

* * *

Bank of North Carolina, National Association, Jacksonville, N.C., and Bank of Hobbsville, Hobbsville, N.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bank of Hobbsville, Hobbsville, N.C., with	$5,151,850	1	
and Bank of North Carolina, National Association, Jacksonville, N.C. (14676), which had	315,919,750	53	
merged Sept. 8, 1972, under charter and title of the latter bank (14676). The merged bank at date of merger had	321,071,599		54

COMPTROLLER'S DECISION

On May 8, 1972, the Bank of Hobbsville, Hobbsville, N.C., and the Bank of North Carolina, National Association, 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 Bank of North Carolina, National Association, the charter bank, was organized in 1952, and is currently the seventh largest commercial bank in North Carolina. Although the bank operates 51 offices located throughout the State, the majority of its business is generated in the eastern part of North Carolina. The charter bank is a principal component of Bankshares of North Carolina Inc., a bank holding company, which also operates several small insurance companies and has received approval to acquire a finance company. The Bank of North Carolina, N.A., has assets of $255.3 million and IPC deposits of $154.3 million.

The Bank of North Carolina, N.A., is in competition for certain services with every major bank in North Carolina. Principal competitors are Wachovia Bank and Trust Company, N.A., the largest bank in the State, with deposits of $1.6 billion; North Carolina National Bank, with $1.5 billion in deposits; First Union Bank of North Carolina, with deposits of $1.1 billion; First Citizens Bank and Trust Company, with deposits of $715 million; The Northwestern Bank, with deposits of $631 million; and, Branch Banking and Trust Company, with deposits of $263 million.

The Bank of Hobbsville, Hobbsville, N.C., the merging bank, was organized in 1911 and operates only one office but has approval to establish a branch at Hertford, approximately 18 miles south of Hobbsville. The merging bank has assets of $5 million and IPC deposits of $4.1 million. The economy of the area in which Hobbsville and Hertford are located is primarily agricultural and has been relatively static in economic growth in the past. The only area served by the merging bank that has prospects of economic growth is the Hertford area, where an industrial park and expanded retail facilities have been built.

Banking competition in the area served by the Bank of Hobbsville is furnished by the Farmers Bank of Sunbury, located 8 miles north of Hobbsville, which has deposits of $7.8 million; and the Tarheel Bank and Trust Company at Gatesville, located approximately 12 miles northwest of Hobbsville, which has deposits of $10.3 million. The merging bank also competes with the Peoples Bank and Trust Company of Rocky Mount in the vicinity of Hertford. The Peoples Bank and Trust Company of Rocky Mount has deposits of $117 million.

The nearest office of the charter bank is located at Edenton, approximately 25 miles south of Hobbsville. Edenton is also 14 miles southwest of Hertford, where the merging bank has approval to establish an office. There is little if any present competition between the charter and merging banks because of the distance that separates their branches, and because of the adequate number of competitors in the Hobbsville and Hertford areas. Therefore, the proposed merger will have no adverse effect on competition between the charter bank and merging bank.

Consummation of the proposed merger will not result in any adverse competitive effect. The merger will not eliminate any competition and there will remain the same number of banking alternatives available to the customers of the service area of the merging bank. The resulting bank would offer broader banking and increased loan capacities to the area. The addition of the merging bank's $4.1 million in deposits will not materially affect the charter bank's totals nor its position in the statewide market. The proposed merger will replace a relatively ineffective competitor with one of greater size, more aggressiveness, a greater lending capacity, and a greater variety of services. The resulting bank would bring the resources necessary to act in the development of the merging bank's service area and thereby benefit the banking public.

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

AUGUST 3, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The Bank of North Carolina office closest to an office of Bank is located in Edenton in adjacent Chowan County, about 22 miles south of Hobbsville. While there is one other bank operating in Edenton, no other banking offices intervene directly between Hobbsville and Edenton. The application does not supply any figures; however, on the basis of information provided, it would not appear that either bank draws a significant share of its deposit, demand, or loan accounts from the service area of the other.

Bank of Hobbsville is the smallest of the three banks operating (and headquartered) in Gates County and accounts for about 18.3 percent of total deposits. The application also states that Bank of Hobbsville draws approximately 25 percent of its total deposits from the Hertford area (where it has approval to open a branch) which is currently served by an office of

Peoples Bank and Trust of Rocky Mount—the only banking office in Perquimans County.

Under North Carolina law, Bank of North Carolina could establish a *de novo* branch in either Hobbsville or Hertford. However, considering the size of Hobbsville and the fact that the area as a whole has been one of below average growth, the prospect of such *de novo* entry in the near term is diminished. Additionally, there are six other banks larger than Bank of North Carolina already operating branches in northeastern North Carolina which may also be considered prospective potential entrants.

* * *

National Bank of the Commonwealth, Indiana, Pa., and Farmers & Merchants Bank of Cherry Tree, Cherry Tree, Pa.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Farmers & Merchants Bank of Cherry Tree, Cherry Tree, Pa., with	$5, 241, 190	1	
was purchased Sept. 11, 1972, by National Bank of the Commonwealth, Indiana, Pa., (14098), which had	85, 796, 772	10	
After the purchase was effected, the receiving bank had	91, 037, 962		11

COMPTROLLER'S DECISION

On June 5, 1972, the National Bank of the Commonwealth, Indiana, Pa., applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the Farmers & Merchants Bank of Cherry Tree, Cherry Tree, Pa.

The purchasing bank, National Bank of the Commonwealth, was organized in 1934. This bank ranks second in size of the nine commercial banks operating in Indiana County and 13th among the 63 banks in the six-county permissible expansion area. The purchasing bank has total assets of $74 million and IPC deposits of $65.9 million. It operates six offices in Indiana County, two in Cambria County, and one each in Jefferson and Vandergrift counties.

The major competitors of the National Bank of the Commonwealth in Indiana County include the Savings and Trust Company of Indiana, with deposits of $59 million; the Farmers Bank and Trust Company, with deposits of $27.9 million; and the Homer City State Bank, with deposits of $19.7 million. In addition, the four branch offices of the National Bank of the Commonwealth located outside Indiana County also compete vigorously with a large number of banks and bank branches.

The Farmers & Merchants Bank of Cherry Tree, the selling bank, was organized in 1923, and has remained a unit bank from the time of its organization. The selling bank has total assets of $5 million and IPC deposits of $3.8 million. This bank ranks as the 55th in deposits of the 63 banks in the six-county area.

The major competitors of the selling bank include a branch of the United States National Bank of Johnstown, at Carrolltown, with deposits of $154.3 million; a branch of Johnstown Bank and Trust, at Elmora, with deposits of $59.6 million; a branch of the First National Bank of Ebensbury, at Barnesboro, with deposits of $46.2 million; and the First National Bank of Spangler, Spangler, with deposits of $3 million.

The service area of the Farmers & Merchants Bank of Cherry Tree consists of the town of Cherry Tree, which is located 21 miles northeast of Indiana near the extreme eastern boundary of Indiana County. Cherry Tree has a population of 485. Workers in the area are employed mainly in mining or by railroads operating in the area. In contrast with the small service area of the selling bank, the service area of the purchasing bank consists of Cambria County, Indiana County, and the southern portions of Armstrong and Jefferson counties. The city of Indiana, where the headquarters of the purchasing bank is located, is, with its population of 16,100, the largest community in the county.

At present, there is no significant competition between the purchasing and selling banks. The National Bank of the Commonwealth's nearest office to the Farmers & Merchants Bank of Cherry Tree is approximately 17 road miles southeast of Cherry Tree. There are five banking offices of four banks competing in the area between the nearest offices of the applicants. The adequate number of competitors, the relatively sparse population, and the intervening distance indicate a lack of competition between the purchasing and selling banks. In addition, the conservative management of the Farmers & Merchants Bank of Cherry Tree has restricted the service area of that bank to its own community.

Consummation of the proposed purchase will produce no adverse competitive effects in Indiana County. Competition will be substantially increased because the proposed branch in Cherry Tree will be able to offer full-service banking which is now offered by the selling bank's competition. The selling bank has not, and cannot expect, within the foreseeable future, to offer many of the new services being demanded by the banking public.

Accordingly, it is the view of this Office that the proposed transaction is in the public interest. The application is, therefore, approved.

AUGUST 9, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Farmers & Merchants Bank of Cherry Tree's office in Cherry Tree is about 20 miles northeast of Indiana, with one bank in the intervening area, but only about 12 miles northwest of Commonwealth's branch office in Patton, which was recently opened through acquisition of the First National Bank at Patton. Although there are relatively few banks in this sparsely populated region, the application indicates that the parties to the proposed transaction draw only limited banking business from each other's service area. Thus, the proposed transaction would eliminate only a limited amount of existing competition.

Under Pennsylvania law, either bank could be permitted to open *de novo* branches in areas served by the other. While Farmers & Merchants of Cherry Tree's modest size precludes its consideration as a likely *de novo* entrant into areas served by Commonwealth, the latter has recently demonstrated its apparent capability and incentive to expand in this manner. Cherry Tree itself is a small community, in which opportunities for *de novo* branching appear limited, but in view of its established foothold in northern Cambria County at Patton, Commonwealth may have some incentive to open an additional office in the Spangler-Barnesboro area, particularly to compete more directly with its major rivals in Indiana and Cambria counties, United States National Bank of Johnstown, Johnstown Bank and Trust, and First National Bank of Ebensburg. In recent years, expansion by these four leading area banks has included a number of mergers with small banks in Indiana and Cambria counties, indicating a change in the pattern of competition toward a more regionally-oriented structure. Accordingly, the proposed transaction may eliminate some potential competition.

* * *

NATIONAL BANK OF COMMERCE IN SUPERIOR, SUPERIOR, WIS., AND POPLAR STATE BANK, POPLAR, WIS.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Poplar State Bank, Poplar, Wis., with	$4, 635, 393	2	
was purchased Sept. 20, 1972, by National Bank of Commerce in Superior, Superior, Wis. (14109), which had	29, 952, 602	1	
After the purchase was effected, the receiving bank had	34, 587, 995		3

COMPTROLLER'S DECISION

On April 6, 1972, National Bank of Commerce in Superior, Superior, Wis., applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of Poplar State Bank, Poplar, Wis.

The National Bank of Commerce in Superior, the purchasing bank, with IPC deposits of $24.8 million, was organized in 1934, and is a unit bank. The bank is adequately capitalized and soundly managed.

Superior, with a population of 32,237, is a part of the larger Duluth (Minn.)-Superior market, which has a combined population of approximately 150,000. That area, to a great extent, is economically dependent upon the shipping industry, both rail and boat, because of its strategic location at the head of the Great Lakes-St. Lawrence Seaway system. The two cities are on opposite sides of the port facilities, but are conveniently connected by several bridges and many residents reside in one city and work in the other.

Although the purchasing bank is the largest of the five banks headquartered in Superior, when the larger combined Duluth-Superior market is considered, it is a much smaller and less effective competitor. That combined market is dominated by two large Duluth banks, the Northern City National Bank and First American National Bank, both of which are subsidiaries of large Minneapolis-based bank holding companies, and which together hold over 60 percent of the $376.6 million in commercial bank deposits generated by the Duluth-Superior area.

The Poplar State Bank, the selling bank, with IPC deposits of $4.1 million, was established in 1919, and operates one branch at Solon Springs in addition to its head office. The bank is unable to meet the financial needs of its area because of both its small size and its extremely conservative policies.

Poplar, with a population of 455, and Solon Springs, with a population of 598, are small rural communities, respectively located 18 miles east and 32 miles southeast of Superior. Those communities provide modest retail shopping facilities and the only banking services in an area devoted to agriculture and logging.

Consummation of this transaction will benefit the service area of the selling bank by opening it up to branching by the buying bank and by substituting for the selling bank an office of an institution with realistic, aggressive, and progressive policies.

Competition should not be adversely affected. In the Poplar Springs market area, since the selling bank is the only operating bank there, consummation of the transaction should have no material effect. In the Duluth-Superior area, a slightly larger bank will result. In Superior, the purchasing bank's position as largest bank would not be materially enhanced.

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

AUGUST 9, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

State Bank's home office and its branch at Solon Springs are located 19 and 32 miles, respectively, southeast of Superior. However, there are no intervening banking alternatives, and there appears to be some small amount of direct competition between the two banks.

National Bank is the largest of six commercial banks operating in Douglas County, accounting for about 39.5 percent of the deposits held by Douglas County commercial banks. The three largest Douglas County banks hold 83 percent of such deposits. State Bank ranks fifth with about 6 percent of deposits in the market. The proposed acquisition will increase the level of concentration in this part of the Duluth-Superior SMSA.

The proposed acquisition will eliminate a small amount of existing competition and increase the level of concentration in Douglas County. For these reasons, we conclude that approval of this proposal would have some adverse effect on banking competition.

* * *

FIRST NATIONAL BANK OF CENTRAL JERSEY, SOMERVILLE, N.J., AND FIRST CLINTON NATIONAL BANK, CLINTON, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
First Clinton National Bank, Clinton, N.J. (1114), with	$33, 741, 235	4	
and First National Bank of Central Jersey, Somerville, N.J. (3866), which had	169, 038, 930	11	
consolidated Sept. 29, 1972, under charter and title of the latter bank (3866). The consolidated bank at date of consolidation had	202, 780, 165		15

COMPTROLLER'S DECISION

On April 5, 1972, the First National Bank of Central Jersey, Somerville, N.J., and the First Clinton National Bank, Clinton, N.J., applied to the Comptroller of the Currency for permission to consolidate under the charter and with the title of the former.

The charter bank, with total IPC deposits of $109 million, was organized in 1888, and presently operates nine banking offices in Somerset County and two banking offices in the town of Roselle, in adjacent Union County. The bank ranks second in size among the eight commercial banks headquartered in Somerset

County and 10th among the 65 commercial banks located in the Second Banking District which together have total aggregate deposits of $4.5 billion. The bank is faced with strong competition from local subsidiaries of statewide bank holding companies and from the large commercial banks and other financial institutions based in the cities of Newark, Elizabeth, and Trenton.

The area served by the charter bank includes all of Somerset County and several communities located in adjacent counties. It also includes a separate trade area surrounding the town of Roselle in Union County. The Somerset County area, with an estimated population of 434,000 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.

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 trade area served by the First Clinton National Bank, located in the north-central part of Hunterdon County, has a population of about 21,000, and includes Clinton Township, Lebanon Township, Franklin Township, and the extreme western portion of Readington Township. That area is located along the Route 22 and Interstate 78 corridor and is only 20 minutes away from the heart of the Easton-Allentown-Bethlehem area in Pennsylvania. With the completion of Interstates 78 and 287 to the east, the Clinton area will be within a one-hour traveling distance from the eastern port areas of New Jersey and New York City. Because of its convenient location, the area has a high potential for major commercial development. The Hunterdon County Planning Board has estimated that the communities along the I–78 corridor will grow at a faster pace than the rest of the county in general.

Hunterdon County, with an estimated population of 69,700, has been predominantly a rural area served by small business centers. The county has experienced rapid commercial and residential expansion in recent years and is expected to continue to enjoy excellent economic growth. The Hunterdon County Planning Board has estimated that, by 1985, the county's population will have increased to approximately 200,000, and that 39 percent of the county's land will have been developed, as compared to 22 percent in 1965, an increase of 77 percent.

The First Clinton National Bank, with total IPC deposits of $27 million, was organized in 1856, and presently operates four banking offices in Hunterdon County. The bank ranks third in size among the five commercial banks headquartered in the county which together have total aggregate deposits of $187 million. It ranks 40th among the 65 commercial banks located in the banking district, with about 0.7 percent of the total bank deposits in the district. In addition to the banks headquartered in the county, the bank is faced with competition from local branches of the large National State Bank of Elizabeth, with $588 million in deposits, and New Jersey National Bank of Trenton, with $518 million in deposits. Competition in Hunterdon County is also provided by several savings and loan associations, savings banks, home finance companies, small loan companies, and credit unions. The bank is presently faced with a serious management succession problem.

There is no significant competition presently existing between the participating banks. The charter bank has no offices in Hunterdon County and its closest office to the First Clinton National Bank is 10 miles distant. The elimination of whatever competition may now exist between those banks can readily be outweighed by the benefits to follow. The combination of the two banks will not have a significant effect on concentration of banking resources in the district. After consolidation, the resulting bank will rank ninth in size among the commercial banks located in the Second Banking District and will still be substantially smaller than some of the competing banks.

Besides solving the management problem at the First Clinton National Bank, consummation of the proposed consolidation will introduce into the area now served by each bank a more viable, competitive institution with greater resources and ability to provide a full line of banking services. The resulting bank with its greater resources will be in a better position to aid in the economic growth of the area of Hunterdon County by making available the needed capital funds.

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

June 16, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the consolidating banks are approximately 12 miles apart, with several banking offices in the intervening area. The application indicates that the merging banks draw insignificant deposit and loan business from each other's service area. It does not appear that the proposed consolidation will eliminate substantial existing competition.

Under New Jersey law, either of the consolidating banks may be permitted to establish *de novo* branches in the home county of the other, subject to home and certain branch office protection restrictions. However, in view of its size, First Clinton is not among the more significant sources of potential competition in those areas served by Central Jersey Bank.

Central Jersey Bank, the 10th largest bank in the Second Banking District, does appear to have the resources to establish *de novo* branches in other attractive areas. However, in view of the number of other larger potential entrants into the service area of First Clinton, and the fact that First Clinton, while having 13.7 percent of total Hunterdon County deposits, is not a dominant bank in the county, we conclude that the proposed merger would not have a significantly adverse effect on competition.

* * *

MAINE NATIONAL BANK, PORTLAND, ME., AND THE KEZAR FALLS NATIONAL BANK, PARSONSFIELD (P.O. KEZAR FALLS), ME.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Kezar Falls National Bank, Parsonsfield (P.O. Kezar Falls), Me. (9826), with.	$4, 918, 293	1	....
and Maine National Bank, Portland, Me. (4128), which had..................	236, 704, 821	29	....
merged Sept. 29, 1972, under charter and title of the latter bank (4128). The merged bank at date of merger had..	241, 623, 114	....	30

COMPTROLLER'S DECISION

On June 26, 1972, The Kezar Falls National Bank, Parsonsfield (P.O. Kezar Falls), Me., applied to the Comptroller of the Currency for permission to merge with Maine National Bank, Portland, Me., under the charter and with the title of the latter.

The Kezar Falls National Bank, the merging bank, with total resources of $4.6 million, was organized in 1910 and maintains no branch offices.

The merging bank is located in the Kezar Falls section of the town of Parsonsfield. Its service area encompasses the six surrounding towns in York and Cumberland counties, supporting an estimated population of 12,678. The area's economy is dependent upon farming, lumbering, wood products, and vacation and travel facilities. Manufacturing provides approximately 1,503 jobs, the largest employer being the Lamp Division of ITT with less than 200 employees.

Competition with the merging bank is provided by four commercial bank offices in the Kezar Falls area; three are branches of Casco Bank and Trust Company, which has total resources of $157 million, and one is a branch of Canal National Bank, which has total resources of $133 million.

Maine National Bank, the charter bank, with total resources of $217.8 million, was organized in 1889 as the Portland National Bank. It maintains a total of 29 branch offices in the counties of Sagadohoc, Knox, York, Oxford, Somerset, Franklin, and Cumberland. It also has two approved, but unopened, branches in Cumberland County.

The charter bank is headquartered in Portland, the largest city and the transportation and banking center of Maine. Approximately 13,166 of the 65,116 persons located in the Portland area work in small manufacturing firms producing paper, food, fabricated metal, and leather products. In addition to manufacturing, the merging bank's economy is dependent on agriculture, marine products, and tourism.

Competition with the charter bank is provided by 15 commercial banks, with total assets of $792 million; 14 savings banks, with combined resources of $653 million; and 12 savings and loan associations, with approximately $147 million total resources. Additional local competitors for the charter bank consist of several industrial banks, insurance companies, credit unions, loan offices, sales finance companies, and governmental lending agencies.

Competition will not be adversely affected by consummation of the proposed merger. The service areas of subject banks are distinct and do not overlap. Common customers are minimal and common borrowers are merely the result of participations by the small merging bank. The proposed merger will result in minimal change of the current holdings of charter bank in the deposits and loans of the service areas. The main offices of subject banks are 36 miles apart and charter bank's nearest branch is 32 miles distant.

Consummation of the proposed merger will enable resulting bank to offer the Kezar Falls service area additional and expanded services such as trust and computer services, installment loan plans, and Bank Americard and American Express credit card programs The proposed transaction will, in effect, enhance competition in the merging bank's service area by enabling the resulting bank to compete with services offered by the $157 million Casco Bank and Trust Company and the $133 million Canal National Bank.

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

AUGUST 21, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest office of Maine National to Kezar Falls Bank is located in Westbrook, 32 miles east of Kezar Falls. There are numerous banks in the intervening area. The existing competition eliminated by the proposed merger would be *de minimis*.

Maine law permits banks to branch *de novo* within their headquarters county and adjacent counties. Thus, Main National could establish *de novo* branches in Kezar Falls and throughout York County. The attractiveness of the area from the standpoint of new entry is doubtful, however. The southern portion of York County is more populous and more prosperous than the northern section of the county. Despite the fact that the nearest competing bank is 15 miles away and that there are only four banking offices within a 25-mile radius, Kezar Falls Bank remains the second smallest commercial bank in the State. There appears to be virtually no competition from other financial institutions. The fact that Kezar Falls Bank has been able to attract so little money from such an insulated market suggests the market's limited possibilities from the standpoint of *de novo* branching. Thus, although Maine National must be regarded as a significant potential entrant into any suitably attractive Maine banking market, the proposed acquisition would not appear to result in the loss of substantial potential competition.

* * *

OLD NATIONAL BANK OF WASHINGTON, SPOKANE, WASH., AND THE FIRST NATIONAL BANK OF FERNDALE, FERNDALE, WASH.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Ferndale, Ferndale, Wash. (11667), with	$12, 412, 404	1	
was purchased Sept. 29, 1972, by Old National Bank of Washington, Spokane, Wash, (4668), which had	384, 556, 199	46	
After the purchase was effected, the receiving bank had	396, 968, 603		47

COMPTROLLER'S DECISION

On June 23, 1972, the Old National Bank of Washington, Spokane, Wash., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of The First National Bank of Ferndale, Ferndale, Wash.

Old National Bank of Washington, the purchasing bank, was organized in 1891, and holds assets of $368.4 million. It operates 45 branches with combined IPC deposits of $291.4 million; except for two branches in Seattle, all are located east of the Cascade Mountains. The purchasing bank, an aggressive competitor, is controlled by Washington Bancshares, Inc., Spokane, a registered bank holding company which owns 98.5 percent of its outstanding shares.

Spokane, home of the purchasing bank and the center of its service area in eastern Washington, is the recognized capital of, and, with a population of

170,516, the largest city in the Inland Empire, an area encompassing eastern Washington, northern Idaho, and western Montana. The Inland Empire, with a population of almost 1.2 million, is a unique area, bounded on the west by the Cascade Mountain Range, on the north by the Canadian border, on the east by the Rockies and Bitterroot Mountains, and on the south by the Blue Mountains. The nucleus of the economy is provided by forest products, mining, and agriculture. Manufacturing is important to metropolitan Spokane with 350 manufacturing establishments in the area. There are a number of retail trade outlets and wholesale establishments in Spokane. Because Spokane and the Inland Empire are not dependent upon any single industry, modest but continued sound economic growth is anticipated. In Seattle, where two of the purchasing bank's branches are located, the aerospace and aircraft industries are important; however, due to cutbacks in those industries, the economy is depressed.

Statewide, the purchasing bank is the fifth largest commercial bank, ranking behind the Seattle-First National Bank, which has $2.3 billion in total deposits; The National Bank of Commerce of Seattle, which has $1.2 billion in deposits; Pacific National Bank of Washington, which has $643 million in deposits; and the People's National Bank of Washington, which has $441 million in deposits. All four are headquartered in Seattle, in the western third of the State. The Puget Sound National Bank, Tacoma, is the State's sixth largest bank, with total deposits of $217 million. In Spokane, the purchasing bank competes with offices of the Seattle-First National Bank; Washington Trust Bank, Spokane; First National Bank in Spokane; Pacific National Bank of Washington, Seattle; and the American Commercial Bank, Spokane. Numerous other financial institutions also compete in the purchasing bank's primary service area and in the State.

The First National Bank of Ferndale, Ferndale, Wash., the selling bank, was organized in 1904. With assets of $11.6 million and IPC deposits of $9.6 million, the bank is considered to be financially sound. The single office of the selling bank is located approximately 110 miles north of Seattle in Ferndale, a town of 2,200 inhabitants. Since 1950, the opening of an aluminum plant and two oil refineries have provided the base for appreciable growth in the area, and that has been reflected in the growth of the bank. However, agriculture, especially milk producing, remains dominant among the 10,000 inhabitants of the estimated trade area.

The selling bank competes with one office of Bellingham National Bank, Bellingham, with total deposits of $34.2 million; an office of the National Bank of Commerce, Seattle, located 14 miles northwest in Blaine; and the Bellingham First Federal Savings and Loan Association, with $36 million in assets.

There is no existing competition between the subject banks as their nearest offices are over 100 miles distant. There is no likelihood of potential competition as 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 unbanked cities and towns. Therefore, Ferndale is not presently open to *de novo* entry.

The proposed acquisition will not have any adverse effect on competition in the areas involved. There will be little or no impact upon banking in Spokane, and the purchasing bank will increase its share of statewide deposits by only 9.2 percent, leaving unchanged its present ranking among State banking institutions. The resulting bank in Ferndale, with its broader lending limits and additional resources, will be in a position to better serve the community, as well as to meet the credit needs of the industrial firms which have moved or are moving into the area. Furthermore, the proposed acquisition of the selling bank will solve that bank's management succession problems.

To the purchasing bank, the acquisition means further penetration into the western part of the State where most of the State's population, commerce, and industry are located, and a stronger competitive position with respect to the State's larger banks. To Ferndale, the transaction means the removal of home office protection and the consequent opening of the town to *de novo* entry. It provides for the immediate emergence of an overall stronger bank able to offer more effectively the services and support needed for the development of an expanding community.

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

August 23, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest Old National Bank of Washington office to First National Bank of Ferndale is some 100 miles distant in Seattle. The proposed acquisition will not eliminate substantial existing competition.

Six commercial banks operate 15 banking offices in Whatcom County. As of June 30, 1970, First National

Bank of Ferndale ranked fifth of these six banks, with 7.3 percent of county deposits. Although Old National Bank of Washington is the third largest potential entrant into commercial banking in Whatcom County, due to the small relative size of First National Bank of Ferndale, the proposed acquisition will not have a significantly adverse effect on potential competition.

The proposed transaction differs significantly in competitive effect from the attempted consolidation of First National Bank of Ferndale with Seattle-First National Bank, the largest bank in the State, and a leading bank in Whatcom County. This consolidation was abandoned after being challenged under the antitrust laws by the Department of Justice, which contended that First National Bank of Ferndale could serve as a foothold entry for another bank not already serving Whatcom County. The instant transaction in fact represents such foothold entry into the county by Old National Bank of Washington.

* * *

First National Bank of Mercer County, Celina, Ohio, and The Rockford National Bank, Rockford, Ohio

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Rockford National Bank, Rockford, Ohio (11804), with	$9,293,053	1	
and First National Bank of Mercer County, Celina, Ohio (5523), which had	33,386,519	3	
merged Sept. 30, 1972, under charter and title of the latter bank (5523). The merged bank at date of merger had	42,747,466		4

COMPTROLLER'S DECISION

On May 4, 1972, The Rockford National Bank, Rockford, Ohio, and The First National Bank of Celina, Celina, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title, "First National Bank of Mercer County."

The First National Bank of Celina, the charter bank, was organized in 1900, and is currently the largest bank in Mercer County. The bank has total assets of $29.5 million and IPC deposits of $24.8 million. It operates two branches, one in Celina itself, the other in the village of Mendon which is 11 miles northeast of the head office. In addition, the charter institution has submitted an application for a branch in Coldwater, 9 miles southwest of the head office.

The Rockford National Bank, the merging bank, was organized in 1920, and operates as a unit institution. The bank, with assets of $8.7 million and IPC deposits of $7.8 million, is located in a small rural village in Mercer County, 12 miles northwest of Celina. At present, because of the bank's relatively small size, its isolated location, and the unwillingness of the present directorate to pay competitive salaries, the merging bank is experiencing difficulty in attracting successor management for its aging chief executive officer. In addition, the merging bank is unable to satisfy the increasingly large credit needs of the large farms which surround Rockford.

Mercer County is served by three additional commercial banks, all of which compete, to some extent, with the charter bank. Those banks, all of which are unit institutions, consist of The Peoples Bank Company, Coldwater, with deposits of $17.4 million; the St. Henry Bank, St. Henry, with deposits of $9 million; and The Fort Recovery Banking Company, Fort Recovery, with deposits of $7.4 million. Additional competition for the charter bank is provided by commercial banks in adjoining counties, situated in cities to which residents of Mercer County commute. The merging bank is located in an isolated section of Mercer County and competes with no other banks, except in respect to the commuting habits of its residents.

The market area of the charter bank includes all of Mercer County and portions of Auglaize, Van Wert, Allen, and Darke counties. The economy of this area is well diversified, being equally dependent upon agriculture, industry, and locally-based service businesses. The farms in the market area are generally large; the major produce from them include dairy products, corn, wheat, soybeans, and livestock. In addition, there are 47 major manufacturers which aggregately employ

1,500 people. In contrast to that, the service area of the merging bank is much more restricted, consisting only of Rockford and its immediate environs. That area has a very small industrial base and is dependent primarily on the agricultural pursuits of nearby farms. A lack of industrial development in Rockford has had a deleterious effect upon the growth of the city and has had a negative impact on the commercial and wholesale foundation of the community. There is only one industrial manufacturer in the area, employing 40 people. Consequently, it is the pattern of many residents of Rockford to commute long distances daily to industrial employment.

There is minimal competition between the charter and merging banks because relatively large distances separate the two banks and an adequate number of competitors operate in the continued service areas of the two financial institutions. Although one independent bank will be eliminated when this merger is consummated, there will remain adequate alternatives for the banking public. Because of the 12 miles that separate the two applicants and the unaggressive policies and restricted service area of the merging bank, no significant competition will be eliminated, and the resulting bank will be able to stimulate competition within its multi-county market area. The successful completion of this transaction will also resolve a management succession problem at the merging bank and will, therefore, insure its continuity and the benefit of the community. Furthermore, benefits will accrue to the Rockford community by virtue of the availability of a lending limit nearly five times larger than the present capability of the merging bank, by the introduction of a greater variety of services and loan types, and by direct financial assistance in community development.

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

AUGUST 2, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Rockford is 12 miles northwest of Celina and 12 miles west of Mendon, where Celina Bank has a branch. The application indicates that there is a good deal of commuting by Rockford residents to Celina, both for employment and shopping. However, the actual volume of loans and deposits derived by each of the merging banks from the home office town of the other bank is not large. The proposed merger would appear to eliminate only a limited amount of existing competition.

The application indicates that the two banks in the proposed merger draw the overwhelming bulk of their business from a highly localized area. Therefore, the area in which the effects of the proposed merger will be most direct must be considered to be Mercer County, and even this description may overstate the relevant market.

The acquiring bank is the largest and the acquired bank is the fifth largest of seven in Mercer County. The merger will increase the acquiring bank's share of deposits in the county from 26 percent to 33.9 percent. The share of the two largest banks in the county will increase from 51 percent to 59 percent. If the county's second largest bank's proposal to acquire another Mercer County bank is consummated, the concentration of commercial banking deposits in the hands of the two largest banks in the county will increase additionally to 66 percent of county deposits.

In addition to the elimination of one of only a few alternative sources of banking services for a significant number of customers in Mercer County, the proposed merger would increase the degree of concentration of banking resources in this localized market to a level that can be expected to dampen the vigor of banking competition in that market.

We conclude that the proposed merger would have an adverse effect upon competition which could be compounded by consummation of the other proposed merger.

* * *

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Mount Union Bank, Alliance, Ohio, with	$26,392,208	2	
and The Canton National Bank, Canton, Ohio (14501), which had	62,738,793	6	
merged Sept. 30, 1972, under charter of the latter bank (14501) and title "The United National Bank & Trust Company." The merged bank at date of merger had	89,131,000		8

COMPTROLLER'S DECISION

On June 23, 1972, The Mount Union Bank, Alliance, Ohio, and The Canton National Bank, Canton, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of "The United National Bank & Trust Company."

The Canton National Bank, the charter bank, was organized in 1854. The bank, with assets of $62.8 million and IPC deposits of $48.6 million, is headquartered in Canton and, through five branch offices, serves the entire city and suburbs of Canton.

The charter bank is the fifth largest of 14 commercial banks in Stark County, the area it considers to be its trade area. Competitors include the Harter Bank and Trust Company, Canton, with deposits of $234 million; the $124 million deposit Peoples-Merchants Trust Company, Canton; and the $181 million deposit First National Bank of Canton, which has become affilated with The Central Bancorporation, Cincinnati, the 10th largest banking organization in the State.

The charter bank serves an estimated population of 110,000 in the Canton area. Approximately 75 percent of those employed in Canton are engaged in the basic steel and fabricated metal fields or in machine production. The charter bank services both the industry located in the city of Canton and the residents of the outlying Canton suburbs.

The Mount Union Bank, Alliance, Ohio, the merging bank, was chartered in 1930. The bank, with assets of $27.4 million and IPC deposits of $22.8 million, operates one branch in Alliance in addition to its main office. The bank, drawing most of its accounts from the town of Alliance and surrounding environs, serves a population of approximately 27,000. Competitors of the merging bank include the First National City Bank of Alliance, with deposits of $64 million. The Harter Bank and Trust Company, Canton, with deposits of $234 million, has recently received approval to open a branch office in Alliance.

At present, there is very little competition between the charter and merging banks. The closest office of the charter bank to the Mount Union Bank is 15.5 miles away. That distance, combined with the number and size of competitors located between them, minimizes any possibility of competition between the two banks.

Consummation of the proposed merger will not produce any adverse competitive effects in Stark County. The merger will make available to the Alliance banking community a number of more sophisticated services in the area of lending and a considerably increased lending limit.

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

AUGUST 21, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the two banks are approximately 10 miles apart; the head offices are 16 miles apart. A divided highway connects the cities of Canton and Alliance. Two offices of competing banks are located in the generally intervening community of Louisville. The application indicates no overlap of primary service areas between the merging banks, and only a slight account derivation overlap for certain types of banking business. However, in view of the geographic proximity of Canton and Alliance it is likely that the proposed merger will eliminate some existing competition and the potential for greater direct competition in the future between the two banks.

Commercial banking in Stark County is highly concentrated. As of December 31, 1971, there were 14 commercial banks serving Stark County. At that time, Canton National, fourth largest in the county, accounted for 7.6 percent of total county commercial bank deposits, while Union Bank's share was 3.1 percent. The four largest banks in Stark County account for 73.3 percent of the total deposits held by county banks. If the proposed merger is consummated, Canton National, while remaining the fourth largest bank in the county, will increase its share of deposits to 10.8 percent, and the share held by the four largest county banks will increase to about 76.5 percent.

The proposed merger is likely to result in the elimination of some direct competition between the merging institutions, and would increase the level of banking concentration in Stark County.

Although the application indicates that the parties to the proposed merger do not presently draw substantial banking business from each other's primary service areas, we conclude that the proposed merger would have some adverse competitive effect on commercial banking in Stark County.

* * *

THE FIRST NATIONAL BANK OF AURORA, AURORA, IND., AND DILLSBORO STATE BANK, DILLSBORO, IND.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Dillsboro State Bank, Dillsboro, Ind., with	$6,291,368	1	
and The First National Bank of Aurora, Aurora, Ind. (699), which had	13,573,402	2	
merged Sept. 30, 1972, under charter and title of the latter bank (699). The merged bank at date of merger had	19,864,770		3

COMPTROLLER'S DECISION

On May 3, 1972, The First National Bank of Aurora, Aurora, Ind., and the Dillsboro State Bank, Dillsboro, Ind., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The First National Bank of Aurora, the charter bank, was organized in 1864, and is currently the second largest bank in Dearborn County. The bank has assets of $12.7 million and IPC deposits of $9.8 million. The charter bank operates one in-town branch and is the only commercial financial institution located in Aurora.

The service area of the charter bank has an economy based on a mixture of diversified industrial and agricultural pursuits. Farm products include tobacco, corn, and soybeans. Some dairy and beef cattle are raised, although no particular agricultural product predominates. Industry within the service area includes a casket company, a manufacturer of corrugated paper boxes, a cast iron foundry, and a furniture manufacturer. In general, residents of Aurora commute to nearby Cincinnati for employment and a smaller number are employed in the enumerated industries.

The Dillsboro State Bank, the merging bank, was organized in 1901, and operates as a unit bank in Dillsboro. The bank has assets of $5.7 million and IPC deposits of $4.5 million. The merging bank is a locally-oriented financial institution. Because of its isolated geographic location the merging bank serves only the residents of Dillsboro and the immediately surrounding rural area.

Dillsboro is a small farm community with no local industry. Surrounding farms are generally small, ranging from 50 to 150 acres in size. The primary crops produced in this area are tobacco, corn, and soybeans. In addition, many residents of Dillsboro commute daily to Lawrence, Aurora, or Cincinnati for employment. The village has a population of 840 people, as recorded in 1970.

At present there are five banks in Dearborn County. The charter bank is the second largest in terms of deposits and loans, and the merging bank is the smallest in the county. The small merging bank is a locally-oriented unit bank which does not compete significantly with any other bank in the county. A branch of a Lawrenceburg-based bank, in Moores Hill, is the closest bank in the county to the merging bank, and is approximately 6 miles away. The charter bank receives competition from American State Bank, with deposits of $6.3 million, and Peoples National Bank, with deposits of $15.1 million, both of which are headquartered in Lawrenceburg.

Competition between the charter and merging banks is minimal since the natural barriers of distance and geography prevent any significant competition between them. In spite of the fact that many Dillsboro residents commute daily either to Lawrenceburg or Aurora, or through those communities to Cincinnati, few Dillsboro residents were found to be customers of the charter bank, as revealed by a sampling of the bank's records. The charter and merging banks are located 10 miles apart.

Consummation of the proposed merger will not result in any adverse competitive effects in Dearborn County. The merger will not eliminate any competition and an adequate number of banking alternatives will remain in the county to serve the banking public. Although the resulting bank will become the largest financial institution in the county, in terms of deposits, and the second largest, in terms of loans, the margin over the next largest commercial bank, The Peoples National Bank of Lawrenceburg, will be so slight as to be insignificant. Furthermore, the proposed merger will resolve a management succession problem within the merging bank which, because of the small size of the bank, is unlikely to be corrected by its present Board. Residents of Dillsboro will benefit directly from the resulting bank's expanded lending limit, additional and more efficient services, and the retention of a local and convenient banking outlet.

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

JULY 10, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The First National Bank of Aurora and Dillsboro State Bank are two small banks located 10 miles apart, with no intervening banking offices; the proposed merger may therefore be expected to eliminate some existing competition between them. In addition, the merger of the two banks may eliminate the potential for increased competition between them that can be expected as the area between them is developed. Of the five commercial banks in Dearborn County, First National Bank of Aurora ranks second, and Dillsboro State Bank ranks fifth in terms of total deposits, holding 25 percent and 11 percent of the county's deposits, respectively.

* * *

THE FIRST NATIONAL BANK OF SUNBURY, SUNBURY, PA., AND THE FIRST NATIONAL BANK OF MOUNT CARMEL, MOUNT CARMEL, PA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Mount Carmel, Mount Carmel, Pa. (3980), with	$25,668,570	2	
and The First National Bank of Sunbury, Sunbury, Pa. (1237), which had	51,887,864	3	
merged Oct. 2, 1972, under charter of the latter bank (1237) and title "First National Trust Bank." The merged bank at date of merger had	77,825,040		5

COMPTROLLER'S DECISION

On May 26, 1972, The First National Bank of Mount Carmel, Mount Carmel, Pa., and The First National Bank of Sunbury, Sunbury, Pa., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of "First National Trust Bank."

The First National Bank of Sunbury, the charter bank, with deposits of $38.5 million, was established in 1831, and operates two branches.

Sunbury, home of the charter bank, is located 52 miles north of Harrisburg, Pa. It has a population of 13,000 and is the county seat of Northumberland County. Its economy is presently stable and is supported by a wide variety of small and light industry, plus Selinsgrove State School and Hospital and Susquehanna University, both located in Selinsgrove. The charter bank serves west-central Northumberland County, northeastern Snyder County, and a portion of southeast Union County.

The charter bank's direct competitors include the Susquehanna Valley Bank and Trust Co., Sunbury, with $10.1 million in deposits; Northumberland National Bank, Northumberland, with $10.2 million in deposits; Snyder County Trust Co., Selinsgrove, with $25.7 million in deposits; Tri-County National Bank, Middleburg, with $34.9 million in deposits; and Swineford National Bank, Middleburg, with $11.3 million in deposits.

The First National Bank of Mount Carmel, the merging bank, with deposits of $22.2 million, was estab-

SUMMARY OF REPORT BY ATTORNEY GENERAL

The two closest branches of National Bank of North America to National Bank of Far Rockaway are the Lawrence-Cedarhurst branch, approximately 2 miles from National Bank of Far Rockaway, and the Hewlett-Woodmere branch, approximately 4 miles from National Bank of Far Rockaway. Several offices of competing commercial banks lie in the intervening areas. According to the application, National Bank of North America draws about $500,000-$600,000 in deposits from the immediate service area of National Bank of Far Rockaway, and a very small amount of loan business from the same area. While these sums are not large in comparison to the total banking business done by all banking offices serving the Far Rockaway area, this deposit business would approximate 10 percent of National Bank of Far Rockaway's total deposits. In view of the proximity of the offices and the strong overall competitive position of National Bank of North America on Long Island, it appears that the proposed merger would eliminate some existing competition.

The application identifies 25 banking offices of nine commercial banks within approximately a 4-mile radius of National Bank of Far Rockaway. In view of the size and limited service area of National Bank of Far Rockaway, even this limited area may overstate the relevant market in which to assess the competitive effects of the proposed merger. In this area, National Bank of North America holds the fourth leading share of commercial bank deposits, about 13 percent, while National Bank of Far Rockaway holds the smallest share, about 2.7 percent. The proposed merger may have some adverse competitive effect.

* * *

First Union National Bank of North Carolina, Charlotte, N.C., and North Mecklenburg Bank Cornelius, N.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
North Mecklenburg Bank, Cornelius, N.C., with	$8, 177, 358	3	
and First Union National Bank of North Carolina, Charlotte, N.C. (15650), which had	1, 444, 982, 363	163	
merged Oct. 18, 1972, under charter and title of the latter bank (15650). The merged bank at date of merger had	1, 452, 020, 945		166

COMPTROLLER'S DECISION

On October 13, 1972, application was made to the Comptroller of the Currency for permission for First Union National Bank, Charlotte, N.C., and the North Mecklenburg Bank, Cornelius, N.C., to merge under the charter and with the title of the former.

In accordance with the provisions of 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 North Mecklenburg Bank in Cornelius and to protect its depositors, creditors, and shareholders.

Accordingly, the application to merge is approved.

October 18, 1972.

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

* * *

BANK OF NORTH CAROLINA, NATIONAL ASSOCIATION, JACKSONVILLE, N.C., AND THE FARMERS BANK OF SEABOARD, SEABOARD, N.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Farmers Bank of Seaboard, Seaboard, N.C., with	$3, 482, 290	1	
and Bank of North Carolina, National Association, Jacksonville, N.C. (14676), which had	324, 860, 673	55	
merged Oct. 20, 1972, under charter and title of the latter bank (14676). The merged bank at date of merger had	328, 310, 716		56

COMPTROLLER'S DECISION

On May 18, 1972, The Farmers Bank of Seaboard, Seaboard, N.C., and the Bank of North Carolina, National Association, Jacksonville, N.C., applied to the Comptroller of the Currency for permission to merge under the charter and title of the latter.

The Bank of North Carolina, National Association, Jacksonville, N.C., the charter bank, was organized in 1952, and is currently the seventh largest bank in North Carolina. The bank, with $250 million in assets and $154.2 million in IPC deposits, is headquartered in Jacksonville, and operates 51 offices in 31 communities in North Carolina. While it is rapidly becoming a statewide bank, it still generates most of its business from the eastern portion of the State, wherein the majority of its offices are located. Through statewide expansion, it is attempting to compete on a more favorable level with the larger North Carolina banks which are acquiring office locations in various areas of the State. The charter bank is a principal component, and sole bank subsidiary of Bankshares of North Carolina, Inc., a bank holding company.

Bank of North Carolina, N.A., is generally in competition with every major bank in North Carolina. Throughout most of the area served by the charter bank are offices of Wachovia Bank and Trust Company, N.A., with total deposits of $1.6 billion; North Carolina National Bank, with $1.5 billion in deposits; First Union National Bank of North Carolina, with deposits of $1.1 billion; First Citizens Bank and Trust Company, with $715 million in deposits; Northwestern Bank, with deposits of $631 million; and Branch Banking and Trust Company, with $263 million in deposits.

The Farmers Bank of Seaboard, Seaboard, N.C., the merging bank, was organized in 1906. As an independent, single-office bank, it has $3.8 million in assets and $3.3 million in IPC deposits. The bank's service area is considered to be Northampton County which has a total population of 25,000 persons. The merging bank is the sole bank in the small community of Seaboard, a rural trading center with a population of approximately 611 persons. The area is economically dependent upon agriculture, with peanuts and cotton the principal crops. There are also various small businesses and light industrial operations within the area.

Banking competition in the service area of the merging bank is provided by an office of the $1 billion Virginia National Bank in nearby Boykins, Va.; by the Bank of Northampton, located 10 miles south, with deposits of $4.2 million; by the Bank of Conway, with $2.2 million in deposits; by two offices of the Planters National Bank and Trust Company, with $117.2 million in deposits; and by The Farmers Bank at Woodland, 20 miles southeast, which has just merged with the North Carolina National Bank, the second largest bank in the State.

There is presently no competition between the charter bank and the merging bank. The charter bank operates no branches within Northampton County or in the surrounding contiguous counties. The closest existing office of Bank of North Carolina is 60 miles southeast of Edenton. An application is now pending for a merger with the Bank of Hobbsville, in Hobbsville, which is 50 miles east.

From a statewide view, this merger is quite insignificant as there will only be a marginal increase of the charter bank's assets. The charter bank holds only 1.4 percent of the total deposits in North Carolina and the merging bank holds but 2.7 percent of the charter bank's total deposits. Neither will there be any anticompetitive effects in Northampton County. In fact, the combining of the two banks will intensify competition in that area.

The capital and managerial resources of the charter bank will help solve the merging bank's serious management succession problem. Making available sophisticated banking services, including fiduciary services and more diversified local financing, should prove beneficial to industry, commercial businesses, and the general banking public. The area, especially in the vicinity of Interstate 95, will be made more economically attractive to new and diverse business inputs.

The merger will replace the small Farmers Bank of Seaboard with a more formidable competitor in an area served by larger banks, and will facilitate the Bank of North Carolina's attempts to extend its sphere of operations in serving the banking needs of a growing economy.

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

SEPTEMBER 18, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The Bank of North Carolina, National Association, office closest to Farmers is located 65 miles southeast of Seaboard in Edenton, Chowan County, and several banking facilities intervene. It would not appear, therefore, that the proposed merger will eliminate substantial existing competition between Bank of North Carolina, National Association and Farmers.

Farmers is the third largest of five banks serving Northampton County, and accounts for about 11 percent of total bank deposits in the county. The largest bank in the county is in the process of merging with North Carolina National Bank, the second largest bank in the State. Additionally, Planters National Bank and Trust Co., the State's 10th largest bank, headquartered in Rocky Mount, operates two branches in the county.

North Carolina banking law permits statewide branching. Bank of North Carolina, National Association, therefore, could expand into Seaboard *de novo*. However, because of Seaboard's size and the fact that the area has experienced below average growth, *de novo* entry into the area would not appear to be attractive. In addition, there are five banks larger than the acquiring bank which could enter by opening a new branch, and which may also be considered prospective potential entrants.

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

* * *

THE ONEIDA NATIONAL BANK AND TRUST COMPANY OF CENTRAL NEW YORK, UTICA, N.Y., AND THE FIRST NATIONAL BANK OF CENTRAL SQUARE, CENTRAL SQUARE, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Central Square, Central Square, N.Y. (10109), with..	$17,866,296	3	....
and The Oneida National Bank and Trust Company of Central New York, Utica, N.Y. (1392), which had....	358,761,262	24	....
merged Oct. 20, 1972, under charter and title of the latter bank (1392). The merged bank at date of merger had....	376,627,558	....	27

COMPTROLLER'S DECISION

On July 7, 1972, The First National Bank of Central Square, Central Square, N.Y., and The Oneida National Bank and Trust Company of Central New York, Utica, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Oneida National Bank and Trust Company of Central New York, with total resources of $339 million as of December 31, 1971, was incorporated in 1836 as The Oneida Bank. In 1865, the bank converted to a National bank and, after a series of name changes, its current name was adopted in 1959. The most recent merger of the bank, and the only merger during the last 5 years, was effected in October 1967 when The National Bank of Waterville, with $5 million in deposits, was acquired by applicant. The bank presently operates 22 offices centered in the counties of Herkimer and Oneida, which are located in the eastern section of the Sixth Banking District of New York.

The primary trade are of The Oneida National Bank and Trust Company of Central New York extends in a radius of about 50 miles from its head office town of Utica, and serves an estimated population of 350,000 persons. The economy of the area is generally rural and devoted to farming in the outlying areas; however, Utica, the center of the largest metropolitan area in the two-county area, is the home of many industries, including General Electric, Chicago Pneumatic Tool, Sperry Rand, Bendix Corporation, Special Metals, Inc., and Kelsey-Hayes Company. Each of those is said to employ over 1,000 workers. The other large city in the trade area, Rome, is the site of Griffiss Air Force Base, the largest employer in the upper Mohawk Valley and one of the most important military installations in the northeast United States, which employs 4,000 military and 3,900 civilian personnel at a payroll in excess of $80 million.

As of December 31, 1971, The Oneida National Bank and Trust Company held $300 million in deposits and ranked first in size among eight commercial banks headquartered in the two-county area in which it operates, holding 75 percent of the $400 million deposits. It ranked third in size and held 15.1 percent of the $2 billion in total deposits held by 24 commercial banks in the Sixth Banking District of New York. Primary competition is provided by Marine Midland Bank-Central, Syracuse, with total deposits of $532 million, and a member of Marine Midland Banks, Inc., a multibank holding company with total deposits of $6.4 billion. Additional competition is provided by The Savings Bank of Utica, Utica, with deposits of $282 million, and Homestead Savings and Loan, with deposits of $65 million.

The First National Bank of Central Square, Central Square, with total resources of $16 million at December 31, 1971, was organized in 1912, and has not been party to any merger, consolidation, or purchase of assets since its inception. The bank operates two branches in Oswego County which had a 1970 population of 100,897, and serves an estimated population of 7,000 persons. The economy is generally devoted to farming; however, the majority of residents commute to the Metropolitan Syracuse Area, located 16 miles south of Central Square, for employment.

As of December 31, 1971, The First National Bank of Central Square ranked 16th in size and held $14 million, or 0.7 percent, of the total deposits of $2 billion held by the 24 commercial banks in the Sixth Banking District. There are no competing banks in the immediate vicinity; however, all of the large Syracuse-based banks, with their extensive branch systems, offer a moderate degree of competition. The last report of examination of the bank, dated March 6, 1972, revealed the overall condition to be good, although management was rated fair due to the lack of management succession as President LeFaivre, at 65 years of age, is looking to retirement.

The $355 million resulting bank would hold $314 million in total deposits, or 15.8 percent of the total deposits of $2 billion in the Sixth Banking District. It would not significantly increase its ranking among competing banks nor would it increase its position among other commercial banks operating in the Sixth Banking District.

The resulting bank will provide improved and expanded services to the residents and customers served by The First National Bank of Central Square, including a larger lending limit, various consumer savings plans, credit card services, a qualified staff of agricultural department personnel, and trust department services. The resulting bank would also benefit the communities served through financing of municipal bond issues. It would also solve the management succession problem of the merging bank.
cultural department personnel, and trust department

Competition between The First National Bank of Central Square and The Oneida National Bank and Trust Company of Central New York appears insignificant. The head offices of the two banks are approximately 50 miles apart. The nearest office of Oneida National is its Sylvan Beach Branch, which is 17 miles from the Constantia Branch of the Central Square bank, and the area in between is sparsely populated. Consummation of the merger would have a favorable effect upon competition in the Central Square service area as the residents will have another realistic alternative to the branches of the several large, full-service Syracuse-based banks now serving the area.

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

SEPTEMBER 7, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest branch offices of Oneida Bank to any office of First National are its Sylvan Beach branch, recently opened, which is 17 miles from the Constantia branch of First National, and its Camden branch, which is 24 miles from the Constantia branch. There are no other competing banks in the directly intervening area. Sylvan Beach is on the eastern shore of Oneida Lake and Constantia is on its northwestern shore. The area along the northern shore of Oneida Lake between these communities is not densely populated, but both banks draw some business from the residents of Bernhards Bay and Cleveland, which intervene between Sylvan Beach and Constantia. Thus, it would appear that the proposed merger would eliminate some direct competition. The service areas of the two banks can be most accurately described as adjoining and to some extent overlapping.

Under New York law, a bank may branch *de novo* within its banking district but communities of less than 75,000 are afforded "home office protection." While Central Square itself it closed to *de novo* branching, Oneida Bank could enter the general area in this manner.

As of June 30, 1970, First National, the sixth largest of seven banks operating in Oswego County, held slightly less than 10 percent of the commercial bank deposits in Oswego County and northern Onondaga County banking offices. This area generally is dominated by banks based in Syracuse.

Oneida Bank is the largest commercial bank operating in district six (a seven-county area in the State of New York wherein it can legally branch) which is not presently operating in the service area of First National a prosperous and growing area. Thus, the proposed merger would eliminate some potential competition. However, potential entry into the Greater Syracuse Area by institutions outside the sixth district and the size of First National relative to the leading banks in the area ameliorates this loss.

* * *

VERMONT NATIONAL BANK, BRATTLEBORO, VT., AND ETHAN ALLEN NATIONAL BANK, FAIR HAVEN, VT.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Ethan Allen National Bank, Fair Haven, Vt. (2422), with	$9, 490, 771	1	
and Vermont National Bank, Brattleboro, Vt. (1430), which had	91, 406, 456	14	
merged Nov. 24, 1972, under charter and title of the latter bank (1430). The merged bank at date of merger had	100, 905, 977		15

COMPTROLLER'S DECISION

On July 24, 1972, the Vermont National Bank, Brattleboro, Vt., and the Ethan Allen National Bank, Fair Haven, Vt., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The Vermont National Bank, the charter bank, was organized as a State bank in 1821, and became a National bank in May 1865. The bank, with assets of $89.7 million and IPC deposits of $73.8 million, operates its 11 branches in the southeastern portion of the State and ranks as the fifth largest bank in Vermont.

The charter bank competes with several other banks in the cities in which its branches are located, including the Vermont Bank and Trust Company, Brattleboro, with deposits of $83 million; the Catamount National Bank, North Bennington, with deposits of $22 million; the First National Bank of Springfield, with deposits of $21 million; and the County National Bank of Bennington, with deposits of $16 million.

The Ethan Allen National Bank, the merging bank, was organized in 1879, and operated as a family-run institution until 1965 when the controlling interest in the bank was sold. A branch office established in Rutland in 1966 has stretched the resources of the merging bank. In spite of the bank's entry into the Rutland market, the Ethan Allen National Bank has been unable to offer the banking services that are available from their competition. Even though the economy of the area is rapidly expanding, the bank's commercial business has not been developed because of its small size and the limitation of its resources and service capabilities. To meet the challenge of competition the merging bank must strengthen its capital base and develop a more extensive staff of management personnel. At present, the Ethan Allen National Bank has assets of $8.8 million and IPC deposits of $7.6 million.

Although the main office of the merging bank has direct competition from only one small commercial bank, its branch in Rutland is situated in a highly competitive area where branches of several major Vermont banks compete for the developing business. The Ethan Allen National Bank is overshadowed in this area by The Howard Bank, the second largest commercial bank in the State, which has deposits of $142 million and four offices in Rutland, and by First Vermont Bank, the third largest bank in the State which also operates four offices in Rutland, and by First Vermont Bank, single storefront shopping center office is competing with 10 banking offices in Rutland, all of which are operated by substantially larger banks. Its ability to add additional services and additional offices in order to compete successfully are limited.

There is minimal competition between the charter and merging banks because larger distances separate the two banks and an adequate number of competitors operate in the intervening distances. The Woodstock office of the Vermont National Bank is 20 miles from the Rutland office of the merging bank. Virtually no competition exists between those two offices since the Green Mountain Range serves as a natural barrier separating the Ethan Allen National Bank from the Woodstock office as well as from the remaining branches of the charter bank.

Consummation of the proposed merger will stimulate competition in southern Vermont since the resulting bank will be in a better position from which to compete with the other large banks in the area. The resulting bank will be able to expand its services and will increase its competitive capability, especially in the Rutland area. Its new services will include a larger loan limit, complete fiduciary facilities, expanded loan facilities, and data processing. The proposed merger will not eliminate any competition but will provide a stimulus for the charter bank to substantially increase competition.

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

October 19, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the merging banks are 26 miles apart. Because of employment patterns, however, there is some slight overlap in service areas. The amount of direct competition that would be eliminated due to the proposed merger does not appear to be significant.

A total of six commercial banks maintain offices in Rutland County, accounting for $88.8 million in total deposits. Ethan Allen Bank is the larger of the two banks in Fair Haven, with 53 percent of deposits. Its Rutland office accounts for about 7 percent of the deposits held by the commercial bank offices in Rutland. Among its competitors there are two of Vermont's three largest banks.

Vermont law would permit Vermont National to establish a branch office in Fair Haven or Rutland. Although Fair Haven has shown good growth, the presence of two banks there reduces its attractiveness to *de novo* entry. While Vermont National, the fourth largest bank in the State, stands as one of only two or three banks with the resources necessary to expand into Rutland on a *de novo* basis, its acquisition of Ethan Allen Bank, the smallest competitor in the market, with 7 percent of deposits, would not appear to have a significantly adverse effect on competition.

* * *

The Citizens National Bank of Urbana, Urbana, Ohio, and The Bank of North Lewisburg Company, North Lewisburg, Ohio

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Bank of North Lewisburg Company, North Lewisburg, Ohio, with	$3, 315, 595	1	
and the Citizens National Bank of Urbana, Urbana, Ohio (863), which had	19, 774, 260	2	
merged Nov. 29, 1972, under charter and title of the latter bank (863) The merged bank at date of merger had	23, 064, 855		3

COMPTROLLER'S DECISION

On July 11, 1972, The Bank of North Lewisburg Company, North Lewisburg, Ohio, and The Citizens National Bank of Urbana, Urbana, 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 of Urbana, the charter bank, was organized in 1865. That bank, with assets of $18.4 million and IPC deposits of $13.7 million, operates a main office and one branch, both located in Urbana. The charter bank serves a population of 11,850 in Urbana and, to a lesser degree, all of Champaign County and portions of Union, Logan, and Clark counties. The economy of the market area is primarily dependent on agriculture and related business, with manufacturing increasing in importance. Prospects for future population growth and expansion of business activity in the trade area are excellent.

The charter bank is the seventh largest of the 15 banks headquartered in its trade area. Keen competition is furnished by the Champaign National Bank of Urbana, with deposits of $15 million. Additional competition includes the First National Bank of Springfield, with deposits of $75.5 million; the Springfield Bank, with deposits of $78.8 million; the First Central National Bank, Saint Paris, with deposits of $6.4 million; and the Farmers and Merchants Bank Christiansburg, with deposits of $2 million. The large and highly departmentalized banks of Columbus, Dayton, Marion, Lima, and Cincinnati also compete with the applicant because they solicit loans and deposits from the Urbana area.

The Bank of North Lewisburg Company, North Lewisburg, Ohio, the merging bank, was organized in 1872, and currently operates as a unit bank. That bank, with assets of $3 million and IPC deposits of $2.5 million, draws most of its accounts from the village of North Lewisburg, which has a population of 920, and the surrounding environs. Economic activity in the area is largely agricultural. Competitors of the merging bank include The First National Bank of Marysville, with deposits of $19 million, and the Farmers and Merchants Bank, Milford Center, with deposits of $7.4 million.

At present, there is little, if any, competition between the charter and merging banks. The closest office of the charter bank to North Lewisburg is 15 miles away. That distance, combined with the number of banks competing in the intervening distance, and combined with the competitive limitations resulting from the small size of the merging bank, minimizes the competitive impact of a merger between the two banks.

Consummation of the proposed merger will not cause any adverse competitive effects in the trade area of either bank. The proposed merger will enable the resulting bank to better serve the eastern part of Champaign County and will stimulate competition among the other banks located in that area. In addition, the merger will solve the management succession problem at the merging bank which could become serious, if left as it is.

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

October 4, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The two banks are about 15 miles apart with no major highway connecting them. Existing competition between them appears to be *de minimus.*

While Ohio law would permit Citizens National Bank of Urbana to branch *de novo* into North Lewisburg, the town's small size and lack of growth make this an unlikely possibility. Citizens National Bank of Urbana is only one of several potential entrants into this community; consequently, the proposed merger would not adversely affect potential competition.

The overall effect of the proposed merger would not be adverse.

* * *

First National Bank, Slidell, La., and Commercial Bank & Trust Company, Covington, La.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Commercial Bank & Trust Company, Covington, La., with	$30, 100, 757	4	
and First National Bank, Slidell, La. (14989), which had	11, 332, 642	3	
consolidated Dec. 1, 1972, under charter of the latter bank (14989) and title "Commercial National Bank." The consolidated bank at date of consolidation had	41, 433, 399		7

COMPTROLLER'S DECISION

On July 12, 1972, First National Bank, Slidell, La., and Commercial Bank & Trust Company, Covington, La., applied to the Office of the Comptroller of the Currency for permission to consolidate under the charter of the former and with the title "Commercial National Bank," the main office to be located in Covington, La.

First National Bank, the charter bank, with deposits of $9.1 million, was organized in 1962. In addition to its main office, the charter bank also maintains a branch office in Pearl River and another in Lacombe.

The service area of the charter bank, narrowly defined, is the town of Slidell; more broadly defined, the service area is St. Tammany Parish. St. Tammany Parish is located approximately 5 miles north of New Orleans and 65 miles east of the State capital at Baton Rouge. The economy of the area is chiefly agricultural with some light industry. Many of the residents of St. Tammany Parish commute to jobs in New Orleans with most of the residents of Slidell working in New Orleans.

Commercial Bank & Trust Company, the consolidating bank, with deposits of $25.4 million, was established in 1905. The consolidating bank, operating four offices, is headquartered in Covington, the county seat of St. Tammany Parish. Covington is about 38 miles northwest of Slidell and has a population of approximately 9,300.

The service area of the consolidating bank is specifically the town of Covington, and more generally St. Tammany Parish. The economy is also agriculturally oriented with some light industry present.

Among the five banks in St. Tammany Parish, the charter and consolidating banks rank fourth and first, respectively, in deposits. However, because many of the residents commute to or otherwise choose to bank in New Orleans, the larger banks in New Orleans must realistically be considered to provide significant competition for the St. Tammany Parish banks. Direct competition between the two banks is virtually nonexistent. Because of geographical and traditional cohesiveness as well as adequate banking resources in each town, neither bank has seriously considered branching *de novo* into the other's town. Consequently, the proposed consolidation will have no adverse competitive effect.

The consummation of the proposed consolidation will benefit the residents of both Slidell and Covington by introducing a local institution more capable of competing with the larger New Orleans banks. Furthermore, the resulting bank has plans to provide the first local trust department services. Also, the proposed consolidation will solve a rather critical management succession problem at the charter bank.

Applying the statutory criteria, the proposed consolidation is in the public interest and is, therefore, approved.

SEPTEMBER 7, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the two banks are Commercial Bank's Mandeville branch and First National's Lacombe branch which are about 10 miles apart. The principal offices of the two banks are separated by about 30 miles. The application states that neither bank draws more than an insignificant share of its deposits or loans from the principal service areas of the other. On the basis of information submitted, it would appear that the proposed consolidation will not eliminate a significant amount of competition presently existing between the two banks.

Five banks operating 14 offices presently serve the parish. On the basis of June 30, 1971, figures Commercial Bank was the largest bank and held about 40 percent of the deposits held by all banks in the parish. First National, the second largest and fastest growing of the three Slidell banks, was the fourth largest bank in the parish with about 15 percent of deposits. The parish's second largest bank, in Covington, and the third largest, in Slidell, each accounted for about 18 percent of total deposits. If this proposed consolidation is consummated, the resulting bank would hold more than 55 percent of the deposits held by banks operating in the parish and control half of all the banking offices. The number of banking alternatives available in the parish would be reduced from five to four, with the two largest banks accounting for over 73 percent of the deposits held by parish banks.

At the present time, Louisiana banking law permits banks to branch only within the limits of their home parish. Either bank, therefore, may be considered a potential entrant into areas now served by the other——particularly Commercial Bank into the Slidell area. Thus, the proposed consolidation would eliminate potential competition between the participants.

The approval of this application would result in the consolidation of the first and fourth largest banks in St. Tammany Parish, the two banks in the parish which have registered the most impressive growth records of all parish banks. This consolidation would permanently eliminate any potential for increased competition between the two banks in the future, reduce the number of banking alternatives available to parish residents, and substantially increase concentration of deposits among the banks operating in the parish. In the context of the record of substantial growth in Slidell and the parish, and the prospects for further population growth and economic development, we conclude that clearly the proposed consolidation would have an adverse effect on banking competition in St. Tammany Parish.

* * *

NORTH CAROLINA NATIONAL BANK, CHARLOTTE, N.C., AND THE BANK OF NEW BERN, NEW BERN, N.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Bank of New Bern, New Bern, N.C., with	$13, 274, 782	2	
and North Carolina National Bank, Charlotte, N.C. (13761), which had	2, 146, 544, 229	134	
merged Dec. 15, 1972, under charter and title of the latter bank (13761). The merged bank at date of merger had	2, 159, 619, 294		136

COMPTROLLER'S DECISION

On September 29, 1972, North Carolina National Bank, Charlotte, N.C., and The Bank of New Bern, New Bern, 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, the charter bank, was organized in 1933, and is currently the second largest commercial bank in North Carolina, with assets of $2.2 billion and IPC deposits of $1.2 billion. The bank operates 110 offices in 34 communities in various parts of North Carolina, a majority of which are located in the western portion of the State.

The charter bank competes both with the other statewide financial systems in North Carolina and with the smaller regional and local banks situated within the individual service areas of various branches of North Carolina National Bank. The larger statewide competitors include Wachovia Bank and Trust Company, National Association, Winston-Salem, with deposits of $1.6 billion; First Union National Bank of North Carolina, Charlotte, with deposits of $1.1 billion; and First-Citizens Bank and Trust Company, Smithfield, with deposits of $715 million.

The Bank of New Bern, the merging bank, was organized in 1917, and is the smallest of three commercial banks maintaining offices in New Bern. It has assets of $12.3 million and IPC deposits of $9 million. The bank operates one branch office in New Bern and the overwhelming majority of its deposit and loan accounts originate in the city where it maintains its two offices and in the immediate environs. The merging bank, therefore, has a relatively restricted service area.

The Bank of New Bern competes directly with First Citizens Bank and Trust Company, the fourth largest bank in the State, which maintains three offices in New Bern Township and is the dominant bank in Craven County, and with Branch Banking and Trust Company, Wilson, the sixth largest bank in North Carolina, which maintains two offices in New Bern and has total deposits of $234 million. A secondary level of competition is provided by a branch of Wachovia Bank and Trust Company at Vanceboro and Bank of North Carolina, National Association, which maintains an office in nearby Havelock.

New Bern is a coastal city located in Craven County, approximately 30 miles east of Kingston. Its position on the Neuse Waterway, far behind the barrier beaches of the Outer Banks, has effectively extinguished the development of any major maritime business at the port with the exception of a small amount of intercoastal activity. The economy of New Bern is dependent on lumber and plywood mills, small boat yards, several clothing factories, and a large government military installation which employs many local residents in a civilian capacity. The total work force of Craven County is approximately 22,700, and the employment patterns of the residents of this area are diversified with the largest single segment employed at the Cherry Point Marine Air Station. New Bern acts as a trading and service center for the nearby military men and their families.

There is minimal competition between the charter and merging banks because relatively large distances separate the closest two offices of those banks and an adequate number of competitors operate in the intervening distances. The nearest offices of North Carolina National Bank to the offices of the merging bank are at Jacksonville, 30 miles southwest of New Bern, and at Washington, 36 miles to the north of the offices of The Bank of New Bern. An analysis of the business done by each bank in the service area of the other further evidences the minimal character of the competition between the two proponents of this application. Furthermore, it is unlikely that the charter bank would be able to enter New Bern through a *de novo* branch application in view of the fact that a Federal District Court has previously enjoined Wachovia Bank and Trust Company from establishing a branch in that city on the basis that the evidence in that application fell short of establishing that the entry of a new bank into the New Bern market was necessary or desirable. That decision was rendered in June 1972.

Consummation of the proposed merger will directly benefit the residents of New Bern by replacing a weak, ineffective competitor with a branch of a large, dynamic bank which will be able to offer strong competition to the two other banks that now maintain offices in that city. The merging bank has recently experienced fiscal and managerial difficulties which will be ameliorated by the proposed transaction. The resulting bank will be able to offer a wider range of services including trust facilities, financial advisory services, installment loans, and a greatly increased lending limit which could help to stimulate industrial development in this area. The proposed transaction will not affect the statewide competitive position of the resulting bank, which will remain the second largest commercial bank in North Carolina.

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

November 9, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The nearest offices of North Carolina National Bank to Bank's offices are about 30 and 36 miles distant, with other banks' offices intervening. An analysis of the accounts of the offices of both banks shows only minor competitive overlap in terms of deposits and loans drawn by each from areas served by the other. The proposed merger would not, therefore, appear to eliminate a substantial amount of actual competition presently existing between the two banks.

Bank is the third largest of the five banks in Craven County, with 15.2 percent of the county's bank deposits, and the smallest of the three banks currently serving New Bern. Commercial banking in Craven County is highly concentrated with the three leading banks in the county accounting for 90.5 percent of county deposits.

North Carolina banking laws permit statewide branching; thus, North Carolina National Bank could establish a branch in New Bern and Craven County *de novo*. The proposed acquisition would, therefore, eliminate some potential competition. However, considering the below average growth in New Bern and Craven County, and the existence of other potential entrants, the loss of potential competition noted above would be somewhat mitigated.

* * *

The National Bank of New Jersey, New Brunswick, N.J., and Suburban Trust Company, Westfield, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Suburban Trust Company, Westfield, N.J., with	$115,531,849	11	
and The National Bank of New Jersey, New Brunswick, N.J. (587), which had	106,633,978	6	
merged Dec. 22, 1972, under charter and title of the latter bank (587). The merged bank at date of merger had	216,080,833		17

COMPTROLLER'S DECISION

On September 22, 1972, Suburban Trust Company, Westfield, N.J., and The National Bank of New Jersey, New Brunswick, N.J., 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 New Jersey, the charter bank, was organized in 1808 and now, with assets of $94.9 million and IPC deposits of $67.2 million, is 19th in size of the 60 commercial banks in the Second Banking District of New Jersey. The charter bank operates five branches in Middlesex County and competes with virtually all of the commercial banks operating in that county. In January 1971, all of the shares of The National Bank of New Jersey were acquired by Fidelity Union Bancorporation, a registered multi-bank holding company controlling aggregate deposits of $792 million.

The charter bank is the second largest of 20 commercial banks headquartered in Middlesex County and competes with First Charter National Bank, Monroe Township, which has deposits of $112 million and which is the largest bank headquartered in Middlesex County. The charter bank also competes directly with local offices of many banks which are headquartered elsewhere in the Second Banking District, including The National State Bank, Elizabeth, with deposits of $588 million; New Jersey National Bank, Trenton, with deposits of $579 million; Franklin State Bank, Somerset, with deposits of $149 million; and First National Bank of Princeton, with deposits of $85 million, which is a member of United Jersey Banks, a multi-bank holding company with aggregate deposits of $1.1 billion. Additional competition is provided by many other banks operating in that county as well as the multi-million dollar banks based in Newark and the multi-billion dollar banks headquartered in New York City.

Suburban Trust Company, the merging bank, was organized in 1952 as the result of a merger between Westfield Trust Company and Cranford Trust Company. The merging bank, which operates 10 offices in Union County, currently has assets of $112.9 million and IPC deposits of $87.2 million and is the fifth largest of the 11 commercial banks headquartered in Union County.

Competition for the merging bank is provided by all 11 banks headquartered in Union County, including The National State Bank, Elizabeth, with deposits of $588 million; United Counties Trust Company, Elizabeth, with deposits of $294 million; Summit and Elizabeth Bank and Trust Company, Summit, with deposits of $175 million; and United National Bank of Central Jersey, Plainfield, with deposits of $133 million. Additional competition is furnished by many other banks which operate branches in Union County and are headquartered elsewhere in the Second Banking District.

The service area of The National Bank of New Jersey consists of all of Middlesex County where the economy is highly industrialized. Because of that industrialization the charter bank has particularly emphasized its wholesale financing activities for many nationally-known corporations which maintain offices and manufacturing plants within the county. In contrast, the merging bank is a retail-oriented institution whose principal service area is Union County which has a diversified economy containing some industry and large affluent residential communities.

There is only minimal competition between the charter and merging banks because of the distances that separate their closest offices and the adequate number of competitors operating in the intervening area. The main offices of the principal banks are more than 15 miles apart and their nearest offices are separated by 5.3 miles, with six commercial banks operating 13 offices serving the intervening distance. That minimizes any slight competitive effect which the two banks might exercise upon each other.

Consummation of the proposed merger will result in no adverse competitive effects in the Second Banking District of New Jersey because the resulting bank will bring increased benefits to the residents of both Union and Middlesex counties which are the respective service areas of the merging and charter banks. The merger will have a favorable effect upon competition in Westfield, where the charter bank maintains its head office, by opening it to *de novo* branching not previously allowed because of head office protection. The merger will also produce a favorable effect in Middlesex County because the merging bank will bring its expertise in the retail function of banking to the service area of the National Bank of New Jersey. Affiliation with Fidelity Union Bancorporation will bring expanded and improved services to the trade area of Suburban Trust Company such as access to large loan participation, data processing, international banking services, complete trust services, and other specialized functions usually offered only by the larger commercial banks in the State. The resulting bank, with deposits of $178 million, will become the sixth largest bank in the Second Banking District and will continue to operate all 16 offices of the two principal banks. The proposed merger will not alter the statewide competitive position of Fidelity Union Bancorporation which will remain the fourth largest banking institution in the State; with Midlantic Banks, Inc., First National State Bancorporation, and United Jersey Banks remaining larger, each with deposits in excess of $1 billion.

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

NOVEMBER 22, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

National Bank of New Jersey ("National Bank") is a subsidiary of Fidelity Union Bancorporation, one of New Jersey's largest multiple bank holding companies. Total deposits of Fidelity, as of December 31, 1971, were $792.2 million.

The closest office of Suburban Trust Company ("Suburban") to National Bank is the former's Plainfield office, 5.3 miles from National Bank's Middlesex office, and 6.7 miles from National Bank's Metuchen office. Although there are a number of intervening banking alternatives, some competitive overlap does exist between these two banks; the application indicates that Suburban had $3.8 million (or 4.4 percent of its total) in IPC deposits and $0.8 million (or 3.5 percent of its total) in loans originating in Middlesex County. National Bank does less than 1 percent of its business in Union County. The service areas of these two banks can best be described as adjoining and to a limited extent overlapping. Fidelity Union Trust Co., Fidelity's lead bank, does draw some banking business from Union County. While most of this business appears to be from the eastern segments of Union County, some competition between this bank and Suburban would be eliminated by the proposed merger.

New Jersey law permits district-wide branching (subject to complete home office protection and branch office protection in communities of less than 7,500 population) and allows statewide operations by bank holding companies. The major effect on potential competition presented by the proposed merger would be the elimination of Fidelity as a potential entrant into the service area of Suburban. While many communities in Suburban's service area are closed to *de novo* branching, several are not, including Scotch Plains and Cranford, where Suburban offices are located. Moreover, home or branch office protection does not appear to be a barrier to the chartering of *de novo* holding company affiliates, and as one of the largest New Jersey holding companies, Fidelity clearly has the resources to effect entry into attractive areas. Communities within the western Union County service area of Suburban have a total population of about 200,000 representing approximately a 15 percent increase since 1960.

Suburban is the fifth largest bank headquartered in Union County, and the eighth largest bank operating offices within the county. As of June 30, 1970, it held about 7.5 percent of total county commercial bank deposits; however, this percentage would understate the market position of Suburban in its more limited western Union County service area. It is the 12th largest bank in the Second Banking District.

In view of the resources and capability of Fidelity, and the existing overlap between the service areas of its present subsidiaries and that of Suburban, we conclude that its acquisition of another substantial Second District bank in close proximity to its existing subsidiary would have at least some adverse effect on existing and potential competition.

* * *

BANK OF NORTH CAROLINA, NATIONAL ASSOCIATION, JACKSONVILLE, N.C., AND NORTH STATE BANK, BURLINGTON, N.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
North State Bank, Burlington, N.C., with	$25, 555, 565	6	
and Bank of North Carolina, National Association, Jacksonville, N.C. (14676), which had	348, 815, 525	57	
merged Dec. 28, 1972, under charter and title of the latter bank (14676). The merged bank at date of merger had	369, 659, 404		63

COMPTROLLER'S DECISION

On September 12, 1972, North State Bank, Burlington, N.C., and Bank of North Carolina, National Association, Jacksonville, N.C., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Bank of North Carolina, National Association, the charter bank, was organized in 1952 and, today, with assets of $316 million and IPC deposits of $173.4 million, is the sixth largest commercial bank in North Carolina. The charter bank operates 54 offices in 36 communities throughout North Carolina but maintains the majority of those in the eastern section of the State. The bank is a principal component of Bankshares of North Carolina, which is a one-bank holding company. Although the charter bank is rapidly becoming a statewide financial institution, it still generates the majority of its business from the eastern section of the State where many of the bank's offices are located in small agriculturally oriented towns and communities. The bank has recently established offices in Charlotte, Raleigh, and Winston-Salem, which are among the State's most heavily industrialized cities and are located in the piedmont section of North Carolina.

The charter bank is generally in competition with every major bank in North Carolina as well as with the smaller, locally-based banks situated in close proximity to the individual branches of Bank of North Carolina. The major statewide competitors for the bank include Wachovia Bank and Trust Company, National Association, with deposits of $1.6 billion; North Carolina National Bank, with deposits of $1.5 billion; First Union National Bank, with deposits of $1.1 billion; First-Citizens Bank and Trust Company, with deposits of $715 million; and The Northwestern Bank, with deposits of $631 million.

North State Bank, the merging bank, was organized in 1911 and curently has assets of $23.6 million and IPC deposits of $16.5 million. The bank operates five offices in Burlington and three nearby communities in Alamance County, with one additional office in Stoneville, located in Rockingham County. The Stoneville office, which is approximately 45 miles from Burlington, was acquired by merger in 1970, while the remaining offices of the merging bank were opened as *de novo* branches. Recently, the merging bank has suffered from a severe asset problem.

The principal service area of North State Bank consists of the city of Burlington and its immediate environs in Alamance County where five of the six offices of the merging bank are located. Alamance County, which is in the northern Piedmont area, is one of the leading industrial counties in North Carolina, the textile and apparel industries are the primary economic forces. The other area in which the merging bank operates is northwestern Rockingham County, which is agriculturally-oriented with a small amount of industrial employment from plants in nearby towns. Within that area, tobacco is the major crop and the textile industry is the dominant industrial employer.

Banking competition in the city of Burlington and in Alamance County is furnished by offices of four of the five largest banks in North Carolina, as well as by a small industrial bank headquartered in downtown Burlington. In Rockingham County, where the merging bank operates a single office, there are 25 banking offices of eight banks.

The charter and merging banks are not significant competitors. The nearest office of the charter bank to North State Bank is located at Elon College, approximately 4 miles west of Burlington, which was purchased from North Carolina National Bank in 1972. The service area of the Elon College branch of the charter bank, which has deposits of only $500,000, is restricted to the town in which it is situated because there is virtually no commercial activity except that which is necessary to support Elon College, the primary economic force in that city. The small amount of banking activity in Elon College, its limited growth prospects, and the limited service area of this branch, have foreclosed any significant competition between the charter bank and the nearby branches of the merging bank in Alamance County. The same factors that have restricted competition in the past will also limit the development of competition in the future.

Consummation of the proposed merger will stimulate competition in Alamance and northwestern Rockingham counties by replacing a small, poorly-managed bank with branches of the sixth largest commercial bank in North Carolina. The resulting branches will offer many increased services currently unavailable from the merging bank and will, therefore, be able to provide more effective competition to the larger banks operating within its service area. The merger will also remedy the asset problem at North State Bank while reinforcing the management at the resulting branches. At present, North Carolina's five largest banks provide keen competition through 30 branch offices in the two-county area served by the merging bank. The existence of those strong competitors will insure adequate competition in the future. The proposed merger will not affect the statewide competitive position of the charter bank, which will remain the sixth largest commercial bank in the State.

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

NOVEMBER 28, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Bank of North Carolina, National Association does not presently have any offices in Rockingham County.

Its branch nearest the North State office in Stoneville (that community's only banking facility) is located about 40 miles south in Greensboro in adjacent Guilford County, with a number of other banking offices intervening. The Stoneville branch of North State accounts for about 5 percent of county bank deposits——the smallest share of any of the eight banks in the county.

Bank of North Carolina, National Association, does however, operate one office in Alamance County, in the community of Elon College (population 2,150). This office was originally established by Carolina Bank of Commerce and was acquired by Bank of North Carolina, National Association, this year. It is only some 3 miles west, and virtually adjacent to the upper income suburban expansion of Burlington proper, where North State operates two offices. Moreover, the only banking office located in the area intervening between Elon College and Burlington is North State's branch at Glen Raven (population 2,848), just 2 miles slightly northeast of Elon College. On the basis of information supplied it would appear that North State draws some deposit and loan accounts from Elon College and vicinity. This proposed merger would, therefore, eliminate direct competition presently existing between the two institutions in Alamance County.

Seven commercial banks currently serve Alamance County and five banks serve Burlington——including in both instances four of the State's five largest banks. Banking in Alamance County is highly concentrated. The three largest banks operating in the county account for almost 75 percent of commercial bank deposits in the county. North State is the fourth largest bank in the county, with slightly more than 10 percent of such deposits. The banking office in Elon College, only recently acquired by Bank of North Carolina, National Association, has experienced significant growth in total deposits since its establishment in 1970. The deposits attributable to the Elon College office have increased from about $182,000, at mid-year 1970, to approximately $1.5 million, at present (about 1 percent of the deposits held by banks in Alamance County) ——with a substantial amount of that growth occurring within the last year.

This proposed merger would combine the State's sixth largest bank, which already operates one branch in the rapidly growing area of Alamance County immediately west of Burlington, with the county's fourth largest bank, which also operates branches in that area, including the nearest alternative banking office. This proposed merger would thus eliminate direct competition presently existing between the two banks and the potential for increased competition in the future which can be expected as a result of the above average growth immediately west of Burlington. Accordingly, we conclude that it would have an adverse effect on competition in Alamance County.

* * *

Bay State National Bank, Lawrence, Mass., and First Bank and Trust Company of Haverhill, Haverhill, Mass., and Second Bay State National Bank, Lawrence, Mass.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bay State National Bank, Lawrence, Mass. (1014), with	$71, 853, 399	8	
First Bank and Trust Company of Haverhill, Haverhill, Mass., with	5, 259, 610	1	
and Second Bay State National Bank, Lawrence, Mass. (1014), which had	240, 000	0	
merged Dec. 29, 1972, under charter of the latter bank (1014) and title "Bay State National Bank." The merged bank at date of merger had	77, 120, 209		9

COMPTROLLER'S DECISION

On June 5, 1972, the Bay State National Bank, Lawrence, Mass., the First Bank and Trust Company of Haverhill, Haverhill, Mass., and the Second Bay State National Bank (organizing), Lawrence, Mass., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of "Bay State National Bank."

Second Bay State National Bank, Lawrence, Mass., the charter bank, is being organized to provide a vehicle to transfer ownership of the two other banks to the recently organized Massachusetts Bay Bancorp, Inc. The charter bank will not be operating as a commercial bank prior to consummation of the merger.

Bay State National Bank, Lawrence, Mass., one of the merging banks, was organized in 1865, and currently has assets of $63.9 million and IPC deposits of $35.5 million. With seven branches in operation, that bank competes with 10 offices of the Arlington Trust Company, the eighth largest commercial bank in the State, with $202.8 million in deposits; and with six offices of the Merrimack Valley Bank, with $60.6 million in deposits, owned by Bay State Corporation, the third largest banking organization in Massachusetts, which has aggregate deposits of $1.4 billion.

First Bank and Trust Company of Haverhill, Haverhill, Mass., the other merging bank, is a single-office Massachusetts trust company which was organized in 1963. With assets of $5.7 million and IPC deposits of $4.2 million, it competes with five offices of the Merrimack Valley Bank; one office of the Arlington Trust Company; and six offices of the Haverhill National Bank, which has deposits of $31.2 million.

Though the service areas of the two merging banks are contiguous, together comprising what is known as the Lawrence-Haverhill Metropolitan Statistical Area, competition between those two banks has been insignificant. Bay State National Bank presently draws only 1 percent of its deposits and 3 percent of its loans from First Bank and Trust Company's service area; and First Bank and Trust Company holds only 2 percent of the total commercial bank loans and 1 percent of the total deposits in the Lawrence-Haverhill Metropolitan Statistical Area. On the other hand, competition provided by the other commercial banks in the area is quite intense.

Though it has experienced an unsettled economy, due in part to the decline of the shoe industry, Haverhill now appears to be forming a new economic base which may well be the beginning of new growth. Especially significant to the area is the recent development of two interstate highways affording easy access to Boston. A well-regarded labor force, industrially-zoned vacant land, and proximity to major markets all promise well for future growth.

The proposed merger will not affect Bay State National Bank's rank in total deposits in the resulting service area, and will affect its rank in loans only marginally. The resulting bank will continue to receive competition in the Lawrence-Haverhill Metropolitan Statistical Area from the Merrimack Valley Bank which is approximately equal in size; Haverhill National Bank which is about half the size; and Arlington Trust which will continue to enjoy more than half of the total banking business in the area. Additional competition will continue to be provided by three savings bank offices, two cooperative banks, and credit unions in Haverhill.

The resulting bank will be able to offer the full range of commercial banking services including computer, credit card, and fiduciary services not now offered by First Bank and Trust Company, managerial depth and aggressiveness, and greater lending limits, thus replacing a relatively ineffective competitor with an aggressive, full-service institution willing to serve the community.

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

NOVEMBER 28, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed transaction is a step toward the creation of a bank holding company, to be known as Massachusetts Bay Bancorp, Inc. The holding company will result from what amounts to the merger of Bay State National Bank and First Bank and Trust Company of Haverhill.

The closest offices of the merging banks are 6 miles apart, with one competing banking office intervening. The bulk of both of the participants' deposits and loans are attributed to localized areas, but Bay State National Bank draws a significant amount of business from the city of Haverhill. For example, Bay State National Bank holds $576,000 in deposits from Haverhill customers, and it does almost as much loan business in Haverhill as does First Bank and Trust Company of Haverhill (approximately $2.1 million). Consequently, the merger of Bay State National Bank and First Bank and Trust Company of Haverhill would eliminate some existing competition.

Bay State National Bank is the third largest of five Massachusetts commercial banks with offices in the Lawrence-Haverhill area. It holds about 16 percent of the total deposits. The two largest banks serving the area account for about 74 percent of total deposits; the three largest about 90 percent. The proposed transaction would make the resulting bank about equal in size to the second largest bank in the area, and the share of deposits held by the three leading banking organizations in the SMSA would increase to about 91 percent. An independent banking organization would be eliminated, leaving the Lawrence-Haverhill area with only four commercial banking organizations.

Because of the elimination of some existing competition between the participating banks and the incremental increase in concentration in banking resources that would result from this transaction, we conclude that it would have some adverse effect on competition.

* * *

II. Mergers consummated, pursuant to corporate reorganization

American National Bank & Trust, Montclair, N.J., and The Second American National Bank, Montclair, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
American National Bank & Trust, Montclair, N.J. (4274), with	$416,088,784	33	
and The Second American National Bank, Montclair, N.J. (4274), which had	125,000	0	
merged Jan. 1, 1972, under charter of the latter bank (4274) and title "American National Bank & Trust of New Jersey." The merged bank at date of merger had	416,213,784		33

COMPTROLLER'S DECISION

On August 24, 1971, American National Bank & Trust, Montclair, N.J., and The Second American National Bank (organizing), Montclair, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of "American National Bank & Trust of New Jersey."

American National Bank & Trust, the merging bank, is headquartered in Montclair. The bank, with total resources of $406.7 million and IPC deposits of $308.8 million, was chartered in 1890.

The Second American National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the American Holding Corporation of New Jersey. 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 its banking business at the same locations presently used by the merging bank, and with the name of "American National Bank & Trust of New Jersey."

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

November 12, 1971.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Second American National Bank (org.) would become a subsidiary of American Holding Corporation of New Jersey, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by American Holding Corporation of New Jersey, it would have no effect on competition.

* * *

THIRD NATIONAL BANK IN NASHVILLE, NASHVILLE, TENN., AND FOURTH AND CHURCH STREET NATIONAL BANK, NASHVILLE, TENN.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Third National Bank in Nashville, Nashville, Tenn. (13103), with	$677,549,295	19	
and Fourth and Church Street National Bank, Nashville, Tenn. (13103), which had	247,200	0	
merged Jan. 1, 1972, under charter of the latter bank (13103) and title "Third National Bank in Nashville." The merged bank at date of merger had	677,796,495		19

COMPTROLLER'S DECISION

On October 14, 1971, the Third National Bank in Nashville, Nashville, Tenn., and the Fourth and Church Street National Bank (organizing), Nashville, Tenn., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Third National Bank in Nashville, the merging bank, is headquartered in Nashville, which has a metropolitan area population of 541,108 people. The bank, with IPC deposits of $380.1 million, was chartered originally in 1927.

Fourth and Church Street National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Third National 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.

NOVEMBER 30, 1971.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Fourth and Church Street National Bank (org.) would become a subsidiary of Third National Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Third National Corporation, it would have no effect on competition.

* * *

MERCHANTS NATIONAL BANK & TRUST COMPANY OF INDIANAPOLIS, INDIANAPOLIS, IND., AND MERIDIAN NATIONAL BANK, INDIANAPOLIS, IND.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Merchants National Bank & Trust Company of Indianapolis, Indianapolis, Ind. (869), with	$648,968,186	36	
and Meridian National Bank, Indianapolis, Ind. (869), which had	240,000	0	
merged Jan. 3, 1972, under charter of the latter bank (869) and title "Merchants National Bank & Trust Company of Indianapolis." The merged bank at date of merger had	648,979,886		36

COMPTROLLER'S DECISION

On September 13, 1971, the Merchants National Bank & Trust Company of Indianapolis, Indianapolis, Ind., and the Meridian National Bank (organizing), Indianapolis, Ind., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Merchants National Bank & Trust Company, the merging bank, is headquartered in Indianapolis, and has 35 offices located throughout the city. The bank, with total resources of $573.2 million and IPC deposits of $371.7 million, was chartered in 1865.

Meridian National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Merchants National 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 its 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 29, 1971.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Meridian National Bank (org.) would become a subsidiary of Merchants National Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such and without regard to the acquisition of the surviving bank by Merchants National Corporation, it would have no effect on competition.

* * *

THE ALAMO NATIONAL BANK OF SAN ANTONIO, SAN ANTONIO, TEX., AND ALAMO BANK, NATIONAL ASSOCIATION, SAN ANTONIO, TEX.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Alamo National Bank of San Antonio, San Antonio, Tex. (4525), with	$227,620,412	1	
and Alamo Bank, National Association, San Antonio, Tex. (4525), which had	236,435	0	
merged Jan. 5, 1972, under charter of the latter bank (4525) and title "The Alamo National Bank." The merged bank at date of merger had	224,190,129		1

COMPTROLLER'S DECISION

On April 15, 1971, the Alamo Bank, National Association (organizing), San Antonio, Tex., applied to the Office of the Comptroller of the Currency for permission to merge with The Alamo National Bank of San Antonio, San Antonio, Tex., under the charter of the former and with the title of The Alamo National Bank.

The Alamo National Bank of San Antonio, the merging bank, is located in San Antonio, Tex., a city of 795,495. The bank was chartered in 1801, and presently has IPC deposits of $123 million.

The Alamo Bank, National Association, owned by Alamo Bancshares, Inc., is being organized as a means to transfer ownership of The Alamo National Bank of San Antonio 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 Alamo Bancshares, Inc.

Because The Alamo National Bank of San Antonio 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 the title of "The Alamo National Bank." The application is, therefore, approved.

AUGUST 31, 1971.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Alamo Bank, N.A. (org.) would become a subsidiary of Alamo Bancshares, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such and without regard to the acquisition of the surviving bank by Alamo Bancshares, Inc., it would have no effect on competition.

* * *

THE UNION NATIONAL BANK OF TROY, TROY, N.Y., AND UNION NATIONAL BANK, ALBANY, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Union National Bank of Troy, Troy, N.Y. (963) with	$80, 279, 693	7	
and Union National Bank, Albany, N.Y. (963), which had	258, 002	0	
merged Jan. 18, 1972, under charter and title of the latter bank (963). The merged bank at date of merger had	80, 537, 695		

COMPTROLLER'S DECISION

On July 13, 1971, Union National Bank (organizing), Albany, N.Y., and The Union National Bank of Troy, Troy, N.Y., 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 Union National Bank of Troy, Troy, N.Y., the smaller of the two banks headquartered in Troy, is the ninth largest of the 36 banks located in New York's Fourth Banking District. The resulting bank will become the fourth largest of the six banks headquartered in Albany.

Union National Bank, Albany, N.Y., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Charter New York Corporation, New York, N.Y. The charter bank will not be acting 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 merger. With the exception of the new head office in Albany, N.Y., the resulting bank will conduct the same banking business at the same locations as are presently used by the merging bank. None of Charter New York Corporation's other subsidiaries compete to any significant degree with the merging bank in the Troy area or with the Albany banks. The nearest branch of a subsidiary of the holding company is 40 miles from the merging bank, and 35 miles from Albany, so that the geographical barrier forecloses an anticompetitive effect of the proposed merger.

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

DECEMBER 7, 1971.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Union National Bank (org.) would become a subsidiary of Charter New York Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Charter New York Corporation, it would have no effect on competition.

* * *

TAPPAN ZEE NATIONAL BANK, NYACK, N.Y., AND THE BANK OF TAPPAN ZEE, N.A., NYACK, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Tappan Zee National Bank, Nyack, N.Y. (14734), with	$57, 952, 977	7	
and The Bank of Tappan Zee, N.A., Nyack, N.Y. (14734), which had	132, 000	0	
merged Jan. 31, 1972, under charter of the latter bank (14734) and title "Tappan Zee National Bank." The merged bank at date of merger had	58, 084, 977		7

COMPTROLLER'S DECISION

On September 21, 1971, the Tappan Zee National Bank, Nyack, N.Y., and The Bank of Tappen Zee, N.A. (organizing), Nyack, N.Y., 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 Tappan Zee National Bank, the merging bank, is headquartered in Nyack, and has seven offices located throughout Rockland County. The bank, with total resources of $49.8 million and IPC deposits of $33.7 million, was chartered in 1955.

The Bank of Tappan Zee, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Chemical New York 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 its 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.

DECEMBER 27, 1971.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which The Bank of Tappan Zee, N.A. (org.) would become a subsidiary of Chemical New York Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Chemical New York Corporation, it would have no effect on competition.

* * *

THE AMERICAN NATIONAL BANK IN PORTAGE, PORTAGE, MICH., AND THE PORTAGE BRANCH OF THE AMERICAN NATIONAL BANK AND TRUST COMPANY OF MICHIGAN, KALAMAZOO, MICH.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Portage Branch of The American National Bank and Trust Company of Michigan, Kalamazoo, Mich. (13820), with	$3, 523, 152	1	
was purchased Jan. 31, 1972, by The American National Bank in Portage, Portage, Mich. (15938), which had	403, 000	0	
After the purchase was effected, the receiving bank had	3, 926, 152		1

COMPTROLLER'S DECISION

On October 19, 1971, The American National Bank in Portage (organizing), Portage, Mich., applied to the Office of the Comptroller of the Currency for permission to purchase some of the assets and assume some of the liabilities of the Portage branch of The American National Bank and Trust Company of Michigan, Kalamazoo, Mich., under the charter and with the title of the former.

The American National Bank and Trust Company of Michigan, the selling bank, is located in Kalamazoo, Mich., a city of 85,555. The bank was chartered in 1933, and presently has IPC deposits of $149.2 million. At the time of the application, it had 25 active branches. On August 19, 1971, the Board of Governors of the Federal Reserve System approved the acquisition of 100 percent of the voting stock of the bank by American Financial Corporation of Michigan, a registered bank holding company.

The American National Bank in Portage, which is newly organized and will be purchased by the American Financial Corporation, has been set up for the purpose of acquiring the demand checking accounts and savings book deposit liabilities, the cash assets, and the building lease of the selling bank's Portage branch. Prior to the acquisition of the Portage branch, The American National Bank in Portage will not be operational.

Acquisition of the Portage branch by The American National Bank in Portage has two competitive ramifications. First, it ensures continued bank services to the inhabitants of Portage which services would otherwise have been lost since Michigan branch law will not permit The American National Bank and Trust Company of Michigan to maintain the branch following its reorganization as a subsidiary of the holding company. Secondly, approval of the application introduces a bank which will be headquartered in Portage, thereby permitting it, under Michigan bank law, to branch throughout the city of Portage. Noting that the First National Bank and Trust Company of Michigan and the Industrial State Bank of Kalamazoo each operate two branches in Portage, approval of the application is in the interest of competition.

DECEMBER 29, 1971.

SUMMARY OF REPORT BY ATTORNEY GENERAL

According to the application, American National Bank and Trust Company of Michigan is required to divest its Portage branch as part of its reorganization as a bank holding company (American Financial Corporation of Michigan). This branch is being transferred to a new bank, which is not presently an operating institution. The application further indicates the likelihood that the new bank will ultimately become a subsidiary of American Financial Corporation.

Since the proposed transaction is essentially an interim step in a corporate reorganization, it would appear to present no adverse competitive effects.

* * *

THE AMERICAN NATIONAL BANK AND TRUST COMPANY OF MICHIGAN, KALAMAZOO, MICH., AND THE AMERICAN BANK OF MICHIGAN, NATIONAL ASSOCIATION, KALAMAZOO, MICH.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The American National Bank and Trust Company of Michigan, Kalamazoo, Mich. (13820), with	$195, 205, 834	17	
and The American Bank of Michigan, National Association, Kalamazoo, Mich. (13820), which had	250, 000	0	
merged Jan. 31, 1972, under charter of the latter bank (13820) and title "The American National Bank and Trust Company of Michigan." The merged bank at at date of merger had	195, 213, 034		17

COMPTROLLER'S DECISION

On October 27, 1971, The American Bank of Michigan, National Association (organizing), Kalamazoo, Mich., applied to the Office of the Comptroller of the Currency for permission to merge with The American National Bank and Trust Company, Kalamazoo, Mich., under the charter of the former and with the title of the latter.

The American National Bank and Trust Company, the merging bank, is located in Kalamazoo, Mich., a city of 85,555. The bank was chartered in 1933, and presently has IPC deposits of $149.2 million. At the time of the application it had 16 branches.

The American Bank of Michigan, National Association, owned by The American Bancshares of Michigan*, 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 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 American National Bank and Trust Company of Michigan.

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

DECEMBER 29, 1971.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which American Bank of Michigan, N.A. (org.) would become a subsidiary of American Bancshares of Michigan, Inc., a bank holding company. The instant merger, however, would merely combine and existing bank with

*Now American Financial Corporation of Michigan.

a non-operating institution; as such, and without regard to the acquisition of the surviving bank by American Bancshares of Michigan, Inc., it would have no effect on competition.

* * *

THE FIRST NATIONAL BANK OF BIRMINGHAM, BIRMINGHAM, ALA., AND JEFFERSON COUNTY NATIONAL BANK, BIRMINGHAM, ALA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Birmingham, Birmingham, Ala. (3185), with	$833, 115, 240	21	
and Jefferson County National Bank, Birmingham, Ala. (3185), which had	240, 000	0	
merged Feb. 3, 1972, under charter of the latter bank (3185) and title "The First National Bank of Birmingham." The merged bank at date of merger had	833, 355, 240		21

COMPTROLLER'S DECISION

On September 8, 1971, The First National Bank of Birmingham, Birmingham, Ala., and the Jefferson County National Bank (organizing), Birmingham, Ala., 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 Birmingham, the merging bank, is headquartered in Birmingham and has a number of branches. The bank, with total resources of $732.2 million and IPC deposits of $496.2 million, was chartered originally in 1873.

Jefferson County National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Alabama 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.

JANUARY 3, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Jefferson County National Bank (org.) would become a subsidiary of Alabama Bancorporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such and without regard to the acquisition of the surviving bank by Alabama Bancorporation, it would have no effect on competition.

* * *

HUTCHINSON NATIONAL BANK AND TRUST COMPANY, HUTCHINSON, KANS., AND POLARIS NATIONAL BANK, HUTCHINSON, KANS.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Hutchinson National Bank and Trust Company, Hutchinson, Kans. (10765), with	$88, 658, 617	1	
and Polaris National Bank, Hutchinson, Kans. (10765), which had	130, 000	0	
merged Feb. 15, 1972, under charter of the latter bank (10765) and title "Hutchinson National Bank and Trust Company." The merged bank at date of merger had	88, 788, 617		1

COMPTROLLER'S DECISION

On October 8, 1971, the Hutchinson National Bank and Trust Company, Hutchinson, Kans., and the Polaris National Bank (organizing), Hutchinson, Kans., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Hutchinson National Bank and Trust Company, the merging bank, is headquartered in Hutchinson, and is a unit bank. The bank, with total resources of $60.3 million and IPC deposits of $37.2 million, was chartered originally in 1915.

Polaris National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the United Financial 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 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.

JANUARY 14, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Polaris National Bank (org.) would become a subsidiary of United Financial Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by United Financial Corporation, it would have no effect on competition.

* * *

EASTERN NATIONAL BANK OF LONG ISLAND, SMITHTOWN, N.Y., AND EAST BANK, N.A., SMITHTOWN, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Eastern National Bank of Long Island, Smithtown, N.Y. (14763), with	$78, 655, 878	6	
and East Bank, N.A., Smithtown, N.Y. (14763), which had	129, 500	0	
merged Mar. 3, 1972, under charter of the latter bank (14763) and title "Eastern National Bank of Long Island." The merged bank at date of merger had	78, 987, 962		6

COMPTROLLER'S DECISION

In October 1971, the Eastern National Bank of Long Island, Smithtown, N.Y., and the East Bank, N.A. (organizing), Smithtown, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Eastern National Bank of Long Island, the merging bank, is headquartered in Smithtown, a city of 85,000 people. The bank, with IPC deposits of $38.3 million, was chartered in 1956.

East Bank, N.A., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Chemical New York 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.

JANUARY 31, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which East Bank, N.A., would become a subsidiary of Chemical New York Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Chemical New York Corporation, it would have no effect on competition.

* * *

THE FIRST NATIONAL BANK OF GRAND ISLAND, GRAND ISLAND, NEBR., AND FIRST NATIONAL BANK IN GRAND ISLAND, GRAND ISLAND, NEBR.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Grand Island, Grand Island, Nebr. (2779), with	$56, 143, 209	2	
and First National Bank in Grand Island, Grand Island, Nebr. (2779), which had	109, 884	0	
merged Mar. 31, 1972, under charter of the latter bank (2779) and title "The First National Bank of Grand Island." The merged bank at date of merger had	56, 256, 694		2

COMPTROLLER'S DECISION

On December 30, 1971, The First National Bank of Grand Island, Grand Island, Nebr., and the First National Bank in Grand Island (organizing), Grand Island, Nebr., 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 Grand Island, the merging bank, is headquartered in Grand Island, Nebr., and has one additional office located in Hall County. The bank has total resources of $50.7 million and IPC deposits of $40.3.

First National Bank in Grand Island, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Bankshares of Nebraska, 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.

FEBRUARY 23, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National Bank in Grand Island (org.) would become a subsidiary of Bankshares of Nebraska, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by Bankshares of Nebraska, Inc., it would have no effect on competition.

* * *

NATIONAL BANK OF COMMERCE OF SAN ANTONIO, SAN ANTONIO, TEX., AND BANK OF COMMERCE, NATIONAL ASSOCIATION, SAN ANTONIO, TEX.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
National Bank of Commerce of San Antonio, San Antonio, Tex. (6956), with	$355, 176, 244	1	
and Bank of Commerce, National Association, San Antonio, Tex. (6956), which had	250, 000	0	
merged Apr. 3, 1972, under charter of the latter bank (6956) and title "National Bank of Commerce of San Antonio." The merged bank at date of merger had	355, 176, 244		1

COMPTROLLER'S DECISION

On September 13, 1971, the National Bank of Commerce of San Antonio, San Antonio, Tex., and the Bank of Commerce, National Association (organizing), San Antonio, Tex., 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 Bank of Commerce of San Antonio, the merging bank, is headquartered in San Antonio and is a unit bank. The bank, with total resources of $324 million and IPC deposits of $214.8 million, was chartered in 1903.

Bank of Commerce, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the National Bancshares Corporation of Texas. 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 its 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.

FEBRUARY 14, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Bank of Commerce, National Association (org.) would become a subsidiary of National Bancshares Corporation of Texas, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by National Bancshares Corporation of Texas, it would have no effect on competition.

* * *

THE STATE NATIONAL BANK OF EL PASO, EL PASO, TEX., AND STATE BANK, NATIONAL ASSOCIATION, EL PASO TEX.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The State National Bank of El Paso, El Paso, Tex. (2521), with	$259,004,881	1	
and State Bank, National Association, El Paso, Tex. (2521), which had	250,000	0	
merged Apr. 3, 1972, under charter of the latter bank (2521) and title "The State National Bank of El Paso." The merged bank at date of merger had	259,012,081		1

COMPTROLLER'S DECISION

On August 25, 1971, The State National Bank of El Paso, El Paso, Tex., and the State Bank, National Association (organizing), El Paso, Tex., 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 State National Bank of El Paso, the merging bank, is headquartered in El Paso, Tex., a city of 322,000 people. The bank, with IPC deposits of $142 million, was chartered originally in 1881.

State Bank, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the State National Bancshares, 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 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 3, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which State Bank, N. A. (org.) would become a subsidiary of State National Bancshares, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such and without regard to the acquisition of the surviving bank by State National Bancshares, Inc., it would have no effect on competition.

* * *

Zions First National Bank, Salt Lake City, Utah, and Zions Bank, N.A., Salt Lake City, Utah

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Zions First National Bank, Salt Lake City, Utah (4341), with	$366, 839, 367	26	....
and Zions Bank, N.A., Salt Lake City, Utah (4341), which had	240, 952	0	....
merged Apr. 7, 1972, under charter of the latter bank (4341) and title "Zions First National Bank." The merged bank at date of merger had	366, 839, 367	....	26

COMPTROLLER'S DECISION

On January 4, 1972, the Zions First National Bank, Salt Lake City, Utah, and the Zions Bank, N.A. (organizing), Salt Lake City, Utah, applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Zions First National Bank, the merging bank, is headquartered in Salt Lake City, a city of 190,000 people. The bank, with IPC deposits of $101.0 million, was chartered originally in 1890.

Zions Bank, N.A., the charter bank, is being organized to provide a vehicle to transfer complete ownership of the merging bank to the Zions Utah 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.

March 18, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Zions Bank, N.A. would become a subsidiary of Zions Utah Bancorporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Zions Utah Bancorporation, it would have no effect on competition.

* * *

The Silver Creek National Bank, Silver Creek, N.Y., and Citibank (Western), National Association, Silver Creek, N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Silver Creek National Bank, Silver Creek, N.Y. (10258), with	$13, 458, 243	1	....
and Citibank (Western), National Association, Silver Creek, N.Y. (10258), which had	60, 000	0	....
merged Apr. 10, 1972, under charter of the latter bank (10258) and title "Citibank (Western), National Association." The merged bank at date of merger had	13, 518, 243	....	1

COMPTROLLER'S DECISION

On November 16, 1971, the Citibank (Western), National Association (organizing), Silver Creek, N.Y., applied to the Office of the Comptroller of the Currency for permission to merge with The Silver Creek National Bank, Silver Creek, N.Y., under the charter and with the title of the former.

The Silver Creek National Bank, the merging bank, is located in Silver Creek, N.Y., a city of 3,182. The bank was chartered in 1912, and presently has IPC deposits of $10.1 million. At the time of the application, it had no active branches.

The Citibank (Western), N.A., owned by First National City Corporation, 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 First National City Corporation.

Because The Silver Creek 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 Citibank (Western), National Association. The application is, therefore, approved.

MARCH 9, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Citibank (Western), N.A. (org.) would become a subsidiary of First National City Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by First National City Corporation, it would have no effect on competition.

* * *

NEW JERSEY BANK (NATIONAL ASSOCIATION), CLIFTON, N.J., AND SECOND NEW JERSEY BANK (NATIONAL ASSOCIATION), CLIFTON, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
New Jersey Bank (National Association), Clifton, N.J. (15709), with............	$661,583,152	29	....
and Second New Jersey Bank (National Association), Clifton, N.J. (15709), which had............	244,200	0	....
merged Apr. 13, 1972, under charter of the latter bank (15709) and title "New Jersey Bank (National Association)." The merged bank at date of merger had....	661,593,362	....	29

COMPTROLLER'S DECISION

On December 21, 1971, the New Jersey Bank (National Association), Clifton, N.J., and the Second New Jersey Bank (National Association) (organizing), Clifton, 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.

New Jersey Bank (National Association), the merging bank, is headquartered in Clifton, and has 28 offices located in northern New Jersey. The bank has total resources of $607.9 million and IPC deposits of $443.6 million.

Second New Jersey Bank (National Association), the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to the Greater Jersey 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 the 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.

FEBRUARY 22, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Second New Jersey Bank (N.A.) would become a subsidiary of Greater Jersey Bancorp., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Greater Jersey Bancorp., it would have no effect on competition.

* * *

The City National Bank of Millville, Millville, N.J., and The Second National Bank of Millville, Millville, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The City National Bank of Millville, Millville, N.J. (14673), with	$16,475,140	2	....
and The Second City National Bank of Millville, Millville, N.J. (14673), which had	123,600	0	....
merged Apr. 28, 1972, under charter of the latter bank (14673) and title "The City National Bank of Millville." The merged bank at date of merger had	16,475,140	....	2

COMPTROLLER'S DECISION

On December 20, 1971, The City National Bank of Millville, Millville, N.J., and The Second City National Bank of Millville (organizing), Millville, 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 City National Bank of Millville, the merging bank, is located in Cumberland County, which is in the Third Banking District of New Jersey. The bank, with total deposits of $12.9 million, is the 45th in size of the 63 commercial banks in the Third Banking District. The merging bank has one branch, also located in Millville, and serves an estimated population of 22,000 people.

Competitors of The City National Bank of Millville include the Bank of New Jersey, Camden, with deposits of $348 million; the South Jersey National Bank, Camden, with deposits of $337 million, which is the proposed lead bank of the $507 million Heritage Bancorporation; and the Peoples National Bank of New Jersey, Haddon Township, with deposits of $192 million.

The Second City National Bank of Millville, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to United Jersey Banks, a registered bank holding company. The charter bank will not be operating as a commercial bank prior to this merger.

United Jersey Banks, Hackensack, N.J., the bank holding company which will acquire the resulting bank, is the second largest banking organization in New Jersey. United Jersey Banks had deposits of $775 million as of December 1970. The holding company has a banking network of six subsidiary banks which operate in all three of the banking districts in New Jersey. Those subsidiaries include Peoples Trust of New Jersey, Hackensack, with deposits of $726 million; First National Bank of Princeton, Princeton, with deposits of $81 million; Third National Bank of New Jersey, Camden, with deposits of $27 million; and Cumberland National Bank of Bridgeton, Bridgeton, with deposits of $29 million. Applications have also been approved for the acquisition of three additional banks, one each in Carlstadt, Montvale, and Ridgewood.

At present, although two subsidiaries of the applicant are located in the Third Banking District, there is no direct competition between them and the merging bank. The main office of the bank in Bridgeton, located 11 miles from Millville, is the nearest office of a subsidiary of United Jersey Banks to any office of the merging bank. The City National Bank of Millville has, in the past, restricted itself to a relatively small trade area. That local orientation precludes any competition between the merging bank and any subsidiary of United Jersey Banks. 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.

March 22, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Second City National Bank of Millville would become a subsidiary of United Jersey Banks, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by United Jersey Banks, it would have no effect on competition.

* * *

Clermont National Bank, Milford, Ohio, and The F.B.G. National Bank of Milford, Milford, Ohio

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Clermont National Bank, Milford, Ohio (3234), with	$50,321,683	9	
and The F.B.G. National Bank of Milford, Milford, Ohio (3234), which had	120,000	0	
merged May 1, 1972, under charter of the latter bank (3234) and title "Clermont National Bank." The merged bank at date of merger had	50,441,683		9

COMPTROLLER'S DECISION

On February 1, 1972, the Clermont National Bank, Milford, Ohio, and The F.B.G. National Bank of Milford (organizing), Milford, 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 Clermont National Bank, the merging bank, is headquartered in Milford and has nine branch offices located throughout Clermont County. The bank, originally chartered in 1884, has total assets of $52.5 million and IPC deposits of $42.9 million.

The F.B.G. National Bank of Milford, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to First Banc Group of Ohio, Inc., a registered bank holding company. The charter bank will not be operating as a commercial bank prior to the merger.

First Banc Group, the bank holding company which will acquire the resulting bank as a subsidiary upon consummation of the proposed merger, is the fifth largest of Ohio's nine multi-bank holding companies. First Banc Group controls nine subsidiary banks with aggregate deposits of $709 million. The largest subsidiary of First Banc Group is the City National Bank and Trust Company of Columbus, with deposits of $404 million. Each of the nine subsidiary banks of First Banc Group operates in a different county from that of the other subsidiaries. None of those trade areas overlap the service area of the Clermont National Bank. One or more counties separate the trade area of the Clermont National Bank from the trade area and respective county in which each subsidiary of First Banc Group operates all of its banking offices. While the Barnitz Bank, Middletown, Ohio, is the closest subsidiary of First Banc Group to the merging bank, its nearest office is located 19 miles from the merging bank. The next closest subsidiary is the Security Central National Bank of Portsmouth which is situated 74 miles from the nearest office of the Clermont National Bank.

Consummation of the proposed merger will result in no adverse competitive effects. 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. The great distances which separate the existing subsidiaries of First Banc Group from the existing offices of the merging bank insures that no competition exists now; therefore, none will be eliminated by the proposed merger.

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

March 29, 1972.

Note.—No Attorney General's report received.

* * *

Madison National Bank, Madison, N.J., and New Madison National Bank (Madison, N.J.), Madison, N.J.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Madison National Bank, Madison, N.J. (15360), with	$10,682,293	3	
and New Madison National Bank (Madison, N.J.), Madison, N.J. (15360), which had	125,599	0	
merged May 1, 1972, under charter of the latter bank (15360) and title "Madison National Bank." The merged bank at date of merger had	10,829,784		3

COMPTROLLER'S DECISION

On January 19, 1972, the Madison National Bank, Madison, N.J., and the New Madison National Bank (Madison, N.J.) (organizing), Madison, 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.

Madison National Bank, the merging bank, is headquartered in Madison, N.J., a city with a population of 17,000. This bank, with IPC deposits of $8.7 million, was chartered in 1964.

New Madison National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Midlantic Banks, Inc. The charter bank will not be operating as a commercial bank prior to the merger. Midlantic currently owns four other banks. The lead bank, National Newark and Essex Bank, Newark, N.J., with total assets of $764 million, is the third largest commercial bank in the State. Midlantic's other subsidiary banks are: The Sussex and Merchants National Bank, Newton, N.J.; Raritan Valley National Bank, Edison, N.J.; and Elmer Bank and Trust Company, Elmer, N.J. The bank subsidiaries of Midlantic have total assts of $908 million.

Madison National offers a limited range of banking services based primarily upon savings and time deposits and a loan portfolio heavily concentrated in mortgage loans and in bankers' acceptances. Madison National has exhibited a relatively slow rate of growth which is attributable to its limited scope of services and to the aggressive and larger financial institutions with which it competes. Madison National's limited resources have prevented it from being a major bidder for obligations of local municipalities and political subdivisions. Madison National has not been a significant source of commercial and industrial loans because its lending limit is relatively low and the types of loans which it can offer are limited. The bank does not offer accounts receivable loans, inventory loans, or revolving credit loans. It only infrequently makes small commercial construction loans. Those types of loans are available from larger banks in Madison National's market area. During the period from 1968 through 1970, the consumer loan portion of the bank's loan portfolio dropped from 18 percent to 6 percent of its total portfolio. Madison National does not own or lease data processing equipment and, consequently, does not offer payroll accounting, record keeping, billing, account reconciliation, or other services based on the use of such equipment. Affiliation with Midlantic will provide financial, technological, and managerial resources necessary to improve Madison National's services in the above lines of service.

There will be no adverse effects on competition resulting from consummation of the proposed merger. Acquisition by Midlantic of the merging bank, which is the only operating bank involved in the proposed transaction, would, when added to Midlantic's other bank subsidiaries, increase Midlantic's share of banking business in New Jersey only minimally. Affiliation of Madison National with Midlantic would increase the latter's share of total deposits in the State from 4.9 percent to 5.0 percent. The State's three other registered bank holding companies hold 6.7 percent, 5.1 percent, and 5.1 percent of the State's deposits. Acquisition of Madison National would increase Midlantic's percentage of deposits held by all its commercial banks in the First Banking District, in which Madison is located, from 8.7 percent to 8.8 percent. The State's other registered bank holding companies hold 11.4 percent, 8.2 percent, and 8.0 percent of First District deposits. Moreover, consummation of the proposed merger would not eliminate significant competition between Midlantic subsidiaries and the merging bank as there is little present competition between them. None of Midlantic's subsidiary banks has offices in Morris County, where Madison National is located.

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

MARCH 30, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which New Madison National Bank (org.) would become a subsidiary of Midlantic Banks, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Midlantic Banks, Inc., it would have no effect on competition.

* * *

The Bank of California, National Association, San Francisco, Calif., and B.C. National Bank, San Francisco, Calif.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Bank of California, National Association, San Francisco, Calif. (9655), with	$2,183,850,834	78	....
and B. C. National Bank, San Francisco, Calif. (9655), which had	253,054	0	....
merged May 1, 1972, under charter of the latter bank (9655) and title "The Bank of California, National Association." The merged bank at date of merger had	2,183,859,712	....	78

COMPTROLLER'S DECISION

On January 20, 1972, The Bank of California, National Association, San Francisco, Calif., and the B. C. National Bank (organizing), San Francisco, Calif., 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 Bank of California, National Association, the merging bank, is headquartered in San Francisco, Calif., a city of 750,000 people. The bank, with IPC deposits of $1.3 billion, was chartered originally in 1864.

B. C. National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the BanCal Tri-State Corporation. The charter bank will not be operating as a commercial bank prior to the merger.

Since 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.

March 16, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which B. C. National Bank (org.) would become a subsidiary of BanCal Tri-State Corp., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by BanCal Tri-State Corp., it would have no effect on competition.

* * *

Long Point National Bank of Houston, Houston, Tex., and Long Bank, National Association, Houston, Tex.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Long Point National Bank of Houston, Houston, Tex. (14777), with	$34,716,283	1	....
and Long Bank, National Association, Houston, Tex. (14777), which had	255,756	0	....
merged May 18, 1972, under charter of the latter bank (14777) and title "Long Point National Bank of Houston." The merged bank at date of merger had	34,972,039	....	1

COMPTROLLER'S DECISION

On September 22, 1971, the Long Point National Bank of Houston, Houston, Tex., and Long Bank, National Association (organizing), Houston, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Long Point National Bank of Houston, the merging Bank, is headquartered in Houston, Tex., and operates one banking office in that city. The bank, with total resources of $32.9 million and IPC deposits of $27.6 million, was originally chartered in 1956.

Long Bank, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Southwest Bancshares, 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 the 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 proposed merger is in the public interest and the application is, therefore, approved.

APRIL 17, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Long Bank, N.A. (org.) would become a subsidiary of Southwest Bancshares, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Southwest Bancshares, Inc., it would have no effect on competition.

* * *

STATE BANK OF HONEOYE FALLS, HONEOYE FALLS, N.Y., AND CITIBANK (MID-WESTERN), NATIONAL ASSOCIATION, HONEOYE FALLS, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
State Bank of Honeoye Falls, Honeoye Falls, N.Y., with	$10, 561, 390	2	
and Citibank (Mid-Western), National Association, Honeoye Falls, N.Y. (15976) which had	60, 000	0	
merged June 8, 1972, under charter and title of the latter bank (15976). The merged bank at date of merger had	10, 621, 390		2

COMPTROLLER'S DECISION

On December 27, 1971, the State Bank of Honeoye Falls, Honeoye Falls, N.Y., and the Citibank (Mid-Western), National Association (organizing), Honeoye Falls, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The State Bank of Honeoye Falls, the merging bank, is headquartered in Honeoye Falls, N.Y. This bank has total resources of $9.3 million and IPC deposits of $6.3 million.

Citibank (Mid-Western), National Association, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to the First National City Corporation, a registered bank holding company. As the charter bank, it will not be operating as a commercial bank prior to the merger. The resulting bank will conduct the same banking business at the same locations as presently used by the merging bank, with the new name of Citibank (Mid-Western), National Association.

First National City Corporation, New York, N.Y., the bank holding company which will acquire the resulting bank, is the second largest of the 13 registered multi-bank holding companies in New York State. The holding company has domestic resources of $16.5 billion. First National City Corporation presently controls two banks: First National City Bank, New York, N.Y., the lead bank in its banking structure; and Citibank (Suffolk), National Association, Bay Shore, N.Y., which was formed *de novo* and opened in November 1971.

The closest branch of any subsidiary of First National City Corporation is 330 miles away from the State Bank of Honeoye Falls. Therefore, competition with the merging banks and the First National City Corporation is insignificant.

Consummation of the proposed merger will serve to increase competition in the Eighth Banking District.

Affiliation of the proposed subsidiary with the First National City Bank will allow the resulting unit in Honeoye Falls to provide expanded and improved services. This will place the resulting subsidiary in a better position with which to compete with the large banks in the Eighth Banking District.

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

MAY 4, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Citibank (Mid-Western), National Association (org.), would become a subsidiary of First National City Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by First National City Corporation, it would have no effect on competition.

* * *

CONTINENTAL NATIONAL BANK OF FORT WORTH, FORT WORTH, TEX., AND CONTINENTAL BANK, NATIONAL ASSOCIATION, FORT WORTH, TEX.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Continental National Bank of Fort Worth, Fort Worth, Tex. (11997), with	$237,703,268	1	
and Continental Bank, National Association, Fort Worth, Tex. (11997), which had	256,591	0	
merged June 26, 1972, under charter of the latter bank (11997) and title "Continental National Bank of Fort Worth." The merged bank at date of merger had	237,986,858		1

COMPTROLLER'S DECISION

On September 23, 1971, the Continental National Bank of Fort Worth, Fort Worth, Tex., and the Continental Bank, National Association (organizing), Fort Worth, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Continental National Bank of Fort Worth, the merging bank, is headquartered in Fort Worth. The bank, with total resources of $213.8 million and IPC deposits of $108.8 million, was chartered in 1903.

Continental Bank, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Southwest Bancshares, 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 its 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.

MAY 26, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Continental Bank, N.A. (org.) would become a subsidiary of Southwest Bancshares, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Southwest Bancshares, Inc., it would have no effect on competition.

* * *

Citizens National Bank, Englewood, N.J., and New Citizens National Bank, Englewood, N.J., Englewood, N.J.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Citizens National Bank, Englewood, N.J. (4365), with	$272, 372, 182	13	....
and New Citizens National Bank, Englewood, N.J., Englewood, N.J. (4365), which had	125, 000	0	....
merged June 30, 1972, under charter of the latter bank (4365) and title "Citizens National Bank." The merged bank at date of merger had	272, 497, 182	....	....

COMPTROLLER'S DECISION

On April 2, 1969, the Citizens National Bank, Englewood, N.J., and the New Citizens National Bank, Englewood, N.J. (organizing), Englewood, 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 with the main office of the resulting bank to be located in Tenafly, N.J.

Citizens National Bank, the merging bank, is headquartered in Englewood, and has offices located throughout Bergen County. The bank, with total resources of $236.0 million and IPC deposits of $195.5 million, was chartered originally in 1890.

New Citizens National Bank, 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 16, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which New Citizens National Bank (org.) would become a subsidiary of Midlantic Banks, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Midlantic Banks, Inc., it would have no effect on competition.

* * *

Security Pacific National Bank, Los Angeles, Calif., and SECPAC National Bank, Los Angeles, Calif.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Security Pacific National Bank, Los Angeles, Calif. (2491), with	$9, 161, 771, 661	455	....
and SECPAC National Bank, Los Angeles, Calif. (2491), which had	236, 304	0	....
merged June 30, 1972, under charter of the latter bank (2491) and title "Security Pacific National Bank." The merged bank at date of merger had	9, 162, 007, 965	....	455

COMPTROLLER'S DECISION

On January 17, 1972, the Security Pacific National Bank, Los Angeles, Calif., and the SECPAC National Bank (organizing), Los Angeles, Calif., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Security Pacific National Bank, the merging bank, is headquartered in Los Angeles, Calif., a city of 2.5 million people. The bank, with IPC deposits of $5.7 billion, was chartered originally in 1871.

SECPAC National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Security Pacific 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.

MARCH 20, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which SECPAC National Bank (org.) would become a subsidiary of Security Pacific Corporation, a bank holding company. The instant merger, however would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Security Pacific Corporation, it would have no effect on competition.

* * *

THE SOUTH CAROLINA NATIONAL BANK OF CHARLESTON, CHARLESTON, S.C., AND SECURITY NATIONAL BANK, CHARLESTON, S.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The South Carolina National Bank of Charleston, Charleston, S.C. (2044), with..	$755, 104, 675	94	....
and Security National Bank, Charleston, S.C. (2044), which had..............	250, 000	0	....
merged June 30, 1972, under charter of the latter bank (2044) and title "The South Carolina National Bank." The merged bank at date of merger had......	755, 354, 675	....	94

COMPTROLLER'S DECISION

On February 9, 1972, The South Carolina National Bank of Charleston, Charleston, S.C., and the Security National Bank (organizing), Charleston, S.C., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title, "The South Carolina National Bank."

The South Carolina National Bank of Charleston, the charter bank, is headquartered in Charleston, and has 89 branches located throughout the State. The bank, with total assets of $746.5 million and IPC deposits of $529.8 million, was originally chartered in 1834.

The Security National Bank, the merging bank, is being organized to provide a vehicle to transfer ownership of the charter bank to the South Carolina National Corporation, which is being organized as a one-bank holding company. The merging bank will not operate as a commercial bank prior to this merger.

Because the charter 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 as presently used by the charter 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, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Security National Bank (org.) would become a subsidiary of SC National Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by SC National Corporation, it would have no effect on competition.

* * *

Rockingham National Bank, Harrisonburg, Va., and Rockingham Bank, N.A., Harrisonburg, Va.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Rockingham National Bank, Harrisonburg, Va. (5261), with	$75, 602, 417	8	
and Rockingham Bank, N.A., Harrisonburg, Va. (5261), which had	120, 000	0	
merged July 1, 1972, under charter of the latter bank (5261) and title "Rockingham National Bank." The merged bank at date of merger had	75, 722, 417		8

COMPTROLLER'S DECISION

On February 2, 1972, the Rockingham National Bank, Harrisonburg, Va., and the Rockingham Bank, N.A. (organizing), Harrisonburg, Va., 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 Rockingham National Bank, the merging bank, is headquartered in Harrisonburg, and has four branches in Rockingham County and three offices in Augusta County. The bank has total assets of $71.7 million and IPC deposits of $55.1 million. The merging bank was originally chartered in 1900.

The Rockingham Bank, National Association is being organized to provide a vehicle to transfer ownership of the merging bank to Valley of Virginia Bankshares, 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 24, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Rockingham Bank, N.A. (org.) would become a subsidiary of Valley of Virginia Bankshares, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Valley of Virginia Bankshares, Inc., it would have no effect on competition.

* * *

Union Planters National Bank of Memphis, Memphis, Tenn., and Union Planters Bank, National Association, Memphis, Tenn.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Union Planters National Bank of Memphis, Memphis, Tenn. (13349), with	$1, 038, 300, 351	33	
and Union Planters Bank, National Association, Memphis, Tenn. (13349), which had	250, 000	0	
merged July 1, 1972, under charter of the latter bank (13349) and title "Union Planters National Bank of Memphis." The merged bank at date of merger had	1, 038, 312, 376		33

COMPTROLLER'S DECISION

On March 8, 1972, Union Planters Bank, National Association (organizing) Memphis, Tenn., and Union Planters National Bank of Memphis, Memphis, Tenn., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

The Union Planters National Bank of Memphis, the merging bank, was organized in 1869. The bank, headquartered in Memphis, has total assets of $1.1

billion and IPC deposits of $620 million. It operates 26 branches in Tennessee.

The Union Planters Bank, National Association, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to the Union Planters Corporation. The Union Planters Corporation is a recently organized Tennessee corporation which will become a one-bank holding company upon approval of its acquisition of the resulting bank. The charter bank will not be operating as a commercial bank prior to this 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 4, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Union Planters National Bank of Memphis would become a subsidiary of Union Planters Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Union Planters Corporation, it would have no effect on competition.

* * *

FIRST & MERCHANTS NATIONAL BANK OF THE PENINSULA, YORK COUNTY (P.O. WILLIAMSBURG), VA., AND SIX BRANCHES OF FIRST & MERCHANTS NATIONAL BANK, RICHMOND, VA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Six Newport News Branches of First & Merchants National Bank, Richmond, Va. (1111), with	$99,414,363	6	....
were purchased July 3, 1972, by First & Merchants National Bank of the Peninsula, York County (P.O. Williamsburg), Va. (15984), which had	8,500,000	0	....
After the purchase was effected, the receiving bank had	107,914,363	....	6

COMPTROLLER'S DECISION

On February 29, 1972, First & Merchants National Bank of the Peninsula (organizing), Williamsburg, Va., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the six Newport News branches of First & Merchants National Bank, Richmond, Va.

First & Merchants National Bank of the Peninsula, the purchasing bank, is a new National banking association in the process of organization. The proposed location of the main office of the purchasing bank is in York County, Va., adjacent to the community of Williamsburg. An application has been submitted by First & Merchants Corporation to the Board of Governors of the Federal Reserve System for permission to acquire all of the voting shares, except for directors' qualifying shares, of the purchasing bank. First & Merchants National Bank of the Peninsula will not open for business unless it becomes a subsidiary by First & Merchants Corporation.

The First & Merchants National Bank, the selling bank, with total deposits of $832.2 million, desires to sell six of its existing branches, all of which are located in the city of Newport News, Va., to the purchasing bank. All of the voting shares of First & Merchants National Bank, except for directors' qualifying shares, are owned by First & Merchants Corporation, a registered bank holding company with its principal place of business in Richmond, Va.

Since both the purchasing and selling banks involve the same bank holding company, the entire transaction is a corporate reorganization. The buying bank will be able to branch *de novo* in the area, whereas the selling bank is not able. This transaction will be very pro-competitive. Approval of the present application will not alter the location or quality of services presently rendered, as the resulting bank will continue to provide all services presently furnished by First & Merchants National Bank, except that trust services in the Newport News area will continue as part of First & Merchants National Bank.

Applying the statutory criteria it is the view of this Office that the proposed transaction is in the public interest and is, therefore, approved.

MAY 16, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First & Merchants National Bank would become a subsidiary of First & Merchants Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by First & Merchants Corporation, it would have no effect on competition.

* * *

VIRGINIA NATIONAL BANK, NORFOLK, VA., AND VIRGINIA BANK, N.A., NORFOLK, VA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Virginia National Bank, Norfolk, Va. (9885), with	$1, 444, 599, 440	110	
and Virginia Bank, N.A., Norfolk, Va. (9885), which had	240, 000	0	
merged July 10, 1972, under charter of the latter bank (9885) and title "Virginia National Bank." The merged bank at date of merger had	1, 444, 606, 640		110

COMPTROLLER'S DECISION

On July 15, 1971, Virginia National Bank, Norfolk, Va., and Virginia Bank, N.A. (organizing), Norfolk, Va., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Virginia National Bank, the merging bank, is headquartered in Norfolk, Va., and holds IPC deposits of $838.3 million.

Virginia Bank, N.A., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Virginia National Bankshares, 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.

JUNE 8, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Virginia Bank, N.A. (org.) would become a subsidiary of Virginia National Bankshares, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by Virginia National Bankshares, Inc., it would have no effect on competition.

* * *

The Security National Bank of Trenton, Trenton, N.J., and First National State Bank of Central Jersey, Trenton, N.J.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
The Security National Bank of Trenton, Trenton, N.J. (13039), with	$60,206,744	2	
and First National State Bank of Central Jersey, Trenton, N.J. (13039), which had	250,000	0	
merged July 14, 1972, under charter and title of the latter bank (13039). The merged bank at date of merger had	60,213,959		2

COMPTROLLER'S DECISION

On January 11, 1972, The Security National Bank of Trenton, Trenton, N.J., and the First National State Bank of Central Jersey (organizing), Trenton, N.J., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Security National Bank of Trenton, the merging bank, presently operates two offices in the city of Trenton and has received approval to establish an office in the village of Lawrenceville. The bank, with assets of $56.8 million and IPC deposits of $45.9 million, is the seventh largest of the 11 commercial banks headquartered in Trenton.

The First National State Bank of Central Jersey, 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.

First National State Bancorporation, Newark, N.J., the bank holding company which will own the resulting bank, controls deposits of $925 million. That holding company currently operates three banks, with 42 offices, in the First Banking District; and two banks, with 11 offices, in the Second Banking District of New Jersey. The principal subsidiary of the holding company is the First National State Bank of New Jersey, Newark, which has deposits of $764 million.

There is no competition between the merging bank and any subsidiary of the First National State Bancorporation because large distances separate them and an adequate number of competitors operate in the intervening distances. The closest subsidiary of the holding company to The Security National Bank of Trenton is a branch of the Edison Bank, National Association, Edison, which is located 26 miles away. The only other subsidiary bank of First National State Bancshares in the Second Banking District is the First National State Bank of Spring Lake, whose main office is 45 miles from that of the merging bank. The resulting bank will conduct the same banking business at the same locations as presently used by the merging bank.

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

June 7, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National State Bank of Central Jersey (org.) would become a subsidiary of First National State Bancorporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by First National State Bancorporation, it would have no effect on competition.

* * *

THE KINGSPORT NATIONAL BANK, KINGSPORT, TENN., AND THE NATIONAL BANK OF KINGSPORT, KINGSPORT, TENN.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Kingsport National Bank, Kingsport, Tenn. (14657), with	$29, 219, 045	5	
and The National Bank of Kingsport, Kingsport, Tenn. (14657), which had	131, 600	0	
merged July 24, 1972, under charter of the latter bank (14657) and title "The Kingsport National Bank." The merged bank at date of merger had	29, 344, 045		5

COMPTROLLER'S DECISION

On April 19, 1972, The Kingsport National Bank, Kingsport, Tenn., and The National Bank of Kingsport (organizing), Kingsport, Tenn., 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 Kingsport National Bank, the merging bank, is headquartered in Kingsport, and has four branch offices located throughout Sullivan County. The bank, with total resources of $26.8 million and IPC deposits of $18.7 million, was chartered in 1945.

Sullivan County is a rapidly growing county located in the industrial corridor of northeast Tennessee. Its two major population centers are Bristol, with a 1970 population of 20,064, and Kingsport, with a 1970 population of 31,938. In 1970, the county was the fifth largest in the State, with a population of 127,329. Including the merging bank, Sullivan County has three banks with 17 banking offices operating in the county. The other two banks are The First National Bank of Sullivan County, with deposits of $94 million; and the Tri-City Bank and Trust Company, Blountville, with deposits of $24.6 million. In addition to those, the merging bank competes with the First Valley Bank, Weber City, with deposits of $4.4 million, as well as the Weber City Branch of the Virginia National Bank, the Church Hill branch of the Citizens and Union Bank of Rogersville, and the Mt. Carmel branch of the First National Bank of Rogersville.

The National Bank of Kingsport, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the First Tennessee National Corporation. The charter bank will not be operating as a commercial bank prior to the merger.

First Tennessee National Corporation is a registered bank holding company and the largest multi-bank holding company in Tennessee. The largest subsidiary in the applicant's banking structure is the First National Bank of Memphis, Memphis, Tenn., which holds total deposits of $792.7 million. The First Tennessee National Corporation also owns two other banking subsidiaries: The Banking and Trust Company, Jonesboro, Tenn., with deposits of $27.6 million; and the White's Creek Bank and Trust Company, White's Creek, Tenn., with deposits of $6.6 million.

The major competitors of the First National Bank of Memphis include the Union Planters National Bank of Memphis, Memphis, with deposits of $730 million; the National Bank of Commerce, Memphis, with deposits of $260 million; and the Memphis Bank and Trust, Memphis, with deposits of $61 million.

The effect of this merger will be to enable the First National Corporation to acquire The Kingsport National Bank, the merging bank. As a result the merging bank will be able to offer an expanded range of banking services to the residents of its trade area. The acquisition will also add increased management depth to the subsidiary bank and will give that bank direct access to expanded loan reserves that will enable the Kingsport National Bank to grow with its expanding trade area.

Competition will not be adversely affected by consummation of this transaction. The nearest office of a subsidiary of the acquiring corporation to an office of the merging bank is 7 miles away, and there is very little competition between the two banks. In the present service area of the merging bank, its competitive position will be improved and competition will be enhanced by the entrance of a stronger banking entity. The First Tennessee National Corporation will continue to rank as the largest multi-bank holding company in the State, but its increase in resources will not substantially affect the banking structure in Tennessee.

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

JUNE 23, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Kingsport National Bank would become a subsidiary of First Tennessee National Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by First Tennessee National Corporation, it would have no effect on competition.

* * *

THE FIRST NATIONAL BANK OF FORT WORTH, FORT WORTH, TEX., AND BURNETT PLAZA NATIONAL BANK OF FORT WORTH, FORT WORTH, TEX.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Fort Worth, Fort Worth, Tex. (2349), with	$651, 899, 078	1	
and Burnett Plaza National Bank of Fort Worth, Fort Worth, Tex. (2349), which had	240, 000	0	
merged Aug. 7, 1972, under charter of the latter bank (2349) and title "The First National Bank of Fort Worth." The merged bank at date of merger had	651, 910, 278		1

COMPTROLLER'S DECISION

On December 20, 1971, The First National Bank of Fort Worth, Fort Worth, Tex., and the Burnett Plaza National Bank of Fort Worth (organizing), Fort Worth, Tex., 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 Fort Worth, the merging bank, is headquartered in Fort Worth, and was originally organized in 1877. The bank has total assets of $579.9 million and IPC deposits of $315.6 million.

The Burnett Plaza National Bank of Fort Worth, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to First United Bancorporation, Inc., a bank holding company. The charter bank will not be operating as a commercial bank prior to this merger.

First United Bancorporation, Fort Worth, Tex., the holding company which will gain control of The First National Bank of Fort Worth as a result of this merger, was originally organized in 1929. At present, First United Bancorporation has four banking subsidiaries headquartered in Fort Worth, and one additional subsidiary in Arlington, Tex. Those banks are the University State Bank, with deposits of $32.3 million; the Security State Bank, with deposits of $14 million; the Seminary State Bank, with deposits of $13 million; the Gateway National Bank, with deposits of $12.5 million; and the Great Southwestern National Bank, Arlington, with deposits of $4 million.

Since the original formation of the holding company in 1929, all of the stock of the First United Bancorporation has been held in trust for the benefit of the shareholders of the First National Bank of Fort Worth by several of its directors. That means that the First National Bank of Fort Worth, First United Bancorporation, and the banking subsidiaries which it controls are all commonly owned at present. Accordingly, the proposed merger will not eliminate any competition between any of those banks. 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.

JULY 6, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National Bank of Fort Worth would become a subsidiary of First United Bancorporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by First United Bancorporation, it would have no effect on competition.

* * *

THE LIVESTOCK NATIONAL BANK OF KANSAS CITY, KANSAS CITY, MO., AND LIVESTOCK BANK OF KANSAS CITY, NATIONAL ASSOCIATION, KANSAS CITY, MO.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Livestock National Bank of Kansas City, Kansas City, Mo. (14735) with....	$27, 200, 724	1	....
and Livestock Bank of Kansas City, National Association, Kansas City, Mo. (14735), which had........	240, 000	0	....
merged Aug. 8, 1972, under charter of the latter bank (14735) and title "The Livestock National Bank of Kansas City." The merged bank at date of merger had.	27, 440, 724	....	1

COMPTROLLER'S DECISION

On May 8, 1972, The Livestock National Bank of Kansas City, Kansas City, Mo., and the Livestock Bank of Kansas City, National Association (organizing), Kansas City, 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 Livestock National Bank of Kansas City, the merging bank, was chartered in 1955, and now holds deposits of $21 million.

The Livestock Bank of Kansas City, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to First National Charter Corporation. The charter bank will not be operating as a commercial bank prior to the merger.

First National Charter Corporation, Kansas City, Mo., the bank holding company which will acquire the resulting bank, was organized in 1969, and presently owns seven banks. Its principal subsidiary is The First National Bank of Kansas City, the third largest bank in that city, with deposits of $365 million. First National Charter Corporation has two additional metropolitan area subsidiaries, the Leawood National Bank, with deposits of $18.7 million, and the Citizens Bank of Belton, with deposits of $7.4 million. Its remaining subsidiaries include the Webster Groves Trust Company, the North Side Bank, the Bank of Overland, and the National Bank of Boonville, which have aggregate deposits of $118.5 million.

There is no competition between The Livestock National Bank of Kansas City and any subsidiary of First National Charter Corporation. The merging bank was organized as an outgrowth of the merger between The First National Bank of Kansas City and the Inter-State National Bank of Kansas City. Since its inception the merging bank has been closely affiliated with the holding company through the ownership of 80 percent of its stock by the majority shareholders of The First National Bank of Kansas City. As a result of that affiliation, the merging bank has maintained strong correspondent ties with the principal subsidiary of the holding company.

This merger will facilitate the corporate reorganization of the merging bank and will have no effect on competition within the Kansas City banking community. The resulting bank will conduct the same business at the same location and with the same name as presently used by the merging bank.

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

JULY 7, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Livestock National Bank of Kansas City would become a subsidiary of First National Charter Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by First National Charter Corporation, it would have no effect on competition.

* * *

First National Bank of Bay Shore, Bay Shore, N.Y., and First Bank of Bay Shore, National Association, Bay Shore, N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
First National Bank of Bay Shore, Bay Shore, N.Y. (10029), with	$74,718,703	7	
and First Bank of Bay Shore, National Association, Bay Shore, N.Y. (10029), which had	120,000	0	
merged Aug. 31, 1972, under charter of the latter bank (10029) and title "First National Bank of Bay Shore." The merged bank at date of merger had	74,722,339		7

COMPTROLLER'S DECISION

On February 9, 1972, the First National Bank of Bay Shore, Bay Shore, N.Y., and the First Bank of Bay Shore, National Association (organizing), Bay Shore, N.Y., 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 Bay Shore, the merging bank, is seventh in size of the 15 commercial banks headquartered in Suffolk County. The bank has assets of $67 million and IPC deposits of $53.4 million. The merging bank has seven operating offices and two approved, but as yet unopened, branches, all of which are located in Suffolk County.

Competitors of the First National Bank of Bay Shore include Security National Bank, Huntington, with total deposits of $1.1 billion; the Marine Midland Tinker National Bank, East Setauket, with total deposits of $122 million; Bankers Trust of Suffolk, National Association, with deposits of $82 million; and the Eastern National Bank of Long Island, Smithtown, with deposits of $67 million. Several of those large competitors, as well as many of the smaller Suffolk County banks, are subsidiaries of the large New York City holding companies.

First Bank of Bay Shore, National Association, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to Manufacturers Hanover Corporation, a registered bank holding company. The charter bank will not be operating as a commercial bank prior to this merger.

Manufacturers Hanover Corporation, New York, N.Y., the bank holding company which will acquire the resulting bank, is one of the large holding companies based in New York City. The principal asset of that holding company is the Manufacturers Hanover Trust Company, New York, N.Y. That bank has total deposits of $12.5 billion, and operates branches throughout the five boroughs of New York City as well as in Nassau and Westchester counties.

At present there is no competition between any branch of Manufacturers Hanover Trust Company and the merging bank. The closest branch of Manufacturers Hanover Trust is in Woodbury, approximately 20 miles away from North Babylon, the location of the merging bank's closest branch. Woodbury is located in contiguous Nassau County, and numerous banking alternatives separate it from North Babylon.

Consummation of the proposed merger will allow the resulting bank to retain its present competitive position in Suffolk County. 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 27, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First Bank of Bay Shore, N.A. (org.) would become a subsidiary of Manufacturers Hanover Corp., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank of Manufacturers Hanover Corp., it would have no effect on competition.

* * *

Northeast National Bank of Fort Worth, North Richland Hills (P.O. Fort Worth), Tex., and First National Bank of North Richland Hills, North Richland Hills, Tex.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Northeast National Bank of Fort Worth, North Richland Hills (P.O. Fort Worth), Tex. (14982), with	$34, 333, 438	1	
and First National Bank of North Richland Hills, North Richland Hills, Tex. (14982), which had	240, 000	0	
merged Aug. 31, 1972, under charter of the latter bank (14982) and title "Northeast National Bank of Fort Worth." The merged bank at date of merger had	34, 573, 438		1

COMPTROLLER'S DECISION

On April 28, 1972, the Northeast National Bank of Fort Worth, North Richland Hills, Tex., and the First National Bank of North Richland Hills (organizing), North Richland Hills, Tex., 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 Northeast National Bank of Fort Worth, the merging bank, was organized in 1962, and is headquartered in Fort Worth. The bank has assets of $31 million and IPC deposits of $23.2 million.

The First National Bank of North Richland Hills, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Northeast Bancorp, Inc., which will become a one-bank holding company upon the acquisition of the resulting bank. 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 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.

July 31, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Northeast National Bank of Fort Worth would become a subsidiary of Northeast Bancorp, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Northeast Bancorp, Inc., it would have no effect on competition.

* * *

Inter National Bank of Miami, Miami, Fla., and INB National Bank of Miami, Miami, Fla.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Inter National Bank of Miami, Miami, Fla. (15156), with	$52, 585, 336	1	
and INB National Bank of Miami, Miami, Fla. (15156), which had	240, 000	0	
merged Sept. 2, 1972, under charter of the latter bank (15156) and title "Inter National Bank of Miami." The merged bank at date of merger had	52, 592, 536		1

COMPTROLLER'S DECISION

On June 8, 1972, the Inter National Bank of Miami, Miami, Fla., and the INB National Bank of Miami (organizing), Miami, Fla., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Inter National Bank of Miami, the merging bank, is headquartered in Miami, and operates only one office. The bank, with total resources of $51.6 million and IPC deposits of $43.3 million, was chartered in 1963.

INB National Bank of Miami, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to The Royal Trust Company, Montreal, Quebec, Canada. 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 25, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Inter National Bank of Miami would become a subsidiary of The Royal Trust Company, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by The Royal Trust Company, it would have no effect on competition.

* * *

The National Exchange Bank of Castleton-on-Hudson, Castleton-on-Hudson, N.Y., and Citibank (Eastern), National Association, Castleton-on-Hudson, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The National Exchange Bank of Castleton-on-Hudson, Castleton-on-Hudson, N.Y. (5816), with	$14, 353, 641	4	
and Citibank (Eastern), National Association, Castleton-on-Hudson, N.Y. (5816), which had	61, 900	0	
merged Sept. 6, 1972, under charter and title of the latter bank (5816). The merged bank at date of merger had	14, 415, 541		4

COMPTROLLER'S DECISION

On February 24, 1972, The National Exchange Bank of Castleton-on-Hudson, Castleton-on-Hudson, N.Y., and Citibank (Eastern), National Association (organizing), Castleton-on-Hudson, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The National Exchange Bank of Castleton-on-Hudson, the merging bank, was established in 1901, and since its inception has maintained its head office within the village of Castleton-on-Hudson. The bank has established three branches in Rensselaer County, one each in the villages of Nassau and Averill Park and one in the city of Rensselaer. The merging bank has assets of $13.3 million and IPC deposits of $10.5 million.

Competitors of the merging bank include the National Commercial Bank and Trust Company, Albany, with deposits of $917 million; the State Bank of Albany, with deposits of $747 million; the Union National Bank of Troy, with deposits of $77 million; and the Community State Bank, Albany, with deposits of $41 million.

Citibank (Eastern), National Association, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to First National City Corporation, a registered bank holding company. The charter bank will not be operating as a commercial bank prior to the merger.

First National City Corporation, New York, N.Y., the bank holding company which will acquire the resulting bank, is the second largest of the 13 multi-bank holding companies in New York State. The holding company has domestic resources of $16.5 billion. First National City Corporation presently controls two banks: First National City Bank, New York City, the lead bank in its banking structure; and Citibank (Suffolk), National Association, Bay Shore, N.Y., which was chartered and opened in November 1971. Applications are currently pending to acquire the Silver

Creek National Bank, Silver Creek, and the State Bank of Honeoye Falls, Honeoye Falls, N.Y.

At present, there is no competition between any subsidiary of First National City Corporation and the merging bank. The National Exchange Bank of Castleton-on-Hudson is approximately 80 miles from the Westchester County line, the area in which First National City Corporation has its closest subsidiary. The large distances which separate the merging bank from subsidiaries of First National City Corporation and the large number of banks located in the intervening area precludes any competition between those banks. The resulting bank will conduct the same banking business at the same locations 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 18, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Citibank (Eastern), N.A. would become a subsidiary of First National City Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by First National City Corporation, it would have no effect on competition.

* * *

DOUGLAS NATIONAL BANK, ROSEBURG, OREG., AND DB NATIONAL BANK, ROSEBURG, OREG.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Douglas National Bank, Roseburg, Oreg. (14860), with	$31, 658, 129	4	....
and DB National Bank, Roseburg, Oreg. (14860), which had	120, 000	0	....
merged Sept. 14, 1972, under charter of the latter bank (14860) and title "Douglas National Bank." The merged bank at date of merger had	31, 563, 129	....	4

COMPTROLLER'S DECISION

On June 12, 1972, DB National Bank (organizing), Roseburg, Oreg., and Douglas National Bank, Roseburg, Oreg., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

The Douglas National Bank, the merging bank, was chartered on May 25, 1959, and currently has deposits of $23.2 million. The bank's primary service area is the central part of Douglas County, Oreg., omitting the far southern and western portions of the county. That area has experienced a steady but not spectacular growth. While Douglas National Bank has adequate financial and managerial resources to meet the present needs of the community, it believes that affiliation with a bank holding company will allow it to compete more successfully in the future with Oregon's two large banking chains.

Douglas National Bank has three offices in the area and total deposits of approximately $23.2 million. It competes with three offices of U.S. National Bank of Oregon, with four officer of First National Bank of Oregon, and with three offices of South Umpqua State Bank. Douglas National Bank also faces extensive competition from other facilities in the area, such as savings and loan associations, personal loan companies, and credit unions.

DB National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to United Bancorp., an Oregon corporation. The charter bank will not be operating as a commercial bank prior to the consummation of this transaction.

United Bancorp., Roseburg, Oreg., intends to become a registered bank holding company and plans to gain control of the resulting bank. At present United Bancorp. has only taken assets and controls no other banks; thus, no competition will be eliminated by the holding company's acquisition of the resulting bank. The resulting bank will conduct the same banking business at the same location 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 14, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Douglas National Bank would become a subsidiary of United Bancorp., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by United Bancorp., it would have no effect on competition.

* * *

THE CENTRAL NATIONAL BANK AT CAMBRIDGE, CAMBRIDGE, OHIO, AND CAMBRIDGE NATIONAL BANK, CAMBRIDGE, OHIO

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Central National Bank at Cambridge, Cambridge, Ohio (13905), with	$32, 272, 212	5	
and Cambridge National Bank, Cambridge, Ohio (13905), which had	120, 000	0	
merged Sept. 25, 1972, under charter of the latter bank (13905) and title "The Central National Bank at Cambridge." The merged bank at date of merger had	32, 392, 212		5

COMPTROLLER'S DECISION

On June 2, 1972, The Central National Bank at Cambridge, Cambridge, Ohio, applied to the Comptroller of the Currency for permission to merge with Cambridge National Bank (organizing), Cambridge, Ohio, under the charter of the latter and with the title of the former.

Cambridge National Bank is being organized to provide a vehicle to transfer ownership of the existing bank to BancOhio Corporation, a registered bank holding company. The organizing bank will not be operating as a commercial bank prior to the merger.

The Central National Bank at Cambridge, the existing bank, with total deposits of $26.7 million, was organized in 1933, and presently operates four branch offices. The existing bank is headquartered in Guernsey County in the city of Cambridge, the county seat, which is located approximately 80 miles east of Columbus and 130 miles south of Cleveland at the intersection of two major interstate highways.

The immediate service area of the existing bank encompasses most of the densely populated areas of Guernsey County; the population is estimated at 34,000. The economy of Guernsey County is primarily agricultural, with Cambridge serving as its industrial center. National Cash Register is the largest employer in the service area with approximately 2,600 employees.

Banks competing with The Central National Bank in its service area include First National Bank of Cambridge, with total deposits of $28.3 million, which is a subsidiary of Columbus-based First Banc Group of Ohio, Inc., Ohio's fifth largest multi-bank holding company, and The Quaker City National Bank, Quaker City, with total deposits of approximately $9 million, which is seeking a branch office in Cambridge. Further competition is provided by two savings and loan associations and several finance companies and credit unions.

BancOhio Corporation, headquartered in Columbus, Ohio, is the largest bank holding company and the second largest banking organization in the State. It controls 31 subsidiary banks with deposits in excess of $1.6 billion, representing approximately 7.4 percent of the total commercial deposits in Ohio. In addition, BancOhio Corporation owns two non-banking subsidiaries, i.e., a realty corporation and a supply company which service the needs of banks within the holding company's system.

Competition will not be adversely affected by consummation of the proposed merger. The Central National Bank is the only operating bank involved in the proposed merger. Further, the proposed affiliation will have a negligible effect on the competitive position of BancOhio Corporation with respect to other banking institutions in Ohio. Total State deposits held by the parent corporation would increase only slightly to 7.5 percent and the corporation would remain the second largest banking institution in the State. There is no present competition between The Central National Bank and any existing or proposed subsidiary of the holding company, the nearest being 20 miles away. In addition, because of the distance involved and

Ohio's restrictive branching laws, it is considered unlikely that meaningful future competition would develop between that bank and BancOhio Corporation's other subsidiaries.

Consummation of the proposed merger will enable the resulting bank to offer additional and expanded services to area residents and businessmen such as FHA mortgage loans, computer loans, and international banking services. In addition, the resulting bank will acquire greater managerial resources and expertise necessary to maintain and enhance meaningful competition in its service area.

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

AUGUST 23, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Central National Bank at Cambridge would become a subsidiary of BancOhio Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by BancOhio Corporation, it would have no effect on competition.

* * *

THE FIRST NATIONAL BANK AND TRUST COMPANY OF RAVENNA, RAVENNA, OHIO, AND THE F.B.G. NATIONAL BANK OF RAVENNA, RAVENNA, OHIO

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank and Trust Company of Ravenna, Ravenna, Ohio (5370), with	$71,939,416	5	
and The F.B.G. National Bank of Ravenna, Ravenna, Ohio (5370), which had	120,000	0	
merged Sept. 29, 1972, under charter of the latter bank (5370) and title "The First National Bank & Trust Company of Ravenna." The merged bank at date of merger had	72,059,416		5

COMPTROLLER'S DECISION

On June 12, 1972, application was made with the Comptroller of the Currency for permission to merge The F.B.G. National Bank of Ravenna (organizing), Ravenna, Ohio, with The First National Bank and Trust Company of Ravenna, Ravenna, Ohio, under the charter of the former and with the title of "The First National Bank & Trust Company of Ravenna."

The F.B.G. National Bank of Ravenna, the organizing bank, is being organized to provide a vehicle to transfer ownership of the existing bank to First Banc Group of Ohio, a registered bank holding company headquartered in Columbus, Ohio. The organizing bank will not be operating as a commercial bank prior to the merger.

The First National Bank and Trust Company of Ravenna, the existing bank, with total deposits of $57 million, is headquartered in Ravenna, and maintains four branch offices in Portage County. It operates under a charter granted in 1900 to the First National Bank of Mantua, Mantua, Ohio, which merged into the First Savings Bank and Trust Company of Ravenna to form the subject bank in 1959.

The existing bank is second largest of six commercial banks in Portage County. The first and third largest competing banks are subsidiaries of billion-dollar multibank holding companies; the first, Portage National Bank, near Kent, Ohio, with total deposits of $64 million, is a subsidiary of Huntington Bancshares, Inc., Columbus, Ohio; and the third, The Second National Bank of Ravenna, with total deposits of $34 million, is a subsidiary of The Society Corporation, Cleveland, Ohio. The three remaining competing banks have aggregate deposits of approximately $37 million. In addition to aggressive competition from the commercial banks in its service area, the existing bank also receives very substantial competition from many banking organizations located in the nearby Akron and Cleveland communities. Also, strong competition is provided by savings and loan associations, finance companies, as well as credit unions, farm lenders, insurance companies, and other financial institutions in Portage County and in the Akron market generally.

The existing bank's primary service area is Portage County. It consists of approximately 506 square miles and supports a rapidly expanding suburban community. Its economy is interdependent with those of nearby Summit and Cuyahoga counties; it is based on farming, government, and several local manufacturing industries.

First Banc Group of Ohio is the fifth largest of nine multi-bank holding companies in Ohio. It controls 11 banks and is seeking to acquire the $26.9 million Liberty National Bank, Fremont, Ohio. As of December 31, 1971, the holding company controlled 3.6 percent of $21.6 billion of total commercial bank deposits and 4 percent of total commercial bank loans in the State.

The proposed merger will have no adverse effect on competition. The existing bank is the only operating bank involved in the proposed transaction. Furthermore, there is no present competition between the existing bank and any present or proposed subsidiary of the bank holding company, the nearest being 50 miles from Ravenna. In addition, because of the distance involved and Ohio's restrictive branching laws, it is considered unlikely that meaningful future competition will develop between existing bank and First Banc Group of Ohio's subsidiaries. The proposed affiliation will not affect the bank holding company's position among the holding companies and banking institutions in Ohio. Its percentage of deposits and loans will increase only .2 percent and .3 percent respectively.

Consummation of the proposed merger will increase rather than lessen banking competition within Portage County. The proposed affiliation will enable resulting bank to offer additional and expanded services to area residents and businessmen, such as improved farm and education lendings, international banking and trust services and mortgage financing. In addition, the resulting bank will acquire greater managerial resources and expertise necessary to maintain and enhance meaningful competition in its service area.

Accordingly, applying the statutory criteria to this application, it is concluded that the proposed merger is in the public interest. Therefore, the application is approved.

AUGUST 24, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National Bank and Trust Company of Ravenna would become a subsidiary of First Banc Group of Ohio, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by First Banc Group of Ohio, Inc., it would have no effect on competition.

* * *

THE LIBERTY NATIONAL BANK OF FREMONT, FREMONT, OHIO, AND THE F.B.G. NATIONAL BANK OF FREMONT, FREMONT, OHIO

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Liberty National Bank of Fremont, Fremont, Ohio (13997), with	$29,916,745	3	
and The F.B.G. National Bank of Fremont, Fremont, Ohio (13997), which had	120,000	0	
merged Sept. 29, 1972, under charter of the latter bank (13997) and title "The Liberty National Bank of Fremont." The merged bank at date of merger had	29,916,745		3

COMPTROLLER'S DECISION

On June 13, 1972, The Liberty National Bank of Fremont, Fremont, Ohio, and The F. B. G. National Bank of Fremont (organizing), Fremont, 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 Liberty National Bank of Fremont, the merging bank, is headquartered in Fremont, and has three offices located throughout Sandusky County. The bank, with total resources of $26.9 million and IPC deposits of $21.8 million, was chartered originally in 1934.

The F. B. G. National Bank of Fremont, 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.

First Banc Group of Ohio, Inc., the applicant, is headquartered in Columbus, and is the fifth largest of nine multi-bank holding companies operating the State. It controls 11 banks and, in addition to this acquisition, has an application pending to acquire the $65 million First National Bank and Trust Company of Ravenna, Ravenna, Ohio. Applicant controls $777.2 million of the $21.6 billion of bank deposits in Ohio and is the seventh largest banking organization in the State. The applicant is employing the procedure of establishing a new interim National bank into which the existing institution will be merged in order to effect this transaction.

The Liberty National Bank, Fremont, the subject bank, with deposits of $23.6 million, was organized in 1934. It operates two branch offices in Sandusky County.

Fremont, Ohio, home of the subject bank, has a population of 16,573 and is the county seat of Sandusky County. It is located in the northwest quadrant of the State, approximately 100 miles west of Cleveland, and 100 miles northwest of Columbus, the State capital and headquarters of the applicant. The economy of the market area is mainly industrial in Fremont and agricultural in surrounding Sandusky County.

The selling bank is the third largest of six commercial banks in the county. Keen competition is afforded by the Croghan Colonial Bank and its four branches, with $43.6 million in deposits, and the Fremont Savings Bank Co., with three branches and deposits of $29.4 million, which is affiliated with Society Corporation, the State's third largest multi-bank holding company. The remaining three competing banks in Sandusky County are the Home Banking Co., Gibsonburg, with deposits of $18.4 million; the Woodville State Bank, Woodville, with deposits of $16 million, an affiliate of Huntington Bancshares, Incorporated, the sixth largest banking organization in the State; and The Clyde Savings Bank Co., Clyde, Ohio, with deposits of $11 million. In addition, certain non-bank financial institutions located in the county offer strong competition for available consumer business.

The acquisition should benefit the Fremont community by making available to it the substantial lending resources and trust facilities of the parent banking system. In addition, it should serve to make the subject bank more effective in serving the general banking needs of the community and enable it to better service the commercial business which it does not presently do effectively.

Competition will not be adversely affected by consummation of this transaction. The acquisition of the subject bank will increase the applicant's share of statewide deposits and loans only by insignificant percentages, and the applicant would continue to rank as seventh largest banking organization and fifth largest of nine multi-bank holding companies in Ohio. Because the service areas of the subject bank and present subsidiary banks of the applicant overlap only marginally, there is little present competition between them to be eliminated. In the service area of the subject bank, competition will be improved since the subject bank will become a more viable competitive force while smaller institutions will not be seriously disadvantaged.

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

AUGUST 24, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Liberty National Bank of Fremont would become a subsidiary of First Banc Group of Ohio, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by First Banc Group of Ohio, Inc., it would have no effect on competition.

* * *

FIRST NATIONAL BANK OF DECATUR, DECATUR, ALA., AND DECATUR NATIONAL BANK, DECATUR, ALA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
First National Bank of Decatur, Decatur, Ala. (6380), with	$43,630,424	3	
and Decatur National Bank, Decatur, Ala. (6380), which had	120,000	0	
merged Sept. 30, 1972, under charter of the latter bank (6380) and title "First National Bank of Decatur." The merged bank at date of merger had	43,750,424		3

COMPTROLLER'S DECISION

On April 21, 1972, the First National Bank of Decatur, Decatur, Ala., and Decatur National Bank (organizing), Decatur, Ala., 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 Decatur, the merging bank, is located in Decatur, Ala., and serves the northwest part of Morgan County, which includes the towns of Danville and Hartselle. This bank was organized in 1895, and has current deposits of $34.9 million. Because of local statutes, it is prohibited from branching in Morgan County outside the city limits of Decatur.

Decatur National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Alabama Bancorporation, Birmingham, Ala. The charter bank will not be operating as a commercial bank prior to the merger.

Alabama Bancorporation located in Birmingham, Ala., was organized in 1970 as a bank holding company and owns as its only wholly-owned subsidiary the First National Bank of Birmingham, Birmingham, Ala. That bank is the largest commercial bank in the State, and has current deposits of $733.6 million. An application has also been filed by Alabama Bancorporation to acquire the American National Bank and Trust Company of Mobile, Mobile, Ala.

There is no competition between the present subsidiary of Alabama Bancorporation and the First National Bank of Decatur, as the nearest offices of each are separated by 72 miles, two counties, and eight competing banks.

Consummation of the subject merger will result in no adverse competitive effects. 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 22, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National Bank of Decatur would become a subsidiary of Alabama Bancorporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Alabama Bancorporation, it would have no effect on competition.

* * *

THE AMERICAN NATIONAL BANK & TRUST COMPANY OF MOBILE, MOBILE, ALA., AND MOBILE COUNTY NATIONAL BANK, MOBILE, ALA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The American National Bank & Trust Company of Mobile, Mobile, Ala. (13414), with	$91, 457, 068	9	
and Mobile County National Bank, Mobile, Ala. (13414), which had	240, 000	0	
merged Sept. 30, 1972, under charter of the latter bank (13414) and title "The American National Bank & Trust Company of Mobile." The merged bank at date of merger had	91, 697, 068		9

COMPTROLLER'S DECISION

On April 10, 1972, The American National Bank & Trust Company, Mobile, Ala., and the Mobile County National Bank (organizing), Mobile, Ala., 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 American National Bank & Trust Company, the merging bank, is headquartered in Mobile, Ala., and has five offices located in Mobile and Baldwin County. The bank, with deposits of $68.7 million, was chartered in 1929.

Mobile County National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Alabama 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 in the proposed transaction, there is no competition between the applicant institutions. The resulting bank will continue to conduct the same banking business at the locations now used by the merging bank.

Alabama Bancorporation controls two institutions: the $647.6 million First National Bank, Birmingham, and the $31.4 million First National Bank, Decatur. The nearest office of those banks to the merging bank is over 200 miles away, which effectively prevents any competition between the merging bank and any subsidiary of the Alabama Bancorporation.

It is believed that consummation of the subject proposal will not result in adverse competitive effects either in Mobile or throughout the State of Alabama. Mobile supports two other institutions: the $205.6 million Merchants National Bank of Mobile, and the $203.4 million First National Bank of Mobile, both of which are significantly larger than the merging institution. While the Alabama Bancorporation, which controls deposits of $679.5 million, is the largest bank holding company in the State, its immediate competitors are the First Alabama Bancshares, Inc., which operates three subsidiary banks with aggregate deposits of $489.4 million, and the Central and State National Corporation, which controls the State's third and eighth largest commercial banks, with aggregate deposits of $388.1 million. Intense competition among the respective holding companies will continue.

Approval of the proposed merger will improve the bank's ability to meet the demands both for credit and for more sophisticated bank services. The bank will have access to investment advice and expertise in real estate financing which will aid the area's economy. In addition, affiliation with the holding company will provide better management and larger resources for loans.

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

August 22, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which American National Bank & Trust Company of Mobile would become a subsidiary of Alabama Bancorporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Alabama Bancorporation, it would have no effect on competition.

* * *

The First National Bank of Port Arthur, Port Arthur, Tex., and First Bank, National Association Port Arthur, Tex.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Port Arthur, Port Arthur, Tex. (5485), with	$91, 824, 150	1	
and First Bank, National Association, Port Arthur, Tex. (5485), which had	254, 638	0	
merged Oct. 10, 1972, under charter of the latter bank (5485) and title "The First National Bank of Port Arthur." The merged bank at date of merger had	92, 078, 788		1

COMPTROLLER'S DECISION

On March 17, 1972, The First National Bank of Port Arthur, Port Arthur, Tex., and First Bank, National Association (organizing), Port Arthur, Tex., 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 Port Arthur, the merging bank, was established in 1900, and is the largest of the three commercial banks in that city, with assets of $84.9 million and IPC deposits of $58.7 million.

First Bank, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Southwest Bancshares, Inc. The charter bank will not be operating as a commercial bank prior to the merger.

Southwest Bancshares, Inc., Houston, Tex., the bank holding company which will acquire the resulting bank, was organized in 1970, and currently owns Bank of the Southwest, National Association, Houston; Village National Bank, Houston; and the First National Bank in Longview. The Bank of the Southwest, National Association, with total assets of $837 million and deposits of $666.7 million, is the lead bank in the holding company's group of subsidiaries. In addition to the aforementioned, Southwest Bancshares has investments in five other Houston-area banks as well as a bank in Kilgore, Tex. Those affiliated banks have aggregate deposits of $126.7 million; the largest of them is the Western National Bank, with total deposits of $42 million.

There is no competition between the merging bank and any subsidiary or affiliate of Southwest Bancshares. The merging bank is situated approximately 70 miles from the Houston subsidiaries of Southwest Bancshares, and approximately 200 miles from the Longview and Kilgore affiliates of the holding company. Those large distances preclude any competition between the banks involved in this application. The resulting bank will conduct the same 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 is, therefore, approved.

SEPTEMBER 6, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National Bank of Port Arthur would become a subsidiary of Southwest Bancshares, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Southwest Bancshares, Inc., it would have no effect on competition

* * *

THE AMERICAN NATIONAL BANK OF BEAUMONT, BEAUMONT, TEX., AND PARK STREET BANK NATIONAL ASSOCIATION, BEAUMONT, TEX.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The American National Bank of Beaumont, Beaumont, Tex. (5825), with	$126, 362, 426	1	
and Park Street Bank National Association, Beaumont, Tex. (5825), which had	240, 000	0	
merged Oct. 12, 1972, under charter of the latter bank (5825) and title "The American National Bank of Beaumont." The merged bank at date of merger had	126, 602, 426		1

COMPTROLLER'S DECISION

On August 12, 1971, Park Street Bank National Association (organizing), Beaumont, Tex., and The American National Bank of Beaumont, Beaumont, Tex., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

The American National Bank of Beaumont, Beaumont, Tex., the merging bank, is headquartered in Beaumont, Tex. The bank, with total resources of $112 million and IPC deposits of $66.7 million, was chartered in 1901.

Park Street Bank National Association, Beaumont, Tex., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Texas Commerce Bancshares, Inc., a Delaware-based bank holding company.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse competitive effect 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. The application is, therefore, approved.

SEPTEMBER 11, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Park Street National Association (org.) would become a subsidiary of Texas Commerce Bankshares, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Texas Commerce Bankshares, it would have no effect on competition.

* * *

THIRD NATIONAL BANK OF HAMPDEN COUNTY, SPRINGFIELD, MASS., AND THIRD BANK OF HAMPDEN COUNTY, (NATIONAL ASSOCIATION), SPRINGFIELD, MASS.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Third National Bank of Hampden County, Springfield, Mass. (308), with	$265, 344, 541	19	
and Third Bank of Hampden County, (National Association), Springfield, Mass. (308), which had	240, 000	0	
merged Oct. 17, 1972, under charter of the latter bank (308) and title "Third National Bank of Hampden County." The merged bank at date of merger had	265, 584, 541		19

COMPTROLLER'S DECISION

On July 3, 1972, the Third National Bank of Hampden County, Springfield, Mass., and the Third Bank of Hampden County, (National Association) (organizing), Springfield, Mass., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Third National Bank of Hampden County, the merging bank, is headquartered in Springfield, and has 18 offices located throughout Springfield and the surrounding area. The bank, with total resources of $248.9 million and IPC deposits of $180.2 million, was chartered originally in 1864.

Third Bank of Hampden County, (National Association), the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the T.N.B. Financial Corp. 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.

SEPTEMBER 6, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Third National Bank of Hampden County would become a subsidiary of T.N.B. Financial Corp., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by T.N.B. Financial Corp., it would have no effect on competition.

* * *

CITY NATIONAL BANK OF DETROIT, DETROIT, MICH., AND CNB NATIONAL BANK, DETROIT, MICH.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
City National Bank of Detroit, Detroit, Mich. (14925), with	$692, 091, 523	31	
and CNB National Bank, Detroit, Mich. (14925), which had	250, 000	0	
merged Oct. 31, 1972, under charter of the latter bank (14925) and title "City National Bank of Detroit." The merged bank at date of merger had	692, 091, 523		31

COMPTROLLER'S DECISION

On June 9, 1972, the City National Bank of Detroit, Detroit, Mich., and the CNB National Bank (organizing), Detroit, 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.

The City National Bank of Detroit, the merging bank is headquartered in Detroit, Mich., and has 29 offices located throughout the Detroit Metropolitan

Area. The bank, with total resources of $759 million and IPC deposits of $437 million, was chartered originally in 1949.

CNB National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Northern States Financial Corporation, Detroit, Mich. 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.

SEPTEMBER 27, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which City National Bank of Detroit would become a subsidiary of Northern States Financial Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by Northern States Financial Corporation, it would have no effect on competition.

* * *

FIRST NATIONAL BANK OF CANTON, CANTON, OHIO, AND THE STARK COUNTY NATIONAL BANK, CANTON, OHIO

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
First National Bank of Canton, Canton, Ohio (76), with	$184,020,092	11	
and The Stark County National Bank, Canton, Ohio (76), which had	240,000	0	
merged Oct. 31, 1972, under charter of the latter bank (76) and title "First National Bank of Canton." The merged bank at date of merger had	184,031,459		11

COMPTROLLER'S DECISION

On January 21, 1972, the First National Bank of Canton, Canton, Ohio, and The Stark County National Bank (organizing), Canton, 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, the merging bank, is headquartered in Canton, Ohio, and has 10 offices located throughout Stark County and one in Carroll County. The bank, with total resources of $180.6 million and IPC deposits of $141.9 million, was chartered in 1863.

The Stark County National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to The Central Bancorporation, 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 in the proposed transaction, there is no competition between the applicant institutions. The resulting bank will continue to conduct the same banking business at the locations now used by the merging bank.

The Central Bancorporation, Inc., was incorporated under the laws of Delaware in 1968 for the purpose of becoming a bank holding company. Presently the holding company controls the $518.9 million Central Trust Company, Cincinnati, Ohio; the $26.2 million Citizens National Bank of Marietta, Marietta, Ohio; the $24.5 million First Trust and Savings Company, Zanesville, Ohio; and the $12.1 million Canal Winchester Bank, Canal Winchester, Ohio. In addition, Bancorporation is in the process of acquiring the $23 million Home Banking Company, Saint Marys, Ohio. Through its currently affiliated banks, the holding company has 34 banking offices operating throughout Ohio: the Central Trust Company operates 26 in Hamilton County; the Citizens National Bank of Marietta operates two in Washington County; the First Trust and Savings Bank operates four in Muskingum County; and the Canal Winchester Bank operates two offices in Franklin County. As the nearest office of one of the aforementioned banks to the merging bank is at least 100 miles away, there is no meaningful competition between the merging bank and a present subsidiary of the Central Bancorporation.

It is believed that consummation of the subject proposal will not have any adverse competitive effects on the banking structure in the service area of the merging bank. Canton supports four other institutions: the $55.2 million Canton National Bank; the $27.6 million Dime Bank; the $208.4 million Harter Bank and Trust Company; and, the $109 million Peoples-Merchants Trust Company, all of which effectively compete with the merging bank. Within the remaining service area of the merging bank, 14 other banks operate 50 branch offices and provide competition.

Approval of the proposed merger will improve the merging bank's ability to meet the community's demands for increased credit services and more sophisticated banking services. It is contemplated that the merger and subsequent affiliation with Central Bancorporation will provide the Canton service area with comprehensive trust services, mortgage lending services, accounts receivable and inventory financing, international financial guidance, and small business installment lending services.

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

SEPTEMBER 11, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Stark County National Bank (org.) would become a subsidiary of Central Bancorporation, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Central Bancorporation, Inc., it would have no effect on competition.

* * *

THE SECOND NATIONAL BANK OF ORANGE, ORANGE, N.J., AND THE THIRD NATIONAL BANK OF ORANGE, ORANGE, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The Second National Bank of Orange, Orange, N.J. (4724), with	$45, 982, 262	3	
and The Third National Bank of Orange, Orange, N.J. (4724), which had	120, 000	0	
merged Nov. 1, 1972, under charter of the latter bank (4724) and title "The Second National Bank of Orange." The merged bank at date of merger had	45, 985, 862		3

COMPTROLLER'S DECISION

On May 9, 1972, The Second National Bank of Orange, Orange, N.J., and The Third National Bank of Orange (organizing), Orange, 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 Second National Bank of Orange, the merging bank, is headquartered in Orange, N.J., and has two other offices in that city. The bank, with total resources of $43.3 million and IPC deposits of $35.4 million, was chartered in 1892.

The Third National Bank of Orange, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to United Jersey Banks, a New Jersey general business corporation organized as a registered bank holding company. That new bank will survive the proposed merger and will function as a subsidiary of United Jersey Banks. The charter bank will not be operating as a commercial bank prior to the merger.

United Jersey Banks, Hackensack, N.J., the prospective owner of the resulting bank, is a registered bank holding company organized in 1969. At the end of 1971, the applicant had total assets of $1.2 billion and controlled total deposits of $1.1 billion through its subsidiaries. It presently owns 10 commercial banks in the State of New Jersey and ranks second in size in New Jersey with respect to volume of total deposits.

United Jersey Banks faces strong competition from several other large bank holding companies in New Jersey as well as the large independent banks in the State and in New York City. Competition in the Orange area is provided by offices of First National State Bank of New Jersey, Newark, with total deposits of $930 million; and National Newark and Essex Bank, Newark, with total deposits of $730 million, which is a member of Midlantic Banks, Inc., a multi-bank holding company with total deposits of $841 million. Mutual savings banks, permitted by New Jersey law to offer personal checking accounts, also furnish competition. The United States Savings Bank, Newark, with total deposits of $315 million, and Orange Savings Bank, Orange, with deposits of $137 million are two of the large mutual savings banks in the Orange area.

There is no competition between the present subsidiaries of United Jersey Banks and The Second National Bank of Orange because of the distance separating the closest offices of the two and because of the number and size of competitors in the intervening distances. The nearest office of a United Jersey Banks subsidiary is 7.7 miles from Orange. Consummation of the proposed acquisition would provide increased banking facilities to the businesses and residents of the area and thereby stimulate competition rather than restrict it.

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

SEPTEMBER 6, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Second National Bank of Orange would become a subsidiary of United Jersey Banks, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by United Jersey Banks, it would have no effect on competition.

* * *

CITIZENS NATIONAL BANK OF SOUTH JERSEY, BRIDGETON, N.J., AND SECOND CITIZENS NATIONAL BANK OF SOUTH JERSEY, BRIDGETON, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Citizens National Bank of South Jersey, Bridgeton, N.J. (2999), with	$23,017,511	4	
and Second Citizens National Bank of South Jersey, Bridgeton, N.J. (2999), which had	120,006	0	
merged Nov. 2, 1972, under charter of the latter bank (2999) and title "Citizens National Bank of South Jersey." The merged bank at date of merger had	23,017,511		4

COMPTROLLER'S DECISION

On July 17, 1972, the Citizens National Bank of South Jersey, Bridgeton, N.J., and the Second Citizens National Bank of South Jersey (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 Citizens National Bank of South Jersey, the merging bank, is headquartered in Bridgeton, and operates four offices, two in Bridgeton and one each in West Cape May and in Woodbine. The bank, with total resources of $20.3 million and IPC deposits of $15.7 million, was organized as the result of a merger between Citizens National Bank of South Jersey, Woodbine, and Bridgeton National Bank, Bridgeton, on January 14, 1972.

Second Citizens National Bank of South Jersey, Bridgeton, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Citizens Bancorp, Vineland, N.J., a multi-bank holding company. The charter bank will not be operating as a commercial bank prior to the merger.

Citizens Bancorp, the prospective owner of the resulting bank, was organized in 1969, and is the smallest multi-bank holding company in New Jersey. The applicant controls two banks; Citizens State Bank, Vineland, and Continental Bank of New Jersey, Maple Shade. Through those two subsidiaries, the applicant operates five banking offices in New Jersey's Third Banking District which have aggregate deposits of $22 million. Citizens Bancorp faces strong competition from four multi-bank holding companies which operate subsidiaries in the Third Banking District. Two of those competing holding companies control deposits of over $1 billion. Locally-based independent banks in Cumberland and Cape May counties provide additional competition. The principal competitors of Citizens National Bank of South Jersey include Farmers and Merchants National Bank, Bridgeton, with deposits of $33 million, and Cumberland National Bank of Bridgeton, with deposits of $28 million.

Competition between Citizens National Bank of South Jersey and any subsidiary of Citizens Bancorp is negligible. The nearest office of a Citizens Bancorp subsidiary to an office of Citizens National Bank of South Jersey is 15 miles distant. That distance, as well as the large number of banking alternatives, prevents the holding company from competing with its prospective subsidiary. Acquisition of Citizens National Bank of South Jersey by Citizens Bancorp should result in an increase rather than a diminution in competition. The new subsidiary will offer such expanded services as overdraft checking, data processing services, consumer oriented loans, and an expanded trust department. Those improved services will allow the resulting subsidiary to compete more effectively with the large commercial banks in its trade area and will, therefore, stimulate competition.

In regard to the merger of Citizens National Bank of South Jersey with Second Citizens National Bank of South Jersey, there will be no adverse competitive effect. Because the merging bank is the only operating bank involved in the proposed transactions, 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 2, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Citizens National Bank of South Jersey would become a subsidiary of Citizens Bancorp, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating instituton; as such, and without regard to the acquisition of the surviving bank by Citizens Bancorp, it would have no effect on competition.

* * *

The First National Bank of Marlton, Marlton, N.J., and Second National Bank of Marlton, Marlton, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Marlton, Marlton, N.J. (13125), with	$24, 620, 853	3	
and Second National Bank of Marlton, Marlton, N.J. (13125), which had	120, 000	0	
merged Nov. 2, 1972, under charter of the latter bank (13125) and title "First National Bank of Marlton." The merged bank at date of merger had	24, 517, 849		3

COMPTROLLER'S DECISION

On July 18, 1972, The First National Bank of Marlton, Marlton, N.J., and the Second National Bank of Marlton (organizing), Marlton, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "First National Bank of Marlton".

The First National Bank of Marlton, the merging bank, is headquartered in Marlton, in the Third Banking District of New Jersey. The bank, with total resources of $22 million and IPC deposits of $18.3 million, operates three offices in Burlington County, and now ranks seventh in size of the 12 commercial banks headquartered in Burlington County.

Second National Bank of Marlton, the charter bank, is being organized to provide a vehicle to transfer the ownership of the merging bank to the Citizens Bancorp., Vineland, N.J., a bank holding company. On July 12, 1972, the Federal Reserve Board, approved Citizens Bancorp's application to acquire ownership of the bank. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank here involved, there can be no adverse effect on competition resulting from consummation of the proposed merger. Neither is there any significant competition between the merging bank and the two existing banking subsidiaries of Citizens Bancorp. The resulting bank will conduct the same banking business at the same locations as presently used by the merging bank. Furthermore, considerations relating to the convenience and needs of the communities to be served are consistent with approval of the application.

In weighing the factors of this case in light of the statutory criteria, it is concluded that the proposed merger is in the public interest. The application is, therefore, approved.

OCTOBER 2, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National Bank of Marlton would become a subsidiary of Citizens Bancorp, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Citizens Bancorp, it would have no effect on competition.

* * *

TRUST COMPANY OF OCEAN COUNTY, LAKEWOOD, N.J., AND FIRST NATIONAL STATE BANK OF OCEAN COUNTY, LAKEWOOD, N.J.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Trust Company of Ocean County, Lakewood, N.J., with	$39, 786, 202	5	
and First National State Bank of Ocean County, Lakewood, N.J. (16035), which had	125, 000	0	
merged Nov. 10, 1972, under charter and title of the latter bank (16035). The merged bank at date of merger had	39, 786, 202		5

COMPTROLLER'S DECISION

On July 7, 1972, the Trust Company of Ocean County, Lakewood, N.J., and the First National State Bank of Ocean County (organizing), Lakewood, N.J., applied to the Comptroller of the Currency for permission to merge under the charter and title of the latter.

The Trust Company of Ocean County, the merging bank, was originally chartered in 1934, and presently has deposits of $31.2 million. The bank serves a population of approximately 75,000 persons who live in the northeastern portion of Ocean County, the bank's primary service area. The county's most significant business factor is the resort industry; during the summer the population doubles. The county has experienced rapid population growth; it increased 92 percent over the past 10 years, making it the fastest growing county in the United States.

Trust Company of Ocean County ranked fourth in size among six commercial banks serving the Ocean County area and held $31.2 million in deposits, or 8 percent of the $387.6 million in deposits held by those six banks. Competition is chiefly furnished by First National Bank of Toms River, N.J., with $198.2 million in deposits; First State Bank of Ocean County, Toms River, with $86.2 million in deposits; and the Pineland State Bank, Bricktown, N.J., with $38.4 million in deposits. In addition, an approved but unopened branch of Peoples National Bank of New Jersey, Westmont, with deposits of $220.3 million, and United Jersey National Bank of Ocean County, a newly chartered bank, will provide aggressive competition. While none of the present competing banks is affiliated with a holding company, the newly chartered United Jersey National Bank of Ocean County is a subsidiary of United Jersey Banks, a multi-bank holding company with deposits of $1.2 billion.

First National State Bank of Ocean County, Lakewood, N.J., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to First National State Bancorporation, Newark, N.J. First National State Bancorporation is the largest of eight registered multi-bank holding companies in New Jersey. The holding company held $1.2 billion in deposits, or 7.1 percent of the $17.1 billion total deposits of the commercial banks in New Jersey. Subsidiary banks of the holding company include First National State Bank of New Jersey, Newark; First National State Bank of North Jersey, Hackensack; First National State Bank of Northwest Jersey, Succasunna; The Edison Bank, National Association, South Plainfield; and First National State Bank of Spring Lake, Spring Lake, N.J. The holding company has also recently acquired Ridgefield Park Trust Company, Ridgefield Park, and the Security National Bank of Trenton, Trenton, N.J.

The proposed merger will not significantly increase the resources and deposits of First National State Bancorporation which will remain about equal in size to the United Jersey Banks, Hackensack, and Midlantic Banks, Inc., Newark, each having total resources of over $1 billion.

The closest branch of any subsidiary of First National State Bancorporation to an office of the Trust Company of Ocean County is the Sea Girt office of The First National State Bank of Spring Lake, 12 miles from the county line office of the Trust Company of Ocean County in Lakewood. There are five other banking offices in the intervening distance. The Spring Lake bank cannot branch into Ocean County because it lies within a different banking district.

Affiliation with First National State Bancorporation will allow the Trust Company of Ocean County to fill its increasing needs for financial resources and successor management. Further, it will enable the bank to improve the quality and range of services it offers within its service area, notably in its trust department which has been referring business to competitors due to a lack of expertise in this field. The affiliation with the holding company should result in an enhancement of competition.

It is apparent that there are no adverse competitive effects since the number of banking alternatives will remain unchanged and the concentration of banking resources will increase only minimally.

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

October 5, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Trust Company of Ocean County would become a subsidiary of First National State Bancorporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by First National State Bancorporation, it would have no effect on competition.

* * *

Mellon National Bank and Trust Company, Pittsburgh, Pa., and Mellon Bank, N.A., Pittsburgh, Pa.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Mellon National Bank and Trust Company, Pittsburgh, Pa. (6301), with	$4, 999, 445, 730	98	
and Mellon Bank, N.A., Pittsburgh, Pa. (6301), which had	240, 000	0	
merged Nov. 28, 1972, under charter and title of the latter bank (6301). The merged bank at date of merger had	4, 999, 455, 613		98

COMPTROLLER'S DECISION

On September 19, 1972, the Mellon National Bank and Trust Company, Pittsburgh, Pa., and the Mellon Bank, N.A. (organizing), Pittsburgh, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and title of the latter. Mellon National Bank and Trust Company, the merging bank, is headquartered in Pittsburgh and has 95 offices located throughout the Pittsburgh area. The bank, with total resources of $6.3 billion and IPC deposits of $2.9 billion, was chartered originally in 1902.

Mellon Bank, N.A., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Mellon National 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 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 26, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Mellon National Bank and Trust Company would become a subsidiary of Mellon National Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a nonoperating institution; as such, and without regard to the acquisition of the surviving bank by Mellon National Corporation, it would have no effect on competition.

* * *

HIGHLAND NATIONAL BANK OF NEWBURGH, NEWBURGH, N.Y., AND 385 BROADWAY NATIONAL BANK, NEWBURGH, N.Y.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Highland National Bank of Newburgh, Newburgh, N.Y. (1106), with	$67, 009, 252	3	
and 385 Broadway National Bank, Newburgh, N.Y. (1106), which had	120, 000	0	
merged Nov. 30, 1972, under charter of the latter bank (1106) and title "Highland National Bank of Newburgh." The merged bank at date of merger had	67, 129, 252		3

COMPTROLLER'S DECISION

On August 11, 1972, 385 Broadway National Bank (organizing), Newburgh, N.Y., and Highland National Bank of Newburgh, Newburgh, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

Highland National Bank of Newburgh, the merging bank, with deposits of $55 million, operates one branch in Vails Gate and one branch in Newburgh. All three offices are located in Orange County and are within 4 miles of each other.

In its immediate service area the merging bank competes with 10 other commercial banks. Of those 11 banks, which held deposits of $1.9 billion as of year-end 1971, Highland is the seventh largest. Of the 43 commercial banks headquartered in the Third Banking District, which hold aggregate deposits of $3 billion, Highland National Bank ranked 12th in size.

385 Broadway National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to United Bank Corporation of New York, the 10th largest registered bank holding company headquartered in New York State. It presently controls two commercial banks, one in Albany and the other in Buffalo which, at year-end 1971, held total deposits of $1.1 billion. Its subsidiaries operate in the Fourth and Ninth Banking Districts of New York.

The proposed acquisition will enable Highland National Bank to increase its capital structure, when needed, through its parent corporation. In addition, the holding company anticipates providing a broader scope of lending services to include leasing, commercial mortgages, farm loans, term loans, and overdraft credit through the bank which will also provide customers of Highland National Bank expanded individual and corporate trust services, enable Highland to coordinate the investment activities of its governmental customers, and expand its present limited day-to-day computer capabilities.

Competition will not be adversely affected by consummation of this transaction. Because the nearest office of a subsidiary of United Bank Corporation of New York to an office of the subject bank is over 54 miles away, there is little competition between them. In the Newburgh area, the transaction will make the merging bank, which is presently a small, relatively ineffective competitor in its market area, a more significant competitive force, and thereby improve area competition. In Albany and Buffalo, the addition of the much smaller bank to the holding company system will have a negligible effect. Statewide, the transaction will have little effect since the applicant will continue to rank as 10th largest holding company and its share of statewide deposits will increase by only an insignificant amount. The resulting bank will conduct the same banking business at the same locations 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 5, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Highland National Bank of Newburgh would become a subsidiary of United Bank Corporation of New York, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by United Bank Corporation of New York, it would have no effect on competition.

* * *

JEFFERSON NATIONAL BANK, LYNCHBURG, VA., AND JEFFERSON BANK, N.A., LYNCHBURG, VA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Jefferson National Bank, Lynchburg, Va. (15819), with	$10, 708, 855	1	
and Jefferson Bank, N.A., Lynchburg, Va. (15819), which had	240, 000	0	
merged Dec. 4, 1972, under charter of the latter bank (15819) and title "Jefferson National Bank." The merged bank at date of merger had	10, 948, 855		1

COMPTROLLER'S DECISION

On July 24, 1972, the Jefferson Bank, N.A. (organizing), Lynchburg, Va., and the Jefferson National Bank, Lynchburg, Va., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

The Jefferson National Bank, the merging bank, was organized in August 1970, and operates as a unit bank. It now has assets of $9.7 million and IPC deposits of $6.2 million.

The Jefferson Bank, N.A., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Virginia National Bankshares, Inc. The charter bank will not be operating as a commercial bank prior to this merger.

Competition between the Jefferson National Bank and Virginia National Bankshares or its subsidiaries is minimal. At present, that holding company operates only one subsidiary, the Virginia National Bank. Although the Virginia National Bank operates 11 offices in 53 communities in Virginia, that subsidiary has no offices in the Lynchburg area. The nearest offices of the Virginia National Bank to Lynchburg are located in Buena Vista, 38 miles to the northeast; at Farmville, 50 miles to the east; and at Dillwyn, 63 miles to the northeast. Those relatively large distances and the adequate number of intervening competitors effectively preclude the merging bank from competing with the Virginia National Bank. 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.

OCTOBER 27, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Jefferson National Bank would become a subsidiary of Virginia National Bankshares, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Virginia National Bankshares, Inc., it would have no effect on competition.

* * *

PEOPLES NATIONAL BANK OF HUNTSVILLE, HUNTSVILLE, ALA., AND ALABAMA NATIONAL BANK OF HUNTSVILLE, HUNTSVILLE, ALA.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Peoples National Bank of Huntsville, Huntsville, Ala. (15267), with	$28, 910, 627	3	
and Alabama National Bank of Huntsville, Huntsville, Ala. (15267), which had	250, 000	0	
merged Dec. 7, 1972, under charter of the latter bank (15267) and title "Peoples National Bank of Huntsville." The merged bank at date of merger had	28, 692, 794		3

COMPTROLLER'S DECISION

On May 11, 1972, the Alabama National Bank of Huntsville (organizing), Huntsville, Ala., and the Peoples National Bank of Huntsville, Huntsville, Ala., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

The Peoples National Bank of Huntsville, the merging bank, was organized in 1964, and currently has deposits of $22.8 million. Although the bank is in good condition and has experienced substantial growth in the past, future expansion appears to be limited to some degree by its competitive market position and its inability to serve the increasingly sophisticated needs of its trade area.

The merging bank competes with six commercial banks including the First National Bank, Huntsville, with deposits of $83.7 million and 12 operating branches, which is affiliated with First Alabama Bancshares, Inc.; the State National Bank of Alabama, Decatur, with deposits of $252.8 million and seven operating branches, which is a member of Central State National Corporation; the Henderson National Bank, Huntsville, with deposits of $37 million and five operating branches; and the Bank of Huntsville, with deposits of $13.5 million and two operating branches.

The Alabama National Bank of Huntsville, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to The Alabama Financial Group, Inc., a bank holding company. The charter bank will not be operating as a commercial bank prior to this transaction.

The Alabama Financial Group, Inc., Birmingham, Ala., is the registered bank holding company which will gain control of the resulting bank. The Alabama Financial Group, Inc., wholly owns the Birmingham Trust National Bank, Birmingham, Ala. That bank, with deposits of $383.7 million, is the second largest commercial bank in the State of Alabama, and is the only subsidiary bank of this holding company. At present, The Alabama Financial Group, Inc., has also submitted an application to acquire the First National Bank of Dothan, Dothan, Ala.

There is no competition between the present subsidiary of The Alabama Financial Group, Inc., and the merging bank, as the only bank owned by the holding company is in Birmingham, 110 miles southwest of the site of the Peoples National Bank of Huntsville. Furthermore, the First National Bank of Dothan is located 280 miles from the merging bank, thereby foreclosing the possibility of any competition between those two banks. 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.

NOVEMBER 6, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Peoples National Bank of Huntsville would become a subsidiary of Alabama Financial Group, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Alabama Financial Group, Inc., it would have no effect on competition.

* * *

THE FIRST NATIONAL BANK OF DOTHAN, DOTHAN, ALA., AND ALABAMA NATIONAL BANK OF DOTHAN, DOTHAN, ALA.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
The First National Bank of Dothan, Dothan, Ala. (5249), with	$82,425,410	7	
and Alabama National Bank of Dothan, Dothan, Ala. (5249), which had	130,000	0	
merged Dec. 22, 1972, under charter of the latter bank (5249) and title "The First National Bank of Dothan." The merged bank at date of merger had	83,845,126		7

COMPTROLLER'S DECISION

On June 9, 1972, the Alabama National Bank of Dothan (organizing), Dothan, Ala., and The First National Bank of Dothan, Dothan, Ala., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

The First National Bank of Dothan, the merging bank, was chartered in 1900, and currently has deposits of $63.1 million. The bank is situated in the southeast corner of Alabama in an area which has recently experienced rapid economic growth as a result of extensive highway development and an expansion of existing air and water transportation facilities which have fostered increased industrial growth. Although The First National Bank of Dothan competes effectively in its market area, it is experiencing limitations on its trade area. Credit requirements are increasing and the bank finds correspondent participation too limiting and inefficient.

The First National Bank of Dothan is presently the largest bank in its trade area and competes with the Dothan Bank and Trust Company, with deposits of $34 million, and the City National Bank, Dothan, with deposits of $13 million. Those two competing banks operate seven branches with one additional branch under construction. Three other smaller banks compete but are located as much as 19 miles away.

The Alabama National Bank of Dothan, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Alabama Financial Group, Inc., a bank holding company formerly known as the Birmingham Trust National Bank (or B.T.N.B.) Corporation. The charter bank will not be operating as a commercial bank prior to this transaction.

The Alabama Financial Group, Inc., Wilmington, Del., is the registered bank holding company which will gain control of the resulting bank. The Alabama Financial Group, Inc. wholly owns the Birmingham Trust National Bank, Birmingham, Ala. That bank, with deposits of $383.7 million, is the second largest commercial bank in the State of Alabama, and is the only subsidiary bank of the holding company. At present, the Alabama Financial Group, under the name B.T.N.B., has also submitted an application to acquire the Peoples National Bank of Huntsville, Huntsville, Ala.

There is no competition between the present subsidiary of the Alabama Financial Group, Inc. and the merging bank, as the only bank owned by the holding company is in Birmingham, approximately 200 miles from Dothan. Furthermore, the Peoples National Bank of Huntsville is located 280 miles from the merging bank, thereby foreclosing the possibility of any competition between those two banks. 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.

NOVEMBER 22, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National Bank of Dothan would become a subsidiary of Alabama Financial Group, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Alabama Financial Group, Inc., it would have no effect on competition.

* * *

First National Bank in Orange, Orange, Tex., and New National Bank in Orange, Orange, Tex.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
First National Bank in Orange, Orange, Tex. (13661), with	$34, 265, 412	1	
and New National Bank in Orange, Orange, Tex. (13661), which had	120, 000	0	
merged Dec. 28, 1972, under charter of the latter bank (13661) and title "First National Bank in Orange." The merged bank at date of merger had	34, 269, 012		1

COMPTROLLER'S DECISION

On September 8, 1972, the First National Bank in Orange, Orange, Tex., and the New National Bank in Orange (organizing), Orange, Tex., 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 in Orange, the merging bank, was organized in 1889, and operates as a unit institution in compliance with State law. The bank has assets of $32.9 million and IPC deposits of $22.4 million.

The New National Bank in Orange, the charter bank, is being organized to provide a vehicle by which to transfer ownership of the merging bank to the First City Bancorporation of Texas, Inc. The charter bank will not be operating as a commercial bank prior to this merger.

The First City Bancorporation of Texas, Inc., the holding company which will acquire the resulting bank, is headquartered in Houston. The principal subsidiary of that holding company is the First City National Bank of Houston, which is the largest commercial bank in Harris County and the third largest bank in the State. That bank has deposits of $1.3 billion.

There is no competition between the applicant or its subsidiaries and the First National Bank in Orange because of the large distances which separate the closest banks and the adequate number of banking alternatives in the intervening distances. The First National Bank in Orange is located approximately 112 miles east of Houston, which effectively prevents it from competing with any of the subsidiaries of the First City Bancorporation of Texas. 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.

November 28, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National Bank in Orange would become a subsidiary of First City Bancorporation of Texas, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by First City Bancorporation of Texas, Inc., it would have no effect on competition.

* * *

Bank of Caledonia, Caledonia, N.Y., and Chase Manhattan Bank of Greater Rochester (National Association), Caledonia, N.Y.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Bank of Caledonia, Caledonia, N.Y., with	$11, 095, 453	2	
and Chase Manhattan Bank of Greater Rochester (National Association), Caledonia, N.Y. (16050), which had	56, 296	0	
merged Dec. 29, 1972, under charter and title of the latter bank (16050). The merged bank at date of merger had	11, 144, 622		2

COMPTROLLER'S DECISION

On July 31, 1972, Chase Manhattan Bank of Greater Rochester (National Association) (organizing), Caledonia, N.Y., and the Bank of Caledonia, Caledonia, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter and title of the former.

The Bank of Caledonia, the merging bank, was chartered in 1900, and presently has deposits of $8.8 million. The bank, located in New York's Eighth Banking District, has its head office in the village of Caledonia, which had a population of 2,327 in 1970. It has a single branch in the village of Scottsville, which had a population of 1,967 in 1970. The bank's service area consists of the four contiguous towns of Caledonia and York, in northwest Livingston County, and Wheatland and Rush, in southern Monroe County. That service area had a population of 14,550 in 1970.

There are no competing commercial banks within a 6.5-mile radius of either office of the Bank of Caledonia. Eight banks are less than 16 miles from an office of the Bank of Caledonia and provide some degree of competition. A number of those banks are affiliated with bank holding companies or are in the process of such affiliation. As various specialized banking services not usually undertaken by small banks are implemented by virtue of those affiliations, the Bank of Caledonia will find it increasingly difficult to maintain its presently limited share of the market which is 0.4 percent of total bank assets in the Eighth District.

Chase Manhattan Bank of Greater Rochester (National Association), Caledonia, N.Y., is being organized to provide a vehicle to transfer ownership of the merging bank to Chase Manhattan Corporation. Chase Manhattan Corporation presently controls the Chase Manhattan Bank (National Association), New York, N.Y., and the Chase Manhattan Bank of Long Island (National Association), Melville, N.Y. Chase Manhattan Corporation has no banking operations in New York's Eighth Banking District and views the proposed acquisition as a means of entry into this area. The Eighth Banking District is highly concentrated, with the four largest banks holding 85.1 percent of the total assets and 70.7 percent of all operating offices as of December 1971. As the nearest office of a subsidiary of the Chase Manhattan Corporation is 327 miles from Caledonia, no adverse effects on competition should result from the proposed merger and acquisition. The Chase Manhattan Corporation's entry into the Eighth Banking District will provide strong competition for the area's four major banks.

Affiliation with Chase Manhattan Corporation will give the resulting bank access to the financial and managerial resources of the holding company's principal subsidiary, the Chase Manhattan Bank (National Association). Thus, the proposed merger will help the resulting bank better meet the needs of the community it serves. As a result of this merger, the consumer or businessman will, for the first time in this area, be able to take care of all his banking needs at one bank.

The proposed acquisition will not significally increase the resources and deposits of the Chase Manhattan Corporation.

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

NOVEMBER 29, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Bank of Caledonia would become a subsidiary to The Chase Manhattan Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by The Chase Manhattan Corporation, it would have no effect on competition.

* * *

Exchange National Bank of Chicago, Chicago, Ill., and Exchange Chicago Bank, National Association, Chicago, Ill.

Name of bank and type of transaction	Total assets	Banking offices: In operation	Banking offices: To be operated
Exchange National Bank of Chicago, Chicago, Ill. (12945), with	$416, 140, 383	1	....
and Exchange Chicago Bank, National Association, Chicago, Ill. (12945), which had	250, 000	0	....
merged Dec. 31, 1972, under charter of the latter bank (12945) and title "Exchange National Bank of Chicago." The merged bank at date of merger had	416, 150, 142	....	1

COMPTROLLER'S DECISION

On April 17, 1972, the Exchange Chicago Bank, National Association (organizing), Chicago, Ill., and the Exchange National Bank of Chicago, Chicago, Ill., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of the latter.

The Exchange National Bank of Chicago, the merging bank, was organized in 1926, and is currently the sixth largest bank headquartered in Chicago. The bank has assets of $367 million and IPC deposits of $299.7 million.

The Exchange Chicago Bank, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Exchange International Corporation, which wishes to become a one-bank holding company. The charter bank will not be operating as a commercial bank prior to this merger.

Since 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.

November 28, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which Exchange National Bank of Chicago would become a subsidiary of Exchange International Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Exchange International Corporation, it would have no effect on competition.

* * *

First National Bank in Dallas, Dallas, Tex., and First Bank, National Association, Dallas, Tex.

Name of bank and type of transaction	Total assets	Banking offices: In operation	Banking offices: To be operated
First National Bank in Dallas, Dallas, Tex. (3623), with	$2, 525, 832, 730	1	....
and First Bank, National Association, Dallas, Tex. (3623), which had	250, 000	0	....
merged Dec. 31, 1972, under charter of the latter bank (3623) and title "First National Bank in Dallas." The merged bank at date of merger had	2, 526, 082, 730	....	1

COMPTROLLER'S DECISION

On June 6, 1972, the First National Bank in Dallas, Dallas, Tex., and the First Bank, National Association (organizing), Dallas, Tex., 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 in Dallas, the merging bank, was originally organized in 1875, and operates as a unit institution in conformity with State law. The bank has assets of $2.5 billion and IPC deposits of $958 million.

The First Bank, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to First International Bancshares, Inc. The charter bank will not be operating as a commercial bank prior to the merger.

Although First International Bancshares, the resulting holding company, is newly organized and has no prior financial history, it has filed an application to acquire the Houston-Citizens Bank and Trust Company as well as the resulting bank. There is no competition between the two proposed subsidiaries because large distances separate the two banks and an adequate number of competitors operate in the intervening distance. Dallas and Houston are separated by approximately 230 miles which effectively precludes any direct competition between the First National Bank in Dallas and the Houston-Citizens Bank and Trust Company. 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.

December 1, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which First National Bank in Dallas would become a subsidiary of First International Bancshares, Inc., a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by First International Bancshares, Inc., it would have no effect on competition.

* * *

National Central Bank, Lancaster, Pa., and The King Street Bank, N.A., Lancaster, Pa.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
National Central Bank, Lancaster, Pa. (694), with	$736, 826, 803	40	
and The King Street Bank, N.A., Lancaster, Pa. (694), which had	240, 000	0	
merged Dec. 31, 1972, under charter of the latter bank (694) and title "National Central Bank." The merged bank at date of merger had	736, 834, 003		40

COMPTROLLER'S DECISION

On July 31, 1972, the National Central Bank, Lancater, Pa., and The King Street Bank, N.A. (organizing), Lancaster, Pa., 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 Central Bank, the merging bank, is headquartered in Lancaster, Pa., and has offices located throughout Berks, Dauphin, Lancaster, and York counties. The bank has total resources of $711.5 million and IPC deposits of $545 million.

The King Street Bank, N.A., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the National Central Financial Corporation, Lancaster, Pa. 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, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan through which National Central Bank would become a subsidiary of National Central Financial Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by National Central Financial Corporation, it would have no effect on competition.

* * *

III. Additional approvals

A. Approved, but in litigation

THE PEOPLES NATIONAL BANK, GREENVILLE, S.C., AND BANKERS TRUST CO. OF SOUTH CAROLINA, COLUMBIA, S.C.

Name of bank and type of transaction	Total assets	Banking offices	
		In operation	To be operated
Bankers Trust Co. of South Carolina, Columbia, S.C., with	$266, 614, 000	52	
and The Peoples National Bank, Greenville, S.C. (10635), which had	116, 899, 000	20	
applied for permission to consolidate Feb. 10, 1972, under charter of the latter bank (10635) and title "Bankers Trust of South Carolina, N.A." The application was approved June 12, 1972. The pending consolidation was challenged by Justice Department July 11, 1972, and is presently in litigation			

COMPTROLLER'S DECISION

On February 10, 1972, The Peoples National Bank, Greenville, S.C., and the Bankers Trust Company of South Carolina, Columbia, S.C., applied to the Comptroller of the Currency for permission to consolidate under the charter of the former and with the title, "Bankers Trust of South Carolina, N.A." with its main office in Columbia, S.C.

The Peoples National Bank, the applicant, was organized in 1887 and is currently the seventh largest bank in South Carolina. The bank is headquartered in Greenville, the third largest metropolitan area in South Carolina, situated in the northern tip of the State. The Peoples National Bank now operates 18 offices throughout greater Greenville, Simpsonville, Seneca, Greer, and Woodruff, and has assets of $117 million and IPC deposits of $93.5 million.

The service area of the applicant extends through Greenville County and parts of Oconee and Spartanburg counties. The economy of that area, while the second strongest in South Carolina, is almost wholly dependent on the manufacture of textiles and related industries which produce seasonal unemployment and volatile market conditions. That type of economy places a great stress on the asset structure of a bank by forcing it to contend with the variable seasonal adjustments to both credit and deposit needs.

The Peoples National Bank is situated in an area of intense banking competition, relative to the State of South Carolina. The area is served by offices of the South Carolina National Bank of South Carolina, with deposits of $338.9 million; the Southern Bank and Trust Company, with deposits of $94 million; and a local unit bank, First Piedmont Bank and Trust Company, with deposits of $16.5 million.

Bankers Trust Company of South Carolina, the consolidating bank, was established in 1886. It currently has assets of $266.6 million and IPC deposits of $195 million. Since 1959, the bank has been involved in an aggressive program of expansion from which it has emerged the fourth largest bank in the State, with 51 operating offices in 28 communities throughout central and western South Carolina.

The service area of Bankers Trust Company extends west of an imaginary line from Charleston through Columbia and Whitemire to Pickens, S.C., representing in excess of half the land mass of the State. Such a large area must inevitably serve a diversified economy including areas of rural agriculture as well as centers of commercial and industrial activity. In serving the wide variety of business needs presented by that diversified economic base, Bankers Trust Company of South Carolina has been forced to develop many areas of financial specialty. The consolidating bank is, therefore, truly a "full-service" commercial bank.

Bankers Trust Company of South Carolina competes directly with the main offices of Citizens and Southern National Bank of South Carolina, the South Carolina National Bank, and the First National Bank of Columbia, each with deposits in excess of $240 million. The consolidating bank also competes, through its many branches, with all of the locally-based banks scattered throughout its service area.

Consummation of the proposed consolidation will not eliminate any competition between the two proponents of the application since the Bankers Trust Company of South Carolina and Peoples National

Bank do not now compete with each other. Neither of the two banks have any offices in any town or county served by the other. The nearest offices of the two banks are in Seneca and in the town of Six Mile, situated 23 miles apart. Pickens, where Bankers Trust Company also has a branch, is located 25 miles from Greenville. A survey conducted by the two banks indicates that Peoples National Bank derives in excess of 97 percent of its deposits from the three counties in which it maintains offices. Those counties are Greenville, Oconee, and Spartanburg. The same survey also indicated that Bankers Trust Company derives only 0.6 percent of its deposits from those same three counties. From that information it is evident that neither of the two banks offers a substantial degree of competition to the other. Thus, consumer choice would not be reduced by the successful completion of the consolidation.

A second standpoint from which to look at competition is through an examination of the economy of the area in which The Peoples National Bank is located, as well as the number and size of the banks already established there. From that it is readily apparent that the area is presently saturated in terms of banking competition. The unstable character of the textile industry and the seasonal variations involving employment and credit needs has caused The Peoples National Bank to show no increase in profit in the past 3 years. That indicates that the area in question could not easily support the entrance of an additional bank. For Bankers Trust Company to enter this region through *de novo* branching would require it to spend an inordinate amount of time and money to become a sizable competitor in the area; the projected profit from such entry would not justify the size of the expenditure required. Consolidation with The Peoples Naional Bank is, therefore, the most practical way for Bankers Trust Company to expand into this area.

The converse of the previous issue is to determine whether The Peoples National Bank could become a statewide competitor that might compete with the present offices of Bankers Trust Company of South Carolina. As, in its 90 years of existence, The Peoples National Bank has not shown a desire nor made any effort to expand from its regional position, there is no reason to infer that The Peoples National Bank will initiate such an expansion in the near future.

The relative poverty of the State of South Carolina inhibits the growth of banks and encourages the larger industrial firms in the State to seek out-of-state financing. Most of the profitable large loan business in South Carolina is being lost to out-of-state financial institutions. The largest bank in the State has assets of only $600 million, indicating the significant disadvantage encountered by in-state banks in trying to service large loan demands. Through the consolidation, the resulting bank will become the third largest bank in the State and will be in a position to offer stronger and more effective competition to the largest banks in the State. In addition, since South Carolina is already a financial market dominated by Georgia and North Carolina banks, the transaction will tend to dilute that outside influence.

The proposed consolidation will act to unify and strengthen the banking system of South Carolina by aiding the internal economic development of the State. The Peoples National Bank will, as a result of the consolidation, gain access to the specialized service departments which Bankers Trust Company has developed in the past. Any suggestion of adverse competitive effects arising from the size of the resulting bank will in reality be overshadowed by the benefits which that resulting unit will have, both on the economy of the State and in the benefits to the communities which the resulting bank will serve. In addition, the bank will only be the third largest bank in the State, and will face strong competition with the larger, statewide financial systems, as well as out-of-state organizations that canvass the State for is prime banking business.

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

JUNE 12, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the two banks are about 110 miles apart. At the present time neither bank operates offices in a county served by the other. Two offices of Bankers Trust, however, are located in Pickens County, between 20 and 30 miles from Greenville. Pickens County is part of the Greenville Standard Metropolitan Statistical Area ("SMSA"). Thus, there may be some competition between these two offices of Bankers Trust and Peoples which would be eliminated by the consolidation.

South Carolina law permits statewide branching by commercial banks. Thus, both banks could enter the markets served by the other either by *de novo* branching or through merger with a smaller competitor.

Bankers Trust and Peoples are the fourth and sixth largest commercial banks, respectively. Only seven of the 95 banks in the State hold total deposits in excess of $100 million. Of these seven leading banks only two, including Peoples, do not operate offices throughout most of the State.

Peoples is the largest bank headquartered in Greenville. It holds 28.6 percent of county deposits, the second largest share of deposits held by any bank in Greenville County. Seven banks operate in the county, with the two largest holding 62.9 percent and the four largest, 88.2 percent. Thus, commercial banking in Greenville County is highly concentrated. Three of the seven large banks in the State do not presently operate in Greenville County. Bankers Trust is the second largest of these three (and only about $30 million in deposits smaller than the largest). This consolidation, therefore, would eliminate potential competition in Greenville County between the second largest bank operating there and one of only a few significant potential entrants into that market.

Commercial banking in South Carolina has polarized into two groups, one consisting of a few large banks, operating regionally or statewide, and many small banks, serving local communities. The position of the leaders has been growing progressively stronger in the State. If the consolidation of Bankers Trust and Peoples is approved, it will eliminate one of the few remaining banks capable of expanding into a full statewide competitor. It could also trigger other mergers having a similar effect, thus eliminating further potential competition throughout the State.

Approval of this application would result in the acquisition of the State's sixth largest banking organization by the State's fourth largest banking organization. This consolidation would eliminate each of the two banks as potential entrants into banking markets served by the other——and particularly Bankers Trust as an entrant into Greenville. We therefore conclude that the proposed consolidation would have a significantly adverse effect on competition.

* * *

B. Approved, but abandoned after litigation

WELLS FARGO BANK, NATIONAL ASSOCIATION, SAN FRANCISCO, CALIF., AND FIRST WESTERN BANK AND TRUST COMPANY, LOS ANGELES, CALIF.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
First Western Bank and Trust Company, Los Angeles, Calif., with	$1, 110, 046, 249	95	....
and Wells Fargo Bank, National Association, San Francisco, Calif. (15660), which had	6, 209, 423, 244	295	....
applied for permission to merge Oct. 13, 1971, under charter and title of the latter bank (15660). The application was approved Dec. 20, 1971, but was abandoned by the banks Nov. 7, 1972, after filing of antitrust suit by the Justice Department	....	....	....

COMPTROLLER'S DECISION

On October 13, 1971, Wells Fargo Bank, National Association, San Francisco, Calif., and First Western Bank and Trust Company, 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 former.

Wells Fargo, the charter bank, has total resources of over $7 billion, and operates 292 branches, all but 38 of which are located in northern California. It is headquartered in San Francisco. The bank confined its operations to northern California until 1967, when it began a program of *de novo* branching in the southern portion of the State. Because of declining economic conditions and reduction in the population growth rate in that area, together with the multitude of banking alternatives in southern California, the bank curtailed its plans for further branch expansion in the south. In addition, continued increases in start-up costs and decreased profitability have forced the bank to limit its competitive challenge there.

First Western, the merging bank, is headquartered in Los Angeles, and has assets slightly in excess of $1 billion. It operates 95 branches throughout the State. First Western came into existence in 1961, as the result of a settlement of antitrust litigation. That settlement required its predecessor, old First Western, to sell 49 of its branches, many of which were located in northern California, to a competitor, the United

California Bank. The remaining 65 branches, scattered thinly throughout the State and representing, largely, the smaller, newer, and less profitable branches of the former bank, became the nucleus of the present and structurally deficient First Western Bank. First Western was required to open new headquarters in Los Angeles and to give up its former San Francisco main office together with its trust department and many of its corporate and international customers. Since 1966, attempts to expand through branching and to increase its rate of growth have failed. From its inception, and as of today, the average deposits of First Western branches have ranged far below the average branch deposits of all other California banks. Only one of the 21 branches opened by First Western since 1966 has shown a profit and that profit has resulted largely because some of the business at the main office in Los Angeles was transferred to the branch. In early 1970, First Western determined to abandon its *de novo* branch expansion program.

The most telling indication of First Western's inherent structural deficiency and inability to recover from the spinoff in 1961, is that its market share has dropped from 2 percent in 1961 to 1.8 percent as of December 31, 1970. The efforts of First Western to compete successfully on a statewide basis have been further hampered by the large dividends it has been required to pay to its succession of owners in order to service their purchase indebtedness. The average dividend paid by First Western Bank between 1966 and 1970 was 86 percent of net income compared to a rate of 55 percent for the other large California banks. Because of those dividend requirements, First Western has been unable to retain sufficient earnings to permit it to embark on programs designed to make it an effective competitive factor in California.

The decision of its present owner, World America Investors Corp., a wholly-owned subsidiary of World Airways, Inc., to sell First Western was prompted by the passage of the Bank Holding Company Act Amendments of 1970. World Airways, Inc. is the world's largest international supplemental air carrier and owns, through its subsidiary, in excess of 99 percent of the stock of First Western. By virtue of the amendments, World Airways, Inc. became a bank holding company subject to severe restrictions on the non-banking activities in which it could engage or into which it could expand in the future. Further, the Federal Reserve Board must, within 2 years of the date of enactment, review the interrelation of bank and non-bank activities of holding companies. If it is determined that the activities of any subsidiary, which is engaged in business not closely related to banking, would tend to affect the bank adversely, the holding company must choose either to sell the bank or to retain the bank and any related subsidiaries and sell its holdings not related to banking. The decision was made by World Airways, Inc. to sell First Western in order to relieve itself of the non-banking operating limitations imposed by the amendments and to avoid the possibility of an adverse hearing decision by the Federal Reserve Board. That decision is consonant with the Congressional policy against bank ownership by companies engaged in activities unrelated to banking.

That decision to sell required a purchaser or purchasers with sufficient resources to buy a bank of that size. Though sought by First Western, no private investors with sufficient financial and operational qualifications were discovered. The several foreign banks that expressed an interest in acquiring First Western and analyzed its structure failed to make an offer. Depressed market conditions preclude the prospect of making a public offering. The Bank Holding Company Act Amendments of 1970 prohibit non-bank holding corporations from purchasing First Western, thereby eliminating a great number of potential purchasers who would otherwise be interested in acquiring First Western. A spinoff of the First Western shares to stockholders of World Airways, Inc. is not possible since those shares have been pledged to secure a very substantial loan incurred by World America Investors Corp. when it purchased such shares. The only remaining feasible approach was an acquisition by a California bank or bank holding company not widely represented in the southern part of the State. Wells Fargo, which has adequate resources, operates relatively few southern branches, so an agreement was reached between the two banks. Wells Fargo agreed that it will sell the 41 branches of First Western which are located in northern California to banks not heavily represented in that area or to other purchasers.[1]

The proposal, contemplating the divestiture of those 41 branches, will not have any significant anticompetitive effects. Wells Fargo holds only 10.1 percent of the total deposits held by all commercial banks in the State, as of June 30, 1971. First Western holds only 1.8 percent of such deposits. With the divestment of the 41 branches operated by First Western in northern California, the resulting bank will hold approximately 11 percent of the total deposits in the State and its share

[1] These branches are indentified on pp. 1–3 of appendix C of the application.

in northern California would remain static at 19.5 percent. In the southern part of California, the resulting bank will hold only 3 percent of the deposits. Only 38 of Wells Fargo's branches are located in southern California, and of those, only eight appear to be in competition with branches of First Western, which has 54 branches in southern California. Of the eight locations in which the two banks appear to compete, six are in Los Angeles County where 58 banks having 939 banking offices are represented. In Orange County, where two offices of Wells Fargo compete with two offices of First Western, 25 banks operate 321 branches. The receiving bank will be subject to intense competition from both larger and smaller banks in every area in which it maintains an office.

The merger will benefit the customers of First Western and the general public. First Western, because of its inherent shortcomings, has been unable, unlike all other large California banks, to afford membership in the Federal Reserve System, to pay daily interest on passbook savings accounts, or to offer credit card services. Additionally, it offers very limited international services and has trust departments at only seven locations. Its lending limit of $6.5 million causes major California and National firms to look to the larger banks for financing. Recently, for example, one of the First Western's largest and oldest customers decided to patronize only those banks having a lending limit in excess of $10 million.

Wells Fargo has a full range of banking activities to offer to the customers of First Western. It emphasizes the full range of retail banking services which the merging bank has been unable to provide. The customers of First Western will be able to rely on Wells Fargo for student loans, mortgage loans, convenient facilities, and up-to-date computerized information, as well as those services presently unavailable through First Western. Since the latter has been unable to provide for research and development, its customers, commercial and individual, will receive the benefit of Wells Fargo's extensive experience with technical innovations and improved services such as investment counselling, market analysis, and management science.

It is the conclusion of this Office that the proposal, prompted as it is by an unusual legislative development, in the context of a unique fact situation, will be in the public interest and will carry out the Congressional policy. It will produce no significant anticompetitive results. On the contrary, in northern California where Wells Fargo maintains the majority of its branches, the purchaser or purchasers of the merging bank's northern branches will introduce additional competition and, in southern California, the resulting bank will hold only 3 percent of bank deposits. The banking structure throughout the State will be affected only minimally and the thousands of customers served by First Western will receive the benefit of the widest range of services a modern bank can provide.

In the light of the foregoing facts it appears that the subject application will have a minimal negative effect upon competition in selective areas in southern California, but will have a procompetitive effect on banking throughout the State. It will clearly redound to the public interest. The application, therefore, is approved. However, the merger may not be consummated before the later of the following two dates: (a) the 30th calendar day after the date of this approval, or (b) the date upon which Wells Fargo delivers to this Office a certified copy of a definitive agreement or agreements between Wells Fargo and one or more purchasers satisfactory to this Office providing for the sale of the 41 northern California branch offices of First Western to be transferred within 90 days of the consummation of the merger of Wells Fargo and First Western, or as soon thereafter as all of the requisite regulatory approvals to such sale have been obtained.

December 20, 1971.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger would eliminate direct competition between the parties in the whole cluster of commercial banking services throughout much of the State of California. It would also eliminate competition in at least two specialized submarkets——(i) correspondent banking and (ii) commercial and industrial loans to intermediate-sized businesses.

Wells Fargo presently has offices in 43 of California's 55 counties; and First Western has offices in 21. Wells Fargo operates offices in 18 of the counties in which First Western operates; those 18 counties include most of the metropolitan areas in the State (with the exception of San Diego), and so contain the great bulk of the population of California.

Since some of these counties (for example, Los Angeles County and Orange County) are very large geographic areas with substantial population, smaller geographic areas within these counties may be appropriate markets for testing the competitive effects in commercial banking.

Looked at another way, 51 of First Western's 95 offices are located less than 2 miles, often less than

1 mile, from a Wells Fargo office. These First Western offices hold over 71 percent of its deposits. Hence, whether viewed in terms of the State as a whole, the counties in which both compete, or the immediate area around the offices of each, the loss of direct competition is substantial.

The proposed merger will significantly increase the concentration of banking resources in the State of California——a State where the top five banks already have almost 80 percent of deposits. Because of the widespread branching network and extensive competition between the two banks throughout the State, it is not unreasonable to use statewide concentration figures to measure the aggregate effect of this merger on local banking markets. According to the application, as of June 30, 1970, Wells Fargo held approximately 10 percent of all deposits held by commercial banks in the State of California and First Western held about 1.8 percent of such deposits. During the same period, Wells Fargo controlled about 10.7 percent of all loans by commercial banks and First Western controlled about 1.8 percent of such loans.

Correspondent services are essential to smaller banks, so that they can be effective competitors of the large branch systems. Wells Fargo and First Western both provide correspondent services to banks located throughout California.

Inter-bank deposits held by banks are a measure of the amount of correspondent business done by a bank. The figures published in *The American Banker* indicate that Wells Fargo is the sixth largest and First Western the eighth largest of the 18 commercial banks based in California that offer correspondent services. If this merger is consummated, Wells Fargo will be the third largest bank in terms of domestic inter-bank deposits.

Commercial and industrial lending is a recognized primary aspect of a commercial bank's activity, but it is also a specialized activity. Commercial and industrial loans involve specialized credit evaluation and supervision.

Wells Fargo and First Western are two of only eight major banking systems in California which have the expertise and lending limits to make loans to intermediate-sized borrowers along with a substantial distribution of offices through which such loans can be made and administered. As a result of the merger of Wells Fargo and First Western, there will be a substantial elimination of existing competition in this kind of lending. Concentration in the State will probably be increased by at least the statewide deposit concentration of the two banks; it is probable that the combined share of the merging banks will exceed 12 percent of such loans in California.

California law permits commercial banks to operate branch offices throughout the State. Each major bank is, therefore, a significant potential entrant into those areas of California which it does not serve and which the other does serve. In addition, each is a significant potential entrant into those areas of California served by neither. Illustrative of the competitive potential of these banks is Wells Fargo's vigorous expansion program into Southern California.

In view of the substantial reduction in both actual and potential competition both in general commercial banking services as well as in certain specified services, we conclude that the proposed merger would have a significantly adverse effect on competition.

* * *

The National Bank of Georgia, Atlanta, Ga., and Bank of Fulton County, East Point, Ga.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bank of Fulton County, East Point, Ga., with	$32,617,000	2	
and The National Bank of Georgia, Atlanta, Ga. (15541), which had	174,481,000	20	
applied for permission to merge Sept. 29, 1971, under charter and title of the latter bank (15541). The application was approved Jan. 11, 1972. The pending merger was challenged by Justice Department Feb. 8, 1972, and is presently in litigation			

Comptroller's decision

On September 29, 1971, the Bank of Fulton County, East Point, Ga., and The National Bank of Georgia, Atlanta, Ga., 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 National Bank of Georgia, with IPC deposits of $110.4 million, was organized in 1911, and currently operates 17 offices throughout Fulton and DeKalb counties.

Atlanta, home of the charter bank, is the capital of the State of Georgia and the county seat of Fulton County. It has a well-diversified economic base and is a major regional center in manufacturing, trade, finance, transportation, communications, government, and education. Atlanta and the surrounding metropolitan areas constitute one of the fastest growing regions in the southeast. U.S. census data indicates that the population of the Atlanta Standard Metropolitan Statistical Area was 1.4 million on April 1, 1970, as compared with 1.0 million on April 1, 1960.

The Bank of Fulton County, the merging bank, with deposits of $24 million, was organized in 1934 and operates only one branch office within East Point.

East Point, Ga., home of the merging bank, with a population estimated at 46,825 persons, is the State's seventh largest city; in terms of area and the Greater Atlanta Metropolitan Area it is relatively small. East Point is situated directly between downtown Atlanta and the Atlanta Municipal Airport and abuts the city limits of Atlanta. The economy of the area is dependent on industry and manufacturing. The greatest single factor in the economy is the presence of the Atlanta Municipal Airport. Wholesale trade is also of importance.

The charter bank is the smallest of the five large banks operating in Atlanta. The largest is Citizens and Southern National Bank, Atlanta, with total deposits of $1.4 billion, and the others are, First National Bank, Atlanta, with total deposits of $789.2 million; Trust Company of Georgia, with total deposits of $825.7 million; and Fulton National Bank, with total deposits of $408.2 million. Other banks in the combined service area include Citizens and Southern Bank, East Point, Ga., with total deposits of $23.3 million; Bank of the South, College Park, Ga., with total deposits of $13.7 million; and the Citizens Bank, Hapeville, Ga., with total deposits of $17.4 million.

The charter bank, following the merger, would make available, to present customers of the merging bank and to other persons and corporations located within its primary service area, banking services that are not presently conveniently available. Among those would be better, faster clearances in accounts with internally operated data processing services; a fully-staffed and experienced trust department; a fully-staffed and experienced mortgage lending department; higher credit limits; the capital structure to develop new branches as needed; a stronger and fully-staffed commercial department; resources and staff for more effective installment lending activity; a more effective advertising and public relations department; and, freedom from the need to raise new capital necessary to compete effectively in all the above activities.

Competition will not be adversely affected by consummation of the transaction. Although some competition exists between the two merging institutions because of the slight overlap of their service areas, it is thought to be insignificant. In Atlanta, competition should be improved since the charter bank will be in a better position to compete with the four larger banks operating there, and any smaller institutions should not be seriously disadvantaged. In the East Point area, the merging bank is presently the smallest bank and consummation of the transaction would improve competition by making the East Point offices of the resulting bank more effective competitors. Potential competition will not be affected; although Georgia branching law has been changed to permit the large Atlanta-based banks to branch *de novo* into Fulton County, doing so would be economically unfeasible for the charter bank and it is doubtful it would follow this route.

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

JANUARY 11, 1972.

SUMMARY OF REPORT BY ATTORNEY GENERAL

There are 17 banking offices, operated by seven banking organizations, located within County Bank's service area, including County Bank's two offices and two offices of National Bank of Georgia. National Bank of Georgia's office nearest to an office of County Bank is located approximately 3 miles away. That office is approximately 4 miles from County Bank's other office. Together these three offices form a triangle in the central portion of County Bank's service area, National Bank of Georgia's office being located at the northern tip. There are no other banking offices located within the triangle, although there are several banking offices near the tips. National Bank of Georgia's other office located within County Bank's service area is approximately 5 and 6 miles northeast of County Bank's two offices. Moreover, National Bank of Georgia has recently received approval to establish a branch office approximately 4.7 and 4.9 miles south of County Bank's two offices.

Approximately 3.2 percent, or $4.9 million, of National Bank of Georgia's total deposits originate within the service area of County Bank. This figure represents 17.3 percent of County Bank's total deposits. Approximately 5.0 percent, or $2.5 million, of National Bank of Georgia's total IPC demand deposits originate within the service area of County Bank. This figure represents 17.0 percent of County Bank's total IPC demand deposits. Virtually 100 percent of County Bank's IPC demand and total deposits originate within the service area of National Bank of Georgia.

There are a number of other banking offices, in addition to the two of National Bank of Georgia, that compete directly with County Bank. Because of the proximity of their offices and the degree of competitive overlap, however, it seems clear that significant existing competition between County Bank and National Bank of Georgia will be permanently eliminated by this merger.

The suburban areas of Fulton County are not yet dominated by the five large Atlanta banks to the same extent that those banks dominate the city of Atlanta. Since the change in the branch banking law on January 1, 1971, however, the large Atlanta banks have attempted to acquire a large number of previously "affiliated" suburban banks in both Fulton and adjoining DeKalb counties, thereby eliminating both existing competition and the potential for future competition which these banks represent. Three such acquisitions of very small banks have already been made, two by First National Bank of Atlanta and one by Trust Company of Georgia. Another proposed acquisition by Trust Company was abandoned after suit was filed. Seven additional proposed acquisitions, two by First National and five by subsidiaries of Citizens and Southern National Bank, are blocked by pending antitrust litigation.

The proposed merger involving one of Atlanta's largest banks, would eliminate the largest *completely independent* suburban bank in the Atlanta area and one of only three independent banks (other than the five large Atlanta banks) in the area with deposits of over $20 million. Thus, one of the few —— and hence significant —— sources of future competition to the large Atlanta banks now moving into South Fulton County and the suburbs generally would no longer exist.

This merger would eliminate significant existing and potential future competition. In addition, by eliminating the largest independent suburban bank in the Atlanta area, the transfer of the concentrated market structure of Atlanta to the suburban areas around the city will be greatly facilitated. Therefore, we conclude that the proposed merger would have a significantly adverse effect on competition.

* * *

Wachovia Bank and Trust Company, N.A., Winston-Salem, N.C., and Bank of Granite, Granite Falls, N.C.

Name of bank and type of transaction	*Total assets*	*Banking offices*	
		In operation	*To be operated*
Bank of Granite, Granite Falls, N.C., with	$22, 379, 572	5	
and Wachovia Bank and Trust Company, N.A., Winston-Salem, N.C. (15673), which had	2, 052, 003, 034	176	
applied for permission to merge Aug. 1, 1972, under charter and title of the latter bank (15673). The application was approved Nov. 3, 1972, but was abandoned by the banks Dec. 18, 1972, after filing of antitrust suit by the Justice Department			

COMPTROLLER'S DECISION

On August 1, 1972, the Wachovia Bank and Trust Company, N.A., Winston-Salem, N.C., and the Bank of Granite, Granite Falls, N.C., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The Wachovia Bank and Trust Company, N.A., the charter bank, was organized in 1879. The bank, currently the largest commercial bank in North Carolina with assets of $2 billion and IPC deposits of $1.3 billion, operates 175 branches in 64 communities throughout the State. Wachovia Bank and Trust Company, with a large staff of capable management personnel which is more than sufficient to meet its present needs and future plans for expansion has established itself as a leader in offering innovative financial services to both corporations and individual customers.

As the largest commercial bank in North Carolina, the charter bank competes with most of the statewide and regional banks in the State. These competitors include the North Carolina National Bank, the second largest bank in the State, with total deposits of $1.5 billion; the First Union National Bank, the third largest bank, with deposits of $1.1 billion; the First Citizens Bank and Trust Company, the fourth largest, with deposits of $715 million; and the Northwestern Bank, the fifth largest bank in North Carolina, with deposits of $631 million. The charter bank also competes with the smaller, local banks situated in the cities and towns across the State in which it maintains active branches.

The Bank of Granite, the merging bank, was organized in 1906, and currently has assets of $22.4 million and IPC deposits of $16.3 million. The bank operates four branches, two in Lenoir and one each in Hudson and Hickory. It is the smallest financial institution in its service area and does not have the financial resources to offer many of the specialized services which its larger competitors offer. As a result, the Bank of Granite has lost many customers and has been unable to provide adequate depth in its management resources. In addition, because of its insufficient capitalization to open additional offices, it has been unable to expand its financial resources. Because it is unable to maintain a formalized recruiting program to assure adequate experienced successor management, it is now having difficulty in finding a replacement for its cashier and sole operations officer who will retire at the end of the current year.

The Bank of Granite competes in the towns of Granite Falls, Hudson, and Lenoir, in Caldwell County, and in the town of Hickory, in Catawba County. The Hickory banking market is dominated by the First National Bank of Catawba County which operates six banking offices in Hickory and has deposits of $114.5 million. That bank controls a majority of the banking deposits and loans of the city which is the economic focal point of the four surrounding counties of Caldwell, Catawba, Alexander, and Burke. Hickory is also served by several of the largest banks in the State, including two offices of the North Carolina National Bank, the second largest bank in the State, and five offices of the Northwestern Bank, the fifth largest bank in North Carolina. In Caldwell County, the merging bank has no direct competition in Hudson, but competes with a branch of the Northwestern Bank in Granite Falls, and one branch each of the Northwestern Bank and the First Union National Bank of North Carolina in Lenoir.

The service area of the Wachovia Bank and Trust Company is multifaceted since the charter bank competes on several levels with a wide variety of banks. In the 64 cities and towns in which it maintains offices, the charter bank competes for local individual and commercial business. Those markets are local in nature and exist because a banking institution has office facilities in a certain city or town. Those small, local customers generally restrict their banking business to the city or town in which they live or in which their business is domiciled because their banking needs are limited and can usually be fulfilled by one or more of the existing small banks in that particular locality. In the area of general corporate and commercial services the Wachovia Bank and Trust Company competes not only throughout the State of North Carolina but also in international, national, and regional markets. Those corporate and commercial customers do not restrict banking relationships to the banks located in their own city but seek out sizeable banks that are able to provide specialized services such as cash management, large lines of credit, bond and corporate trust services, and specialized financing arrangements including large-scale leasing, which are unavailable from smaller banks.

In contrast to the large markets serviced by the charter bank, the Bank of Granite is a locally-oriented institution which competes for individual and commercial business solely in the four towns in which it maintains offices. A survey of all checking and savings accounts of the merging bank indicates that over 95 percent of those accounts are maintained in Granite Falls, Hudson, Lenoir, and Hickory, which are the towns where the bank operates its offices.

Thus, the relevant market area for the Bank of Granite is that part of Caldwell and Catawba counties served by its offices. Wachovia Bank and Trust Company maintains no offices in the towns served by the Bank of Granite.

Catawba County, located in the northwestern portion of the State, had, in 1970, an estimated population of 90,000 persons, making it the 12th most populous county in the State. The economy of the county is dependent primarily on commercial and industrial activities which include one of North Carolina's largest concentrations of manufacturing concerns with principal products of textiles, furniture, electrical equipment, and machinery. Although there are several nationally-known firms represented in the county, the majority of the industry is locally-owned and -operated. As a result of that relatively well-diversified industrialization, Catawba County, with Hickory as its focal point, has evolved as the trade and commercial center of that portion of the State.

Caldwell County is situated to the northwest of and adjacent to Catawba County and derives its economic importance from its close proximity to that highly industralized area. Granite Falls, the head office city of the Bank of Granite, located in Caldwell County, is 4 miles from the northern boundary of the city of Hickory. The residents of Granite Falls use Hickory as a major trade and employment center. Similarly, Hudson is a residential community located 3 miles south of Lenoir, and is oriented to the needs of Lenoir, which is the largest urban center in Caldwell County. Lenoir is located 15 miles northwest of Hickory.

Caldwell County has a considerably slower growing and less diversified economy than does Catawba County. The location of Hickory as a convenient trading center for the residents and businesses of Caldwell County has retarded the overall development of Caldwell County in several vital areas and will most likely continue to do so. The lack of diversification in the economy of Caldwell County is caused by a heavy dependence on furniture and textile-apparel manufacturing, both of which have recently suffered from drastic reductions in the demand for their products. The recent closing of four textile plants has made Caldwell County more dependent on the production of furniture than ever before. Efforts to further diversify the industrial base of the county have successfully attracted only three new companies in the past 10 years. There is an obvious need in Caldwell County for new industry to aid in diversifying the economic base which now relies almost exclusively on the economic fortunes of two basically unstable industries.

There is no competition between the Bank of Granite and any office of the Wachovia Bank and Trust Company because relatively large distances separate the closest offices of the two banks and an adequate number of competitors operate in the intervening distances. The closest office of the charter bank to the Bank of Granite is its Hildebran office which is a small branch situated several miles west of Hickory in Burke County. A survey of the business conducted by that small office indicates that in excess of 85 percent of its accounts are derived directly from Hildebran, and virtually none of them originates in Hickory. Seven neighborhood banking offices operated by four Hickory banks are situated between the Bank of Granite's Hickory office and the charter bank's branch in Hildebran. The home office of the Bank of Granite is in Granite Falls, 11 miles from Hildebran; approximately 20 miles separate the merging bank's offices in Lenoir and the Morgantown office of the Wachovia Bank and Trust Company.

Convenience is a primary factor in obtaining all but specialized banking services. The distance in road mileage between the offices of the Wachovia Bank and Trust Company and the merging bank, and the many intervening alternative banking facilities, make an overlap in the market areas for retail and minor commercial business virtually non-existent, with the exception of customers who need and seek specialized corporate or commercial and trust services from larger banks located outside the area. The alternative banking facilities available to those customers are the larger banks located in Lenoir, Hickory, and elsewhere. Virtually none of the business held by the Wachovia Bank and Trust Company in the market area of the Bank of Granite was gained through competition with the merging bank, but rather that business is regional or National in nature and requires services not offered by the Bank of Granite as a result of its small size. That overlapping business, to the extent that it does exist, was obtained in competition with other statewide banks and larger banks operating from outside the State of North Carolina. That means that the charter bank currently competes more with the large competitors of the Bank of Granite than it does with the merging bank itself.

It does not appear likely that the Wachovia Bank and Trust Company would be able to establish a *de novo* branch in the service area of the merging bank in the foreseeable future. Of the four local markets served by the Bank of Granite, only the town of Hickory is attractive to the charter bank from a *de novo* point of view. The charter bank has twice attempted to enter Hickory by that method but has been effectively forestalled by the First National Bank of Catawba County, the dominant bank in Hickory. In 1962, the Wachovia Bank and Trust Company, then a State bank, applied to the North Carolina Banking Commission for a *de novo* office in Hickory. That application was vigorously protested by the First National Bank of Catawba County and the application was subsequently denied by the State Banking Commission. On March 9, 1970, in a second attempt to gain entry, the charter bank applied to the Comptroller of the Currency for permission to open an office in Hickory. That application was again protested by the First National Bank of Catawba County and, after an administrative hearing, the application was approved by the Comptroller. The protestant then filed suit against both the charter bank and the Comptroller of the Currency, seeking an injunction. In an opinion dated April 15, 1971, the United States District Court permanently enjoined the Comptroller from issuing a certificate to the Wachovia Bank and Trust Company authorizing the establishment of a branch in Hickory. Thus, the charter bank has been effectively prevented from opening a *de novo* office in Hickory, and is thereby barred from entering the most economically feasible portion of the service area of the merging bank through the establishment of a *de novo* branch. The only viable alternative by which the Wachovia Bank and Trust Company can enter Hickory and the dynamic Catawba County market is through the proposed application.

Although the First National Bank of Catawba County has protested the present application and an administrative hearing was held in Raleigh on September 27, 1972, during which evidence was presented by both the charter bank and the protestant in support of their respective positions, it is the view of this Office that the objections raised by the First National Bank of Catawba County are not substantiated in fact but merely represent the groundless fears which the dominant bank in Hickory is experiencing when faced with the prospect of effective competition. A careful examination of the evidence accompanying this application indicates that consummation of the proposed merger will result in no adverse competitive effects. The proposed merger will result in no increased concentration in any banking market and there would be a *de minimis* increase in the share of deposits held by the Wachovia Bank and Trust Company in North Carolina.

In view of the market structure now existing in Hickory, it is obvious that the pro-competitive entry of the Wachovia Bank and Trust Company into Catawba County will stimulate competition, not only for the dominant First National Bank of Catawba County, but also by creating a realistic banking alternative to the other large banks operating in both Catawba and Caldwell counties. The Bank of Granite is currently operating in both Catawba and Caldwell counties at a distinct competitive disadvantage, and has lost accounts in all of the communities it serves because it is unable to offer trust services, mortgage loans, and other services which its much larger competitors offer. Each bank with which it competes offers a full range of personal and corporate trust services which the merging bank is precluded from offering because of its limited size. The large banks now operating in Hickory and other parts of Catawba County have, despite their size, been ineffective against the First National Bank of Catawba County because of the powerful financial position that bank maintains in the county.

The Wachovia Bank and Trust Company has both the aggressive competitive drive and the necessary resources to open the county to more competitive banking. In the Lenoir-Hudson area, the bank will compete with the third and fifth largest banks in the State. In the Hickory-Granite Falls area, where the Bank of Granite competes with the North Carolina National Bank, the second largest bank in the State; the First Citizens Bank and Trust Company, the fourth largest in the State; the Northwestern Bank, the fifth largest commercial bank in North Carolina; and First National Bank of Catawba County, the dominant bank in Hickory, the entry of the Wachovia Bank and Trust Company will result in an atmosphere of more effective competition.

The resulting bank will bring both expanded and unique banking services to the several market areas of the Bank of Granite. Of particular importance to Caldwell and Catawba counties will be, among others, the lending limit of the resulting bank, which will be substantially larger than some of the existing banks in those markets, a complete line of both personal and corporate trust services, an industrial development department, which will be especially useful in stimulating the sluggish economy of Caldwell County, a complete line of international banking services, and a small business loan program. The Wachovia Bank and Trust Company will be able to shift needed funds into the service areas of the Bank of Granite to meet credit needs, on a year-round basis, in amounts well above the capabilities of the merging bank, by transferring needed funds from areas with a low loan demand. The legal lending limit of the Bank of Granite is now $181,300 to any one borrower and the general policy of the bank has been to limit loans to $100,000. That low lending limit has effectively handicapped this bank which competes in an area dominated by larger banks, and has also served to stifle the economic potential of certain areas in Caldwell County by failing to meet local loan demands. The resulting bank, by contrast, will make available increased funds in this area. The proposed merger will also resolve the management problem which now exists at the merging bank by assuring adequate experienced successor management at offices of the resulting bank.

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

NOVEMBER 3, 1972.

Wachovia does not presently operate any banking offices in Caldwell or Catawba County. It does, however, operate a total of seven banking offices in adjacent Burke and Alexander counties, at distances of about 6 to 22 miles from Granite's closest office. The application indicates that Wachovia draws about $8 million in loans and about $1.2 million in deposits (excluding deposits of correspondent banks) from the four towns where Granite operates offices. Much of this loan business is in the form of automobile financing, including paper purchased from automobile dealers. Granite is also a significant lender in automobile and other consumer-oriented lines.

As North Carolina's largest bank, Wachovia can be expected to increase its competitive efforts in these four adjacent counties, and thus compete more and more extensively with Granite. Wachovia has no office in Hickory or Lenoir, the largest cities in the area, and thus can be expected to concentrate its increased efforts in these towns, both of which are served by Granite. Granite is one of only three banks in Caldwell County, where Lenoir is located, holding about 38 percent of county deposits. At present, Wachovia and Granite hold the third and fifth largest shares of commercial bank deposits in the four-county area, about 9 percent and 5.6 percent, respectively. The four leading banks in the area hold about 85 percent of such deposits.

Additional competitive effects of the proposed merger are occasioned by the fact that Wachovia's parent, The Wachovia Corporation, also owns American Credit Corporation, a diversified non-bank financial service corporation. American Credit operates two automobile finance offices in Hickory and another such office in Lenoir. These offices make both direct and indirect automobile loans to residents of Catawba and Caldwell counties. American Credit also operates consumer loan offices in Lenoir, Hickory, and Newton from which it makes other personal loans to area residents. Finally, through its commercial finance and leasing subsidiaries, American Credit provides various loans, leasing, and factoring services to small- and middle-sized businesses in both Caldwell and Catawba counties. In view of the nature of Granite's loan portfolio, the proposed merger would also appear to eliminate competition between Granite and American Credit.

Many recent bank mergers in North Carolina have typically resulted in the succession by the largest banks in the State to the leading local market positions of those acquired banks. The proposed merger would clearly contribute to and continue this trend, since Wachovia would succeed to the particularly strong position Granite enjoys in Caldwell County.

In addition, the instant merger presents more immediate anticompetitive effects. This is so because Wachovia is not acquiring a bank in a distant market, but rather a significant competitor in a region Wachovia already serves, as does its affiliate, American Credit. Highway connections between Lenoir, Hickory, and Morganton (where Wachovia has a branch), the three largest communities in the four-county area, are excellent; there are also good roads providing access to these communities from other parts of the area. Probable employment patterns and commercial traffic indicate that Wachovia offices are at least reasonable alternatives for customers served by Granite. By acquiring Granite, Wachovia would eliminate an existing competitor, and a possible vehicle for entry into the four-county area by a smaller, more distant bank less able than Wachovia to expand in a *de novo* fashion.

The proposed merger would have a variety of anticompetitive effects. Overall, its effect on competition would be significantly adverse.

* * *

APPENDIX B

Statistical Tables

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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	Mar. 23, 1973	Texas.
23	Smith, James E	July 5, 1973	....	South Dakota.

Table B–2

Deputy Comptrollers of the Currency

No.	Name	Dates of tenure		State
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	Minnesota.
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, Jr., William	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.
45	Howland, Jr., W. A	July 5, 1973		Georgia.
46	Mullin, Robert A	July 5, 1973		Kansas.

Table B–3

Regional Administrators of National banks

Region	*Name*	*Headquarters*	*States*
1	Charles H. Paterson	Boston, Mass	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.
2	Charles M. Van Horn	New York, N.Y	New Jersey, New York, Puerto Rico, Virgin Islands.
3	R. Coleman Egertson	Philadelphia, Pa	Pennsylvania, Delaware.
4	Charles B. Hall	Cleveland, Ohio	Indiana, Kentucky, Ohio.
5	John G. Hensel	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	John W. Schaffer, Jr	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, Ore	Alaska, Idaho, Montana, Oregon, Washington.
14	Arnold E. Larsen	San Francisco, Calif	California, Guam, Hawaii, Nevada.

Table B–4

Changes in the structure of the National Banking System, by States, 1863–1972

	Organized and opened for business 1863–1972	Consolidated and merged under 12 U.S.C. 215		Insolvencies	Liquidated	12 U.S.C. 214		In operation Dec. 31, 1972
		Consolidated	Merged			Converted to State banks	Merged or consolidated with State banks	
United States	16,062	722	616	2,821	6,753	203	333	4,614
Alabama	210	4	9	45	63	0	0	89
Alaska	8	0	0	0	2	0	1	5
Arizona	33	1	0	6	21	1	1	3
Arkansas	167	1	2	39	55	0	0	70
California	611	21	51	66	395	4	19	55
Colorado	275	5	0	57	86	3	0	124
Connecticut	138	11	8	7	69	2	15	26
Delaware	32	0	0	1	18	0	8	5
District of Columbia	39	8	0	7	13	0	0	11
Florida	333	2	2	43	42	0	0	244
Georgia	210	8	4	42	87	8	0	61
Hawaii	7	1	0	0	4	1	0	1
Idaho	112	0	2	35	65	1	2	7
Illinois	988	20	10	227	299	15	2	415
Indiana	452	14	6	98	205	3	4	122
Iowa	566	4	2	205	243	11	1	100
Kansas	461	6	3	77	198	6	0	171
Kentucky	250	11	2	37	110	8	2	80
Louisiana	124	4	1	16	53	0	0	50
Maine	129	8	9	13	79	0	1	19
Maryland	157	3	17	17	69	1	11	39
Massachusetts	392	44	18	28	208	1	11	82
Michigan	362	11	6	77	157	0	5	106
Minnesota	520	8	0	116	193	4	0	199
Mississippi	100	5	4	16	35	2	0	38
Missouri	337	13	11	58	148	4	1	102
Montana	211	4	1	76	76	0	0	54
Nebraska	414	2	2	83	199	5	0	123
Nevada	18	1	0	4	8	0	1	4
New Hampshire	86	3	7	5	23	0	0	48
New Jersey	483	56	65	60	153	1	27	121
New Mexico	97	1	1	25	37	0	0	33
New York	1,043	127	91	130	441	13	78	163
North Carolina	164	8	22	44	58	0	9	23
North Dakota	264	3	0	100	118	0	0	43
Ohio	736	32	30	112	336	2	6	218
Oklahoma	782	12	6	85	454	33	0	192
Oregon	154	2	4	31	103	0	6	8
Pennsylvania	1,297	110	105	211	494	8	93	276
Rhode Island	70	3	2	2	58	0	0	5
South Carolina	138	8	14	43	49	1	4	19
South Dakota	224	14	2	93	81	2	0	32
Tennessee	225	9	5	36	94	6	2	73
Texas	1,376	45	24	142	574	49	4	538
Utah	49	4	1	6	23	3	2	10
Vermont	85	3	4	17	29	2	6	24
Virginia	293	23	54	28	74	3	10	101
Washington	246	19	9	51	143	0	1	23
West Virginia	205	11	0	38	68	0	0	88
Wisconsin	306	9	0	54	116	0	0	127
Wyoming	80	0	0	12	26	0	0	42
Virgin Islands	1	0	0	0	0	0	0	1
Puerto Rico	2	0	0	0	1	0	0	1

TABLE B–5

Charters, liquidations, and changes in issued capital stock of National banks, calendar 1972

	Number of banks	Capital stock		Capital notes and debentures
		Common	Preferred	
Increases:				
Banks newly chartered:				
Primary organization	116*	42, 931, 805		
Conversion of State banks	16	22, 321, 650		
Capital stock:				
Preferred: 3 cases by new issue			3, 648, 000	
Common:				
699 cases by statutory sale		214, 428, 289		
623 cases by statutory stock dividends		384, 907, 440		
12 cases by statutory consolidation		4, 582, 591		
28 cases by statutory merger		20, 070, 575		
10 cases by conversion of preferred stock		1, 020, 324		
65 cases by conversion of capital notes		1, 265, 330		
Capital notes and debentures: 250 cases by new issue				734, 058, 061
Total increases	132	691, 528, 004	3, 648, 000	734, 058, 061
Decreases:				
Banks ceasing operations:				
Voluntary liquidations:				
Succeeded by National banks	3	600, 000		
Succeeded by State banks	2	839, 700		
Statutory consolidations	8			
Statutory mergers	74†			
Converted into State banks	24	18, 025, 615		
Merged or consolidated with State banks	11	6, 463, 689		
Insolvent	0			
Capital stock:				
Preferred: 18 Retired			6, 970, 063	
Common:				
4 cases by statutory reduction		928, 750		
2 cases by statutory consolidation		472, 860		
5 cases by statutory merger		3, 318, 530		
Capital notes and debentures:				
43 retirements				28, 041, 665
34 converted to common stock				2, 410, 205
Total decreases	122	30, 649, 144	6, 970, 063	30, 451, 870
Net change	+10	660, 878, 860	−3, 322, 063	703, 606, 191
Charters in force Dec. 31, 1971, and issued capital	4, 608	6, 768, 126, 378 [r]	43, 851, 961	1, 517, 164, 215
Charters in force Dec. 31, 1972, and issued capital	4, 618	7, 429, 005, 238	40, 529, 898	2, 220, 770, 406

*Includes 62 reorganized banks with capital stock of $9,506,005.
†Includes 62 reorganized banks.
[r]Revised.

NOTE: Premium on sale of common stock	$251, 748, 509	(667 cases)
Premium on sale of convertible notes	21, 211, 064	(91 cases)
Total	$272, 959, 573	(758 cases)

TABLE B-6

*Applications for National bank charters, approved and rejected, by States, calendar 1972**

	Approved	Rejected
ALABAMA		
First City National Bank of Oxford, Oxford	Aug. 10	....
The Peoples Bank at Selma Mall, National Association, Selma	May 19	....
ARIZONA		
South Tucson		Aug. 11
ARKANSAS		
Grand National Bank, Hot Springs	May 1	....
CALIFORNIA		
Foothill National Bank, Glendora	Sept. 5	....
Los Angeles National Bank, Los Angeles	July 6	....
First National Bank of Riverbank, Riverbank	Nov. 15	....
Mexican American National Bank of San Diego, San Diego	Nov. 21	....
San Fernando		May 16
San Francisco		Nov. 13
Plaza National Bank, San Jose	Dec. 15	....
COLORADO		
Colorado Springs		Feb. 11
Colorado Springs		Feb. 11
Colorado Springs		Feb. 11
Colorado Springs		Aug. 30
Coronado National Bank, Denver	Sept. 6	....
Denver		Sept. 22
First National Bank-North in Grand Junction, Grand Junction	May 16	....
Longmont		May 19
FLORIDA		
Citizens National Bank, Boca Raton	Aug. 11	....
Broward National Bank of Plantation, Plantation	Sept. 13	....
The National Bank of Cape Coral, Cape Coral	Dec. 20	....
Cape Coral		Dec. 20
Ellis National Bank of Clearwater, Clearwater	Oct. 2	....
Clewiston National Bank, Clewiston	Nov. 15	....
Coconut Grove		Nov. 16
Crystal River		Nov. 27
Unincorporated Area of Dade County		Nov. 28
Englewood		Feb. 2
First National Bank of Englewood, Englewood	Feb. 2	....
Citizens National Bank of Fort Lauderdale, Fort Lauderdale	May 4	....
Southport American National Bank of Fort Lauderdale, Fort Lauderdale	July 7	....
Fort Lauderdale		Aug. 3
The Exchange National Bank of Holiday, Holiday	May 8	....
First National Bank of Hudson, Hudson	June 21	....
Jacksonville		Sept. 14
Marine National Bank of West Jacksonville, Jacksonville	Dec. 11	....
Jupiter National Bank, Jupiter	May 23	....
Sun Bank of Leesburg, National Association, Leesburg	May 10	....
Miami		Mar. 15
Miami		Sept. 12
FLORIDA—continued		
Continental National Bank of Miami, Miami	Nov. 29	....
Palm Beach Gardens		Sept. 26
Panama City		Dec. 12
Pinellas Park		May 25
The Exchange National Bank of Pinellas Park, Pinellas Park	May 25	....
St. Petersburg		June 22
Sun Bank of Semoran, National Association, Unincorporated area of Seminole County	Mar. 17	....
Sunrise Golf Village		Oct. 16
The Gulf National Bank, Tallahassee	Aug. 11	....
First Financial National Bank of Tampa, Unincorporated area of Hillsborough County	July 17	....
Tampa		Dec. 15
Weeki Wachee		Nov. 14
West Palm Beach		June 23
West Palm Beach		Dec. 12
GEORGIA		
Carrollton		Nov. 27
Decatur		July 27
HAWAII		
Bank of Honolulu, National Association, Honolulu	May 2	....
ILLINOIS		
Old Republic National Bank, Chicago	Mar. 30	....
American National Bank, Downers Grove	Aug. 22	....
INDIANA		
The First National Bank of Scottsburg, Scottsburg	Dec. 1	....
KANSAS		
First National Bank of Shawnee Mission, Fairway	June 12	....
MICHIGAN		
Kentwood National Bank, Kentwood	Feb. 4	....
MINNESOTA		
National Bank of Minnetonka, Minnetonka	Aug. 22	....
Ridgedale National Bank, Minnetonka	Aug. 22	....
Shelard National Bank, St. Louis Park	June 20	....
MISSISSIPPI		
Magee		Sept. 27
First National Bank of Wiggins, Wiggins	May 15	....
MISSOURI		
Portageville		Mar. 6
Boatmen's National Bank of North St. Louis County, Unincorporated area of St. Louis County	May 3	....
Commerce Bank of St. Louis, National Association, St. Louis	May 11	....
United Missouri Bank of St. Louis, National Association, St. Louis	Nov. 16	....

See footnote at end of table.

Table B-6—Continued

*Applications for National bank charters, approved and rejected, by States, calendar 1972**

	Approved	Rejected
NEW JERSEY		
United Jersey National Bank of Cherry Hill, Cherry Hill	Feb. 28	....
United Jersey National Bank of Ocean County, Lakewood	July 7	....
Newark		Mar. 13
City National Bank of New Jersey, Newark	Mar. 13	....
Progressive National Bank, Newark	July 5	....
New Jersey National Bank of Princeton, Princeton	May 12	....
Roseland National Bank, Roseland	Aug. 7	....
Ship Bottom		May 26
Glendale National Bank of New Jersey, Township of Voorhees	Sept. 11	....
Independent National Bank, Township of Willingboro	May 18	....
NEW MEXICO		
United Southwest National Bank of Santa Fe, Santa Fe	May 5	....
NEW YORK		
Monroe		Jan. 20
The Chase Manhattan Bank of Central New York (National Association), Syracuse	Mar. 8	....
NORTH CAROLINA		
United National Bank, Fayetteville	Dec. 14	....
Franklin		Aug. 22
Capitol National Bank, Raleigh	June 28	....
Rural Hall		Mar. 7
Smithfield		Aug. 22
Columbus National Bank, Whiteville	June 14	....
OKLAHOMA		
Exchange National Bank of Del City, Del City	May 17	....
Riverside National Bank, Jenks	Mar. 6	....
Union National Bank, Tulsa	Dec. 1	....
PENNSYLVANIA		
New World National Bank, Pittsburgh	Nov. 17	....
TENNESSEE		
Lebanon		June 6
Citizens National Bank, Sevierville	June 29	....
TEXAS		
Austin		Sept. 5
Chemical National Bank, Clute	Dec. 1	....
Town North National Bank, Dallas	Mar. 16	....
Love Field National Bank, Dallas	May 1	....
Duncanville National Bank, Duncanville	Nov. 28	....
El Paso		Dec. 12
The National Bank of Texas at Fort Worth, Fort Worth	Sept. 19	....

	Approved	Rejected
TEXAS—continued		
American National Bank of Garland, Garland	June 5	....
Harlingen		Jan. 4
Huston		July 11
Houston		Jan. 11
Houston		Jan. 23
Great Northern Bank, National Association, Houston	Jan. 11	....
Houston		Feb. 29
Houston		Feb. 29
Executive National Bank, Houston	Feb. 29	....
Metropolitan National Bank, Houston	Mar. 6	....
Bank of Woodlake, National Association, Houston	Mar. 21	....
Bank Plaza del Oro, N.A., Houston	June 23	....
San Felipe National Bank, Houston	June 23	....
Houston		Aug. 4
Antoine National Bank, Houston	Nov. 21	....
Inwood National Bank, Houston	Nov. 21	....
Heritage National Bank, Houston	Dec. 14	....
Kingwood Commerce Bank, N.A., Humble	Nov. 30	....
City National Bank of Laredo, Laredo	May 22	....
Lubbock		Oct. 5
Marble Falls		Aug. 30
Montgomery		Jan. 19
Nederland		July 10
Pearland		Aug. 11
Pearland		Nov. 30
First National Bank of Round Rock, Round Rock	May 31	....
Sattler		Sept. 12
Woodville		Oct. 18
UTAH		
First Security Bank of Logan, National Association, Logan	Nov. 29	....
Zions National Bank of Ogden, Ogden	Mar. 14	....
Orem		Oct. 12
First Security Bank of Price, National Association, Price	Aug. 29	....
Richfield		Mar. 3
St. George		Oct. 19
WASHINGTON		
Northwestern National Bank, Port Angeles	Mar. 6	....
WEST VIRGINIA		
Beckley		May 12
Charleston		May 17
Guyan National Bank, Unincorporated area of Cabell County	Dec. 11	....
Union Central National Bank, Vienna, Unincorporated area of Wood County	May 24	....
WISCONSIN		
Metropolitan National Bank, Monona	Aug. 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 1972

	Approved	Rejected
ALABAMA		
Commercial Bank National Association, Anniston	Dec. 15	....
Decatur National Bank, Decatur	Jan. 11	....
Alabama National Bank of Dothan, Dothan	Jan. 24	....
Alabama National Bank of Huntsville, Huntsville	Jan. 24	....
Madison National Bank, Huntsville	Dec. 26	....
Mobile County National Bank, Mobile	Jan. 11	....
Montgomery County National Bank, Montgomery	Dec. 13	....
CONNECTICUT		
The Connecticut Bank and Trust Company, N.A., Norwalk	May 25	....
FLORIDA		
INB National Bank of Miami, Miami	Apr. 20	....
ILLINOIS		
Exchange Chicago Bank, National Association, Chicago	Feb. 16	....
UA National Bank, Chicago	Nov. 28	....
SNB National Bank, Evanston	June 29	....
KANSAS		
Poyntz National Bank of Manhattan, Kansas, Manhattan	Dec. 21	....
LOUISIANA		
Tower National Bank, New Orleans	Nov. 3	....
MAINE		
Waterstreet National Bank, Augusta	July 12	....
MASSACHUSETTS		
Second Bay State National Bank, Lawrence	May 8	....
Union Bank, National Association, Lowell	Nov. 20	....
Third Bank of Hampden County, (National Association), Springfield	Mar. 13	....
MICHIGAN		
CNB National Bank, Detroit	May 23	....
Detroit National Bank, Detroit	June 12	....
Manufacturers Bank Detroit, N.A., Detroit	July 7	....
Second National Bank and Trust Co. of Escanaba, Escanaba	Dec. 29	....
The Union National Bank, Grand Rapids	July 17	....
C. Bank National Association, Grand Rapids	Dec. 29	....
Holland National Bank, Holland	Aug. 4	....
Miner's Second National Bank and Trust Co. of Ishpeming, Ishpeming	Dec. 29	....
Second National Bank and Trust Co. of Marquette, Marquette	Dec. 29	....
Hackley Bank National Association, Muskegon	Nov. 15	....
The Second Bank of Saginaw, N.A., Saginaw	July 13	....
NEW JERSEY		
New Somerset Hills & County National Bank, Basking Ridge	Aug. 25	....
NEW JERSEY—continued		
Second Citizens National Bank of South Jersey, Bridgeton	Mar. 9	....
First National State Bank of Ocean County, Lakewood Township	Apr. 5	....
Second National Bank of Marlton, Marlton	Mar. 10	....
The Third National Bank of Orange, Orange	Feb. 22	....
NEW MEXICO		
The First New Mexico National Bank, Albuquerque	Apr. 11	....
NEW YORK		
Chase Manhattan Bank of Western New York (National Association), Buffalo	Dec. 12	....
Chase Manhattan Bank of Greater Rochester (National Association), Village of Caledonia	June 12	....
Citibank (Eastern), National Association, Castleton-on-Hudson	Feb. 14	....
Hayes National Bank, Clinton	July 6	....
The Second National Bank of Highland, Highland	June 16	....
Farmers Bank of Malone, National Association, Malone	Aug. 21	....
Moravia National Bank, Moravia Village	May 24	....
385 Broadway National Bank, Newburgh	Mar. 17	....
Republic Bank, National Association, New York	June 1	....
First Bank of Olean, National Association, Olean	Nov. 20	....
Citibank (Central), National Association, Oriskany Falls	June 27	....
Chase Manhattan Bank of the Mid-Hudson (National Association), Saugerties	Aug. 30	....
Citibank (Mid-Hudson), National Association, Woodbury	Aug. 9	....
OHIO		
The Stark County National Bank, Canton	Jan. 4	....
NBC National Bank, Cleveland	Oct. 24	....
The F.B.G. National Bank of Fremont, Fremont	Mar. 1	....
Greenfield National Bank, Greenfield	Nov. 30	....
The Second National Bank of Hopedale, Hopedale	Aug. 2	....
The F.B.G. National Bank of Ravenna, Ravenna	Mar. 1	....
OKLAHOMA		
Three Rivers National Bank of Muskogee, Muskogee	Nov. 1	....
PENNSYLVANIA		
First Washington Bank, N.A., Washington	Nov. 29	....
TENNESSEE		
American Bank National Association, Chattanooga	May 25	....
The Second National Bank of Cookeville, Cookeville	Aug. 15	....
Hamilton Bank, N.A., Knoxville	Nov. 7	....
The National Bank of Lawrenceburg, Lawrenceburg	Aug. 31	....

TABLE B-7—Continued

Applications for National bank charters, by States, pursuant to corporate reorganizations, calendar 1972—Continued

TEXAS

	Approved	Rejected
Second National Bank of Abilene, Abilene	Mar. 14	....
Bank of Amarillo, N.A., Amarillo	Feb. 22	....
Austin Bank, National Association, Austin	Aug. 29	....
State National Bank of Corpus Christi, Corpus Christi	June 19	....
First Bank, National Association, Dallas	May 19	....
Ervay Bank, National Association, Dallas	Nov. 20	....
Maverick County National Bank, Eagle Pass	Oct. 27	....
Bancorp National Bank of Ennis, Texas, Ennis	June 9	....
Kennedy Boulevard Bank, National Association, Houston	Aug. 11	....
Gulf Bank, National Association, Houston	Aug. 11	....
Westheimer National Bank, Houston	Nov. 14	....
New National Bank in Orange, Orange	Apr. 26	....

TEXAS—continued

	Approved	Rejected
First Bank, National Association, Port Arthur	Mar. 8	....
New National Bank of Raymondville, Raymondville	May 8	....
Capital National Bank, San Angelo	Feb. 1	....
Citizens Bank, N.A., San Antonio	June 1	....
Frost Bank, N.A., San Antonio	June 2	....

VIRGINIA

	Approved	Rejected
Rockingham Bank, N.A., Harrisonburg	Jan. 24	....
Jefferson Bank, N.A., Lynchburg	June 21	....

WISCONSIN

	Approved	Rejected
Second Neenah West National Bank, Neenah	June 13	....

Table B-8

*Newly organized National banks, by States, calendar 1972**

Charter No.	Title and location of bank	Total capital accounts
	Total, United States: 54 banks	$72,322,030
	ALABAMA	
15995	The Peoples Bank at Selma Mall, National Association, Selma	500,000
	CALIFORNIA	
15958	Gavilan National Bank, Gilroy	2,000,000
	COLORADO	
16054	First National Bank-North in Grand Junction, Grand Junction	500,000
16010	Fort Collins National Bank, unincorporated area of Larimer County	700,000
15987	Westland National Bank, Longmont	500,000
	Total: 3 banks	1,700,000
	CONNECTICUT	
16006	Liberty National Bank, Stamford	2,000,000
	FLORIDA	
16023	Barnett Bank of Brandon, National Association, unincorporated area of Brandon	1,000,000
15974	Jefferson National Bank at Kendall, unincorporated area of Dade County	1,000,000
16034	Citizens National Bank of Fort Lauderdale, Fort Lauderdale	1,000,005
15944	United National Bank of Westland, Hialeah	1,000,200
16025	The Exchange National Bank of Holiday, Holiday	1,000,000
16008	Second National Bank of West Hollywood, Hollywood	1,000,000
15967	Peoples National Bank, Naples	3,000,000
15948	The Orlando National Bank—West, Orlando	800,000
16036	First National Bank of Seminole, unincorporated area of Pinellas County	1,500,000
16038	The Exchange National Bank of Pinellas Park, Pinellas Park	1,000,000
15949	Fidelity National Bank, Pompano Beach	1,275,000
	Total: 11 banks	13,575,205
	ILLINOIS	
15978	Gurnee National Bank, village of Gurnee	500,000
	INDIANA	
16018	Midwest National Bank, Indianapolis	2,000,000
	IOWA	
15933	The Lakes National Bank, Arnolds Park	300,000
	KANSAS	
16053	First National Bank of Shawnee Mission, Fairway	1,000,000
	LOUISIANA	
15952	Century National Bank in New Orleans, New Orleans	2,000,000
	MAINE	
15954	Central National Bank, Waterville	1,000,000
	MICHIGAN	
15938	The American National Bank in Portage, Portage	405,000

See footnote at end of table.

TABLE B-8—Continued

*Newly organized National banks, by States, calendar 1972**

Charter No.	Title and location of bank	Total capital accounts
	MISSOURI	
15996	The National Bank of Affton, unincorporated area of Affton	$1,000,000
16048	Commerce Bank of St. Louis, National Association, St. Louis	5,000,000
	Total: 2 banks	6,000,000
	NEW JERSEY	
16028	Bridgewater National Bank, Bridgewater Township	1,500,000
15971	United Jersey National Bank of Cherry Hill, Cherry Hill	1,000,000
16011	The Hillsborough National Bank, Hillsborough Township	1,750,000
16026	United Jersey National Bank of Ocean County, Lakewood Township	1,000,000
15975	Midlantic National Bank, Parsippany-Troy Hills Township	1,000,000
15934	Bank of Wayne, National Association, Wayne Township	1,500,000
	Total: 6 banks	7,750,000
	NEW YORK	
15966	Vanguard National Bank, Hempstead	2,112,825
16047	Chase Manhattan Bank of Central New York, National Association, Syracuse	2,000,000
15968	Hudson Valley National Bank, Yonkers	2,500,000
	Total: 3 banks	6,612,825
	OHIO	
15945	Community National Bank, Loveland	500,000
	OKLAHOMA	
16057	Riverside National Bank, Jenks	504,000
	TEXAS	
16024	Chevy Chase National Bank, Austin	600,000
15999	First National Bank of Colleyville, Colleyville	750,000
16063	Nueces National Bank, Corpus Christi	600,000
15951	Fidelity Bank, National Association, Dallas	500,000
15956	First National Bank of Deer Park, Deer Park	750,000
15980	Town North National Bank, Farmers Branch	1,000,000
16039	Bank of Woodlake, National Association, Houston	1,000,000
16005	Metropolitan National Bank, Houston	3,000,000
16040	Metropolitan National Bank, McAllen	1,000,000
15970	Montgomery County National Bank, Montgomery County	1,000,000
16019	Frost National Bank of Round Rock, Round Rock	500,000
15979	Heritage National Bank, Tyler	875,000
	Total: 12 banks	11,575,000
	UTAH	
15942	First Security Bank of Bountiful, National Association, Bountiful	500,000
16043	Zions National Bank of Ogden, Ogden	600,000
	Total: 2 banks	1,100,000
	VIRGINIA	
15984	First and Merchants National Bank of the Peninsula, York County	8,500,000
	WASHINGTON	
16041	Northwestern National Bank, Port Angeles	800,000
	PUERTO RICO	
16020	First National Bank of Puerto Rico, Hato Rey	2,000,000

*Excludes charters issued pursuant to corporate reorganizations.

TABLE B-9

National bank charters issued and mergers consummated pursuant to corporate reorganizations, by States, calendar 1972*

Effective date of merger	*Operating bank* *New bank* *Resulting bank*	*Total capital accounts*	*Total assets*
	ALABAMA		
	First National Bank of Birmingham, Birmingham Jefferson County National Bank, Birmingham Charter issued February 2, 1972		
Feb. 3, 1972	First National Bank of Birmingham, Birmingham	$69, 975, 506	$833, 355, 240
	First National Bank of Decatur, Decatur Decatur National Bank, Decatur Charter issued September 26, 1972		
Sept. 30, 1972	First National Bank of Decatur, Decatur	3, 741, 448	43, 750, 424
	American National Bank & Trust Company, Mobile Mobile County National Bank, Mobile Charter issued September 26, 1972		
Sept. 30, 1972	American National Bank & Trust Company, Mobile	6, 088, 196	91, 697, 068
	Peoples National Bank of Huntsville, Huntsville Alabama National Bank of Huntsville, Huntsville Charter issued December 5, 1972		
Dec. 7, 1972	Peoples National Bank of Huntsville, Huntsville	2, 399, 041	28, 692, 794
	First National Bank of Dothan, Dothan Alabama National Bank of Dothan, Dothan Charter issued December 18, 1972		
Dec. 22, 1972	First National Bank of Dothan, Dothan	6, 523, 767	83, 845, 126
	CALIFORNIA		
	The Bank of California, National Association, San Francisco B.C. National Bank, San Francisco Charter issued April 25, 1972		
May 1, 1972	The Bank of California, National Association, San Francisco	115, 752, 193	2, 183, 859, 712
	Security Pacific National Bank, Los Angeles SECPAC National Bank, Los Angeles Charter issued June 30, 1972		
June 30, 1972	Security Pacific National Bank, Los Angeles	527, 991, 733	9, 162, 007, 965
	FLORIDA		
	Inter National Bank of Miami, Miami INB National Bank of Miami, Miami Charter issued September 1, 1972		
Sept. 2, 1972	Inter National Bank of Miami, Miami	3, 821, 089	52, 592, 536
	ILLINOIS		
	Exchange National Bank of Chicago, Chicago Exchange Chicago Bank, National Association, Chicago Charter issued December 15, 1972		
Dec. 31, 1972	Exchange National Bank of Chicago, Chicago	16, 268, 326	416, 150, 142
	INDIANA		
	Merchants National Bank & Trust Company of Indianapolis, Indianapolis Meridian National Bank, Indianapolis Charter issued December 30, 1971		
Jan. 3, 1972	Merchants National Bank & Trust Company of Indianapolis, Indianapolis	48, 227, 832	648, 979, 886
	KANSAS		
	Hutchinson National Bank & Trust Company, Hutchinson Polaris National Bank, Hutchinson Charter issued February 14, 1972		
Feb. 15, 1972	Hutchinson National Bank & Trust Company, Hutchinson	6, 207, 724	88, 788, 617

See footnotes at end of table.

TABLE B-9—Continued

National bank charters issued and mergers consummated pursuant to corporate reorganizations, by States, calendar 1972*

Effective date of merger	*Operating bank* *New bank* *Resulting bank*	*Total capital accounts*	*Total assets*
	MASSACHUSETTS		
	Third National Bank of Hampden County, Springfield Third Bank of Hampden County, National Association, Springfield Charter issued October 16, 1972		
Oct. 17, 1972	Third National Bank of Hampden County, Springfield	$20, 773, 375	$265, 584, 541
	MICHIGAN		
	American National Bank & Trust Company of Michigan, Kalamazoo American Bank of Michigan, National Association, Kalamazoo Charter issued January 28, 1972		
Jan. 31, 1972	American National Bank & Trust Company of Michigan, Kalamazoo	10, 554, 560	195, 213, 034
	City National Bank of Detroit, Detroit CNB National Bank, Detroit Charter issued October 27, 1972		
Oct. 31, 1972	City National Bank of Detroit, Detroit	31, 119, 100	692, 091, 523
	MISSOURI		
	The Livestock National Bank of Kansas City, Kansas City Livestock Bank of Kansas City, National Association, Kansas City Charter issued August 3, 1972		
Aug. 8, 1972	The Livestock National Bank of Kansas City, Kansas City	2, 616, 460	27, 440, 724
	NEBRASKA		
	First National Bank of Grand Island, Grand Island First National Bank in Grand Island, Grand Island Charter issued March 27, 1972		
Mar. 31, 1972	First National Bank of Grand Island, Grand Island	3, 684, 072	56, 253, 094
	NEW JERSEY		
	American National Bank & Trust, Montclair Second American National Bank, Montclair Charter issued December 23, 1971		
Jan. 1, 1972	American National Bank & Trust of New Jersey, Montclair	31, 816, 132	416, 213, 784
	New Jersey Bank (National Association), Clifton Second New Jersey Bank (National Association), Clifton Charter issued April 7, 1972		
Apr. 13, 1972	New Jersey Bank (National Association), Clifton	45, 592, 014	661, 593, 362
	City National Bank of Millville, Millville Second City National Bank of Millville, Millville Charter issued April 26, 1972		
Apr. 28, 1972	City National Bank of Millville, Millville	1, 440, 538	16, 475, 140
	Madison National Bank, Madison New Madison National Bank (Madison, New Jersey), Madison Charter issued April 26, 1972		
May 1, 1972	Madison National Bank, Madison	951, 324	10, 829, 784
	Citizens National Bank, Englewood New Citizens National Bank, Englewood, N.J., Englewood Charter issued June 26, 1972		
June 30, 1972	Citizens National Bank, Englewood	18, 189, 012	272, 497, 182
	The Security National Bank of Trenton, Trenton First National State Bank of Central Jersey, Trenton Charter issued July 11, 1972		
July 14, 1972	First National State Bank of Central Jersey, Trenton	4, 035, 781	60, 213, 959
	The Second National Bank of Orange, Orange The Third National Bank of Orange, Orange Charter issued October 30, 1972		
Nov. 1, 1972	Second National Bank of Orange, Orange	2, 571, 577	45, 985, 862

See footnote at end of table.

TABLE B-9—Continued

National bank charters issued and mergers consummated pursuant to corporate reorganizations, by States, calendar 1972*

Effective date of merger	*Operating bank* *New bank* *Resulting bank*	*Total capital accounts*	*Total assets*
	NEW JERSEY—continued		
	Citizens National Bank of South Jersey, Bridgeton Second Citizens National Bank of South Jersey, Bridgeton Charter issued November 1, 1972		
Nov. 2, 1972	Citizens National Bank of South Jersey, Bridgeton	$1, 260, 378	$23, 017, 511
	First National Bank of Marlton, Marlton Second National Bank of Marlton, Marlton Charter issued November 1, 1972		
Nov. 2, 1972	First National Bank of Marlton, Marlton	1, 750, 716	24, 517, 849
	Trust Company of Ocean County, Lakewood First National State Bank of Ocean County, Lakewood Charter issued November 8, 1972		
Nov. 10, 1972	First National State Bank of Ocean County, Lakewood	2, 949, 792	39, 786, 202
	NEW YORK		
	The Union National of Troy, Troy Union National Bank, Albany Charter issued January 4, 1972		
Jan. 18, 1972	Union National Bank, Troy	5, 609, 007	80, 537, 695
	Tappan Zee National Bank, Nyack The Bank of Tappan Zee, N.A., Nyack Charter issued January 27, 1972		
Jan. 31, 1972	Tappan Zee National Bank, Nyack	3, 794, 056	58, 084, 979
	Eastern National Bank of Long Island, Smithtown East Bank, N.A., Smithtown Charter issued March 1, 1972		
Mar. 3, 1972	Eastern National Bank of Long Island, Smithtown	4, 401, 783	78, 987, 962
	The Silver Creek National Bank, Silver Creek Citibank (Western), National Association, Silver Creek Charter issued April 5, 1972		
Apr. 10, 1972	Citibank (Western), National Association, Silver Creek	1, 238, 670	13, 518, 243
	State Bank of Honeoye Falls, Honeoye Falls Citibank (Mid-Western), National Association, Honeoye Falls Charter issued June 8, 1972		
June 8, 1972	Citibank (Mid-Western), National Association, Honeoye Falls	1, 010, 317	10, 621, 390
	First National Bank of Bay Shore, Bay Shore First Bank of Bay Shore, National Association, Bay Shore Charter issued August 28, 1972		
Aug. 31, 1972	First National Bank of Bay Shore, Bay Shore	6, 349, 853	74, 722, 339
	The National Exchange Bank of Castleton-on-Hudson, Castleton-on-Hudson Citibank (Eastern), National Association, Castleton-on-Hudson Charter issued September 5, 1972		
Sept. 6, 1972	Citibank (Eastern), National Association, Castleton-on-Hudson	695, 804	14, 415, 541
	Highland National Bank of Newburgh, Newburgh 385 Broadway National Bank, Newburgh Charter issued November 29, 1972		
Nov. 30, 1972	Highland National Bank of Newburgh, Newburgh	5, 032, 852	67, 129, 252
	Bank of Caledonia, Caledonia Chase Manhattan Bank of Greater Rochester (National Association), Caledonia Charter issued December 27, 1972		
Dec. 29, 1972	Chase Manhattan Bank of Greater Rochester (National Association), Caledonia	1, 300, 517	11, 144, 622
	OHIO		
	Clermont National Bank, Milford F.B.G. National Bank of Milford, Milford Charter issued April 26, 1972		
May 1, 1972	Clermont National Bank, Milford	3, 843, 697	50, 441, 683

See footnote at end of table.

TABLE B-9—Continued

National bank charters issued and mergers consummated pursuant to corporate reorganizations, by States, calendar 1972*

Effective date of merger	*Operating bank New bank Resulting bank*	*Total capital accounts*	*Total assets*
	OHIO—continued		
	Central National Bank at Cambridge		
	Cambridge National Bank, Cambridge		
	Charter issued September 25, 1972		
Sept. 25, 1972	Central National Bank at Cambridge, Cambridge	$2, 334, 112	$32, 392, 212
	The Liberty National Bank of Fremont, Fremont		
	F.B.G. National Bank of Fremont, Fremont		
	Charter issued September 25, 1972		
Sept. 29, 1972	The Liberty National Bank of Fremont, Fremont	2, 057, 134	29, 916, 745
	The First National Bank & Trust Company of Ravenna, Ravenna		
	F.B.G. National Bank of Ravenna, Ravenna		
	Charter issued September 25, 1972		
Sept. 29, 1972	First National Bank & Trust Company of Ravenna, Ravenna	6, 352, 880	72, 059, 416
	First National Bank of Canton, Canton		
	The Stark County National Bank, Canton		
	Charter issued October 30, 1972		
Oct. 31, 1972	First National Bank of Canton, Canton	15, 427, 918	184, 031, 458
	OREGON		
	Douglas National Bank, Roseburg		
	DB National Bank, Roseburg		
	Charter issued September 13, 1972		
Sept. 14, 1972	Douglas National Bank, Roseburg	1, 912, 664	31, 563, 130
	PENNSYLVANIA		
	Mellon National Bank & Trust Company, Pittsburgh		
	Mellon Bank, N.A., Pittsburgh		
	Charter issued November 22, 1972		
Nov. 28, 1972	Mellon Bank, N.A., Pittsburgh	501, 303, 180	4, 999, 455, 613
	National Central Bank, Lancaster		
	The King Street Bank, N.A., Lancaster		
	Charter issued December 27, 1972		
Dec. 31, 1972	National Central Bank, Lancaster	56, 717, 077	736, 834, 003
	SOUTH CAROLINA		
	The South Carolina National Bank of Charleston, Charleston		
	Security National Bank, Charleston		
	Charter issued June 27, 1972		
June 30, 1972	The South Carolina National Bank, Charleston	51, 125, 658	755, 354, 675
	TENNESSEE		
	Third National Bank in Nashville, Nashville		
	Fourth and Church Street National Bank, Nashville		
	Charter issued December 30, 1971		
Jan. 1, 1972	Third National Bank in Nashville, Nashville	68, 261, 202	677, 796, 495
	Union Planters National Bank of Memphis, Memphis		
	Union Planters Bank, National Association, Memphis		
	Charter issued June 26, 1972		
July 1, 1972	Union Planters National Bank of Memphis, Memphis	75, 038, 829	1, 038, 312, 376
	The Kingsport National Bank, Kingsport		
	The National Bank of Kingsport, Kingsport		
	Charter issued July 21, 1972		
July 24, 1972	The Kingsport National Bank, Kingsport	2, 393, 513	29, 344. 045
	TEXAS		
	The Alamo National Bank of San Antonio, San Antonio		
	Alamo Bank, National Association, San Antonio		
	Charter issued December 21, 1971		
Jan. 5, 1972	The Alamo National Bank, San Antonio	14, 928, 039	224, 190, 129

See footnote at end of table.

TABLE B-9—Continued

National bank charters issued and mergers consummated pursuant to corporate reorganizations, by States, calendar 1972*

Effective date of merger	*Operating bank* *New bank* *Resulting bank*	*Total capital accounts*	*Total assets*
	TEXAS—continued		
	The State National Bank of El Paso, El Paso State Bank, National Association, El Paso Charter issued April 3, 1972		
Apr. 3, 1972	The State National Bank of El Paso, El Paso	$23,532,890	$259,012,081
	Northeast National Bank of Fort Worth, North Richland Hills First National Bank of North Richland Hills, North Richland Hills Charter issued August 28, 1972		
Aug. 30, 1972	Northeast National Bank of Fort Worth, North Richland Hills	2,418,594	34,573,438
	The First National Bank of Port Arthur, Port Arthur First Bank, National Association, Port Arthur Charter issued October 6, 1972		
Oct. 10, 1972	The First National Bank of Port Arthur, Port Arthur	6,682,965	92,078,788
	The American National Bank of Beaumont, Beaumont Park Street Bank, National Association, Beaumont Charter issued October 10, 1972		
Oct. 12, 1972	The American National Bank of Beaumont, Beaumont	10,282,353	126,602,426
	First National Bank in Orange, Orange New National Bank in Orange, Orange Charter issued December 20, 1972		
Dec. 28, 1972	First National Bank in Orange, Orange	3,859,865	34,269,012
	First National Bank in Dallas, Dallas First Bank, National Association, Dallas, Charter issued December 27, 1972		
Dec. 31, 1972	First National Bank in Dallas, Dallas	154,463,036	2,526,082,730
	National Bank of Commerce of San Antonio, San Antonio Bank of Commerce, National Association, San Antonio Charter issued March 23, 1972		
Apr. 3, 1972	National Bank of Commerce of San Antonio, San Antonio	23,729,083	355,426,244
	Long Point National Bank of Houston, Houston Long Bank, National Association, Houston Charter issued May 15, 1972		
May 18, 1972	Long Point National Bank of Houston, Houston	3,145,576	34,972,039
	Continental National Bank of Fort Worth, Fort Worth Continental Bank, National Association, Fort Worth Charter issued June 22, 1972		
June 26, 1972	Continental National Bank of Fort Worth, Fort Worth	13,927,164	237,986,859
	The First National Bank of Fort Worth, Fort Worth Burnett Plaza National Bank of Fort Worth, Fort Worth Charter issued August 4, 1972		
Aug. 7, 1972	The First National Bank of Fort Worth, Fort Worth	40,065,349	651,910,278
	UTAH		
	Zions National Bank, Salt Lake City Zions Bank, N.A., Salt Lake City Charter issued April 4, 1972		
Apr. 7, 1972	Zions First National Bank, Salt Lake City	21,652,649	366,839,367
	VIRGINIA		
	Rockingham National Bank, Harrisonburg Rockingham Bank, N.A., Harrisonburg Charter issued June 27, 1972		
July 1, 1972	Rockingham National Bank, Harrisonburg	4,302,301	75,722,417
	Virginia National Bank, Norfolk Virginia Bank, N.A., Norfolk Charter issued July 6, 1972		
July 10, 1972	Virginia National Bank, Norfolk	99,152,742	1,444,606,640
	Jefferson National Bank, Lynchburg Jefferson Bank, N.A., Lynchburg Charter issued November 29, 1972		
Dec. 4, 1972	Jefferson National Bank, Lynchburg	1,719,879	10,948,855

*Includes only charter issuances related to mergers consummated in 1972. For a full listing of all charters issued during 1972, pursuant to corporate reorganizations, see Table B-11.

Table B–10

*State-chartered banks converted to National banks, by States, calendar 1972**

Charter No.	Title and location of bank	Effective date of charter	Outstanding capital stock	Surplus, undivided profits and reserves	Total assets
	Total: 16 banks		$32, 121, 650	$70, 386, 672	$1,561,964, 217
	ARKANSAS				
16009	Worthen Bank and Trust Company, National Association, Little Rock Conversion of Worthen Bank and Trust Company.	Sept. 20	5, 000, 000	8, 770, 834	320, 981, 330
	FLORIDA				
15977	City National Bank of Hallandale, Hallandale Conversion of City Bank of Hallandale.	June 12	1, 200, 000	526, 378	17, 398, 792
16012	First National Bank of Jay, Jay Conversion of Bank of Jay.	Sept. 25	250, 000	438, 005	12, 257, 017
15991	Bank of Stuart, National Association, Stuart Conversion of Bank of Stuart.	July 7	577, 500	980, 798	34, 750, 871
	GEORGIA				
15947	National Bank of Grady County, Whigham Conversion of Bank of Grady County.	Mar. 20	50, 000	267, 793	2, 378, 916
	MICHIGAN				
16037	Central Bank, National Association, Grand Rapids Conversion of Central Bank.	Nov. 10	1, 000, 000	2; 011, 511	47, 562, 436
	MINNESOTA				
15986	First Hennepin National Bank, Minneapolis Conversion of First Hennepin State Bank.	July 3	200, 000	700, 055	13, 012, 740
	MISSOURI				
15985	Commerce Bank of Kansas City, National Association, Kansas City Conversion of Commerce Bank of Kansas City.	June 30	18, 000, 000	36, 556, 355	686, 592, 813
15962	First National Bank of St. Peters, St. Peters Conversion of Bank of St. Peters.	May 15	90, 750	363, 729	5, 587, 553
	MONTANA				
15936	Montana National Bank of Red Lodge, Red Lodge Conversion of The First Security Bank of Red Lodge.	Feb. 1	150, 000	251, 259	6, 747, 977
15940	Montana National Bank of Roundup, Roundup Conversion of Miners and Merchants Bank.	Feb. 1	300, 000	366, 615	10, 377, 614
	NORTH DAKOTA				
15973	Columbus National Bank, Columbus Conversion of Cloumbus State Bank.	June 1	50, 000	94, 887	1, 917, 361
	WEST VIRGINIA				
16002	Raleigh County National Bank, Beckley Conversion of The Raleigh County Bank.	Sept. 1	500, 000	4, 046, 662	54, 827, 118
15932	Union Trust National Bank, Parkersburg Conversion of Union Trust and Deposit Company.	Jan. 3	653, 400	2, 105, 273	36, 860, 241
	WISCONSIN				
15972	Manitowoc Savings Bank National Association, Manitowoc Conversion of Manitowoc Savings Bank.	May 22	1, 000, 000	4, 154, 925	70, 902, 776
16056	American City Bank and Trust Company, National Association, Milwaukee Conversion of American City Bank and Trust Company.	Dec. 29	3, 100, 000	8, 751, 593	239, 808, 662

*Excludes State-chartered banks which became National banks pursuant to corporate reorganizations (see Table B–9): Trust Company of Ocean County, Lakewood, N.J., became First National State Bank of Ocean County; Bank of Caledonia, Caledonia, N.Y., became Chase Manhattan Bank of Greater Rochester (National Association).

Table B–11

National bank charters issued pursuant to corporate reorganizations, by States, calendar 1972

Charter No.	Title and location of bank	Date of issuance
	Total: 62 banks	
	ALABAMA	
3185	Jefferson County National Bank, Birmingham	Feb. 2
6380	Decatur National Bank, Decatur	Sept. 26
5249	Alabama National Bank of Dothan, Dothan	Dec. 18
15267	Alabama National Bank of Huntsville, Huntsville	Dec. 5
13414	Mobile County National Bank, Mobile	Sept. 26
	Total: 5 banks	
	CALIFORNIA	
2491	SECPAC National Bank, Los Angeles	June 30
9655	B.C. National Bank, San Francisco	Apr. 25
	Total: 2 banks	
	FLORIDA	
15156	INB National Bank of Miami, Miami	Sept. 1
	ILLINOIS	
12945	Exchange Chicago Bank, National Association, Chicago	Dec. 15
	KANSAS	
10765	Polaris National Bank, Hutchinson	Feb. 14
	MASSACHUSETTS	
1014	Second Bay State National Bank, Lawrence	Dec. 27
308	Third Bank of Hampden County, (National Association), Springfield	Oct. 16
	Total: 2 banks	
	MICHIGAN	
13671	Detroit National Bank, Detroit	Dec. 27
14925	CNB National Bank, Detroit	Oct. 27
13820	The American Bank of Michigan, National Association, Kalamazoo	Jan. 28
	Total: 3 banks	
	MISSOURI	
14735	Livestock Bank of Kansas City, National Association, Kansas City	Aug. 3
	NEBRASKA	
2779	First National Bank in Grand Island, Grand Island	Mar. 27
	NEW JERSEY	
2999	Second Citizens National Bank of South Jersey, Bridgeton	Nov. 1
15709	Second New Jersey Bank (National Association), Clifton	Apr. 7
4365	New Citizens National Bank, Englewood, N.J., Englewood	June 26
16035	First National State Bank of Ocean County, Lakewood Township	Nov. 8
15360	New Madison National Bank (Madison, New Jersey), Madison	Apr. 26
13125	Second National Bank of Marlton, Marlton	Nov. 1
14673	The Second City National Bank of Millville, Millville	Apr. 26
4724	The Third National Bank of Orange, Orange	Oct. 30
13039	First National State Bank of Central Jersey, Trenton	July 11
	Total: 9 banks	
	NEW YORK	
963	Union National Bank, Albany	Jan. 14
16050	Chase Manhattan Bank of Greater Rochester (National Association), Village of Caledonia	Dec. 27
5816	Citibank (Eastern), National Association, Village of Castleton-on-Hudson	Sept. 5
10029	First Bank of Bay Shore, National Association, Village of Bay Shore	Aug. 28
15976	Citibank (Mid-Western), National Association, Honeoye Falls	June 7
16044	385 Broadway National Bank, Newburgh	Nov. 29
14734	The Bank of Tappan Zee, N.A., Nyack Village	Jan. 27
10258	Citibank (Western), National Association, Village of Silver Creek	Apr. 5
14763	East Bank, N.A., Smithtown Village	Mar. 1
	Total: 9 banks	

Table B-11—Continued

National bank charters issued pursuant to corporate reorganizations, by States, calendar 1972

Charter No.	Title and location of bank	Date of issuance
	OHIO	
13905	Cambridge National Bank, Cambridge	Sept. 25
76	The Stark County National Bank, Canton	Oct. 30
13997	The F.B.G. National Bank of Fremont, Fremont	Sept. 25
3234	The F.B.G. National Bank of Milford, Milford	Apr. 26
5370	The F.B.G. National Bank of Ravenna, Ravenna	Sept. 25
	Total: 5 banks	
	OREGON	
14860	DB National Bank, Roseburg	Sept. 13
	PENNSYLVANIA	
694	The King Street Bank, N.A., Lancaster	Dec. 27
6301	Mellon Bank, N.A., Pittsburgh	Nov. 22
	Total: 2 banks	
	SOUTH CAROLINA	
2044	Security National Bank, Charleston	June 27
	TENNESSEE	
14611	American Bank National Association, Chattanooga	Dec. 27
14657	The National Bank of Kingsport, Kingsport	July 21
13349	Union Planters Bank, National Association, Memphis	June 26
	Total: 3 banks	
	TEXAS	
5825	Park Street Bank National Association, Beaumont	Oct. 10
3623	First Bank, National Association, Dallas	Dec. 27
2521	State Bank, National Association, El Paso	Apr. 3
2349	Burnett Plaza National Bank of Fort Worth, Fort Worth	Aug. 4
11997	Continental Bank, National Association, Fort Worth	June 22
14777	Long Bank, National Association, Houston	May 15
14982	First National Bank of North Richland Hills, North Richland Hills	Aug. 28
13661	New National Bank in Orange, Orange	Dec. 20
5485	First Bank, National Association, Port Arthur	Oct. 6
13587	Capital National Bank, San Angelo	Dec. 14
6956	Bank of Commerce, National Association, San Antonio	Mar. 23
	Total: 11 banks	
	UTAH	
4341	Zions Bank, N.A., Salt Lake City	Apr. 4
	VIRGINIA	
5261	Rockingham Bank, N.A., Harrisonburg	June 27
15819	Jefferson Bank, N.A., Lynchburg	Nov. 29
9885	Virginia Bank, N.A., Norfolk	July 6
	Total: 3 banks	

Table B-12

National banks reported in voluntary liquidation, by States, calendar 1972

Title and location of bank	*Date of liquidation*	*Total capital accounts of liquidated banks*
Total: 5 National banks		$5,124,967
CALIFORNIA		
The First National Bank of Upland, Upland, Calif. (8266), absorbed by Crocker National Bank, San Francisco (1741)	May 19	1,175,392
UTAH		
American National Bank of Salt Lake City, Salt Lake City, Utah (15243), absorbed by Tracy-Collins Bank and Trust Company, Salt Lake City	June 30	1,258,773
WASHINGTON		
The First National Bank of Ferndale, Ferndale, Wash. (11667), absorbed by Old National Bank of Washington, Spokane (4668)	Sept. 29	852,368
Olympic National Bank, Port Angeles, Wash. (15906), absorbed by Peoples National Bank of Washington, Seattle (14394)	Mar. 17	1,186,868
WISCONSIN		
Southridge National Bank of Greendale, Greendale, Wis. (15823), absorbed by the Southridge Bank of Greendale	Nov. 18	651,566

TABLE B–13

National banks merged or consolidated with State banks, by States, calendar 1972

Title and location of bank	Effective date	Total capital accounts of National banks
Total: 10 banks		$22,867,040
MASSACHUSETTS		
First National Bank of Natick, Natick, Mass. (14834), merged into Guaranty Trust Company, Waltham, Mass., under the title "Guaranty-First Trust Company"	Dec. 31	1,250,583
NEW JERSEY		
The United National Bank of Bergen County, Cliffside Park, N.J. (14162), merged into Hudson Trust Company, Union City, N.J., under the title of "Hudson Trust Company"	June 30	3,109,135
Keansburg-Middletown National Bank, Middletown, N.J. (10376), merged into Union City Trust Company, Elizabeth, N.J., under the title of "United Counties Trust Company"	Apr. 3	4,355,912
Total: 2 banks		7,465,047
NEW YORK		
The Tanners National Bank of Catskill, Catskill, N.Y. (1198), merged into Mechanics and Farmers Bank of Albany, Albany, N.Y., under the title "The Bank of New York, Albany"	Mar. 1	1,175,979
The First National Bank of Painted Post, Painted Post, N.Y. (13664), merged into Central Trust Company, N.Y., Rochester, N.Y., under the title "Central Trust Company, Rochester, N.Y."	June 28	913,625
Total: 2 banks		2,089,604
PENNSYLVANIA		
The Athens National Bank, Athens, Pa. (5202), merged into Northern Central Bank and Trust Company, Williamsport, Pa., under the title "Northern Central Bank and Trust Company"	July 17	1,081,672
Community National Bank of Pennsylvania, Benscreek, Pa. (14156), merged into Johnstown Bank and Trust Company, Johnstown, Pa., under the title "Johnstown Bank and Trust Company"	Oct. 2	721,175
The Bradford National Bank, Bradford, Pa. (2428), merged into Elk County Bank and Trust Company, St. Marys, Pa., under the title "First Laurel Bank"	July 1	5,947,515
The First National Bank of Lebanon, Lebanon, Pa. (240), merged into Dauphin Deposit Trust Company, Harrisburg, Pa., under the title "Dauphin Deposit Trust Company"	June 30	3,799,517
The First National Bank of Meshoppen, Meshoppen, Pa. (5429), merged into United Penn Bank, Wilkes-Barre, Pa., under the title "United Penn Bank"	Dec. 30	511,927
Total: 5 banks		12,061,806

Table B-14

National banks converted into State banks, by States, calendar 1972

Charter No.	Title and location of bank	Effective date	Total capital accounts of National banks
	Total: 24 banks		$64,045,622
	COLORADO		
14248	Union National Bank in Denver, Denver, converted into Union Bank and Trust	Jan. 8	2,853,650
	CONNECTICUT		
227	The Second National Bank of New Haven, New Haven, converted into Second New Haven Bank	Sept. 1	18,609,486
	ILLINOIS		
14332	The First National Bank in Wyoming, Wyoming, converted into Wyoming Bank and Trust Company	Apr. 3	449,827
	INDIANA		
9562	The First National Bank of Oakland City, Oakland City, converted into First Bank and Trust Company of Oakland City	Oct. 16	913,569
	KANSAS		
14959	Seneca National Bank of Wichita, Wichita, converted into Seneca State Bank	Oct. 19	994,540
	NEBRASKA		
13426	First National Bank in Cozad, Cozad, converted into First Bank and Trust Company	July 1	606,784
9762	The First National Bank of Imperial, Imperial, converted into Chase County Bank and Trust Company	Oct. 20	363,740
	NEW YORK		
11881	Valley National Bank of Long Island, Valley Stream, converted into Valley Bank of New York	Apr. 6	16,390,174
	OKLAHOMA		
15232	First National Bank, Broken Bow, Broken Bow, converted into First Broken Bow Bank and Trust	July 5	688,134
12812	First National Bank in Duncan, Duncan, converted into First Bank and Trust Company	Jan. 3	1,106,329
10875	First National Bank of Erick, Erick, converted into First American Bank	Apr. 11	261,307
5345	The First National Bank of Marietta, Marietta, converted into Firstbank of Marietta	Feb. 1	659,362
15308	Oklahoma National Bank of Norman, Norman, converted into Norman Bank of Commerce	Dec. 15	778,797
	TENNESSEE		
12031	First National Bank in Harriman, Harriman, converted into Hamilton Bank of Roane County	Oct. 20	2,085,757
7665	The First National Bank, Jellico, converted into City and County Bank of Campbell County	Oct. 2	447,052
8025	Hamilton National Bank of Morristown, Morristown, converted into Hamilton Bank of Morristown	Oct. 31	2,623,859
3660	The First National Bank of South Pittsburg, South Pittsburg, converted into Hamilton Bank of Marion County	Oct. 31	1,133,852
	TEXAS		
14101	The First National Bank of Baytown, Baytown, converted into First American Bank and Trust of Baytown	Aug. 7	1,138,329
14104	First National Bank in Groveton, Groveton, converted into First Bank in Groveton	Oct. 16	874,213
14157	The Robstown National Bank, Robstown, converted into The Bank of Robstown	Mar. 27	717,089
15094	The First National Bank of Sundown, Sundown, converted into Sundown State Bank	Jan. 3	195,507
	VERMONT		
1698	The Howard National Bank and Trust Company, Burlington, converted into The Howard Bank	Jan. 3	8,147,451

Table B–14—Continued

National banks converted into State banks, by States, calendar 1972

Charter No.	Title and location of bank	Effective date	Total capital accounts of National banks
	VIRGINIA		
11387	The Peoples National Bank, Pulaski, converted into Bank of Virginia—Pulaski	May 1	$1, 117, 584
15334	Bank of Virginia-Fredericksburg, N.A., Fredericksburg, converted into Bank of Virginia-Fredericksburg	Dec. 29	889, 230

Table B–15

Purchases of State banks by National banks, by States, calendar 1972

Title and location of bank	Effective date	Total capital accounts of State banks
Total: 8 banks		$9, 405, 373
CALIFORNIA		
United States National Bank, San Diego, Calif. (10391), purchased the Beverly Hills Fidelity Bank, Beverly Hills	July 14	5, 108, 661
KENTUCKY		
The First-Hardin National Bank of Elizabethtown, Elizabethtown, Ky. (6028), purchased the Bank of Sonora, Sonora	Mar. 17	153, 907
OHIO		
Bellefontaine National Bank, Bellefontaine, Ohio (13749), purchased the Belle Center Bank Company, Belle Center	May 1	500, 642
PENNSYLVANIA		
Western Pennsylvania National Bank, Pittsburgh, Pa. (2222), purchased the Economy Bank of Ambridge, Ambridge	May 6	1, 735, 644
National Bank of the Commonwealth, Indiana, Pa. (14098), purchased the Farmers and Merchants Bank of Cherry Tree, Cherry Tree	Sept. 11	641, 826
First National Bank and Trust Company, Washington, Pennsylvania, Washington, Pa. (5920), purchased the Community Bank of Pittsburgh, Pittsburgh	June 9	548, 174
WASHINGTON		
The National Bank of Commerce of Seattle, Seattle, Wash. (4375), purchased the Oroville State Bank, Oroville	Mar. 20	376, 428
WISCONSIN		
National Bank of Commerce in Superior, Superior, Wis. (14109), purchased the Poplar State Bank, Poplar	Sept. 20	340, 091

Table B–16

Consolidations of National banks, or National and State banks, by States, calendar 1972*

Effective date	Consolidating banks Resulting bank	Outstanding capital stock	Surplus	Undivided profits and reserves	Total assets
	Total: 7 consolidations				
	LOUISIANA				
	First National Bank, Slidell (14989)	$200,000	$200,000	$204,308	$11,332,641
	Commercial Bank and Trust Company, Covington	200,000	550,000	1,379,839	30,100,757
Dec. 1	Commercial National Bank, Covington (14989)	928,810	221,190	1,584,148	41,433,398
	NEW JERSEY				
	First National Bank of Woodstown, Woodstown (399)	150,000	450,000	222,489	10,248,139
	Peoples National Bank of New Jersey, Westmont (12022)	3,980,049	4,908,272	4,263,858	247,114,722
Mar. 17	Peoples National Bank of New Jersey, Westmont (399)	4,245,831	5,197,491	4,486,347	257,294,688
	Colonial National Bank, Haddonfield (14457)	3,981,400	7,343,600	1,984,442	194,554,577
	Elmer Bank and Trust Company, Elmer	275,000	400,000	459,948	17,249,371
Aug. 31	Colonial National Bank, Haddonfield (14457)	4,256,400	7,743,600	2,444,390	211,803,949
	First National Bank of Central Jersey, Somerville (3866)	3,693,750	3,906,250	4,060,544	169,038,930
	First Clinton National Bank, Clinton (1114)	500,000	890,426	780,370	33,741,235
Sept. 29	First National Bank of Central Jersey, Somerville (3866)	4,818,750	4,796,676	4,224,914	202,780,165
	NEW YORK				
	National Bank of North America, Jamaica (7703)	30,918,330	69,081,670	76,593,445	2,581,004,178
	The National Bank of Far Rockaway, Far Rockaway (9271)	500,000	500,000	48,615	4,656,099
Oct. 16	National Bank of North America, Jamaica (7703)	31,095,470	69,904,530	76,642,060	2,585,660,277
	PENNSYLVANIA				
	Citizens and Northern National Bank and Trust Company, Towanda (328)	1,400,000	1,400,000	625,302	56,674,730
	The First National Bank of Ralston, Ralston (9508)	50,000	100,000	110,630	2,160,046
May 1	Citizens and Northern National Bank and Trust Company, Towanda (328)	1,520,000	1,500,000	786,670	58,906,816
	The Farmers National Bank of Lititz, Lititz (5773)	1,584,000	2,332,000	377,925	62,553,642
	The First National Bank of Intercourse, Intercourse (9216)	50,000	600,000	188,801	11,301,451
May 31	Farmers First National Bank, Lititz (5773)	1,959,000	2,932,000	291,183	74,000,162

* Excludes consolidations involving only one operating bank, effected pursuant to corporate reorganization.

Table B–17

Mergers of National banks, or National and State banks, by States, calendar 1972*

Effective date	Merging banks Resulting bank	Outstanding capital stock	Surplus	Undivided profits and reserves	Total assets
	Total: 39 merger actions				
	ALASKA				
	Bank of Petersburg, Petersburg	$100,000	$100,000	$272,519	$7,496,743
	National Bank of Alaska, Anchorage (14651)	5,000,000	5,000,000	6,184,550	238,887,138
Jan. 1	National Bank of Alaska, Anchorage (14651)	5,150,000	5,000,000	6,507,070	246,245,666
	CALIFORNIA				
	San Joaquin Valley National Bank, Tulare (15357)	615,740	365,734	156,491	20,768,741
	American National Bank, Bakersfield (15437)	1,204,800	663,735	345,926	56,264,565
Mar. 10	American National Bank, Bakersfield (15437)	1,758,960	1,091,050	511,973	79,095,779
	Commercial National Bank, San Leandro (15451)	1,000,000	768,168	567,994	15,808,944
	First National Bank of San Jose (2158)	4,747,060	5,000,000	3,683,755	237,417,758
May 1	First National Bank of San Jose (2158)	5,547,060	5,968,168	4,251,749	253,226,702

See footnote at end of table.

TABLE B-17—Continued

Mergers of National banks, or National and State banks, by States, calendar 1972*

Effective date	*Merging banks Resulting bank*	*Outstanding capital stock*	*Surplus*	*Undivided profits and reserves*	*Total assets*
	INDIANA				
	Dillsboro State Bank, Dillsboro	$35,000	$200,000	$297,919	$6,291,368
	First National Bank of Aurora, Aurora (0699)	200,000	200,000	636,800	13,573,402
Sept. 30	First National Bank of Aurora, Aurora (0699)	326,000	400,000	843,718	19,864,770
	MAINE				
	Kezar Falls National Bank, Parsonsfield (9826)	65,000	335,000	208,562	4,918,293
	Maine National Bank, Portland (4128)	5,420,330	5,079,670	5,059,643	236,704,821
Sept. 29	Maine National Bank, Portland (4128)	5,420,330	5,079,670	5,059,643	241,623,114
	MASSACHUSETTS				
	Bay State National Bank, Lawrence (1014)	700,000	2,000,000	1,165,946	71,853,399
	First Bank and Trust Company, Haverhill	210,000	172,200	242,916	5,259,610
	Second Bay State National Bank, Lawrence (1014)	200,000	40,000	0	240,000
Dec. 29	Bay State National Bank, Lawrence (1014)	850,000	2,650,000	1,231,061	77,120,209
	MISSISSIPPI				
	Lumberton State Bank, Lumberton	160,000	363,016	115,712	8,723,642
	First Mississippi National Bank, Hattiesburg (5176)	1,898,440	5,030,000	790,584	119,164,988
Aug. 31	First Mississippi National Bank, Hattiesburg (5176)	2,042,440	5,409,016	1,013,136	128,087,692
	NEW JERSEY				
	Citizens National Bank of South Jersey, Woodbine (12977)	150,000	160,000	40,749	8,274,284
	Bridgeton National Bank, Bridgeton (2999)	200,000	400,000	226,093	10,662,876
Jan. 14	Citizens National Bank of South Jersey, Bridgeton (2999)	360,000	550,000	266,827	18,937,122
	Trenton Trust Company, Trenton	1,347,825	3,184,000	3,292,588	170,830,079
	National State Bank, Elizabeth (1436)	12,000,000	12,000,000	1,891,200	449,219,093
Feb. 25	The National State Bank, Elizabeth (1436)	12,000,000	10,000,000	1,219,038	613,327,744
	Ridgefield Park Trust Company, Ridgefield Park	132,500	1,617,500	233,213	19,379,193
	First National State Bank of North Jersey, Hackensack (12014)	500,000	750,000	1,977,632	57,719,663
June 23	First National State Bank of North Jersey, Hackensack (12014)	2,000,000	2,000,000	1,210,845	77,098,856
	First National Bank of Hightstown, Hightstown (1737)	700,000	1,000,000	720,818	31,105,142
	Monmouth County National Bank of Red Bank, Red Bank (2257)	3,825,000	8,675,000	5,557,359	271,134,779
Aug. 18	Colonial First National Bank, Red Bank (2257)	4,770,000	10,230,000	5,478,177	302,176,433
	Suburban Trust Company, Westfield	2,081,985	2,128,981	6,070,573	115,531,849
	The National Bank of New Jersey, New Brunswick (0587)	1,627,775	3,629,523	3,217,330	106,633,978
Dec. 22	The National Bank of New Jersey, New Brunswick (0587)	4,000,000	4,000,000	3,100,276	216,080,833
	NEW YORK				
	Bank of Gouverneur, Gouverneur	300,000	700,000	290,279	12,633,834
	Saint Lawrence County National Bank, Canton (8531)	555,519	1,687,636	1,185,100	48,545,161
Mar. 17	Saint Lawrence National Bank, Canton (8531)	743,019	2,500,136	1,153,435	61,246,870
	The Chenango County National Bank and Trust Company, Norwich (3011)	200,000	300,000	774,090	12,767,713
	First-City National Bank of Binghamton, Binghamton (15625)	4,050,000	8,000,000	5,447,355	198,857,489
Mar. 31	First-City National Bank of Binghamton, Binghamton (15625)	4,250,000	8,300,000	6,221,446	211,625,203
	Royal National Bank of New York, New York (15029)	9,637,360	19,020,644	5,752,494	283,329,958
	Security National Bank, Huntington (6587)	15,329,825	35,516,814	28,886,386	1,401,513,359
May 5	Security National Bank, Hempstead (6587)	22,213,655	54,537,458	36,802,281	1,684,379,988
	First National Bank of Edmeston, Edmeston (3681)	150,000	250,000	357,426	6,390,209
	Central National Bank, Canajoharie (1122)	1,153,420	1,850,000	1,529,139	61,707,611
June 30	Central National Bank, Canajoharie (1122)	1,466,760	2,100,000	1,743,935	68,138,012

See footnote at end of table.

TABLE B-17—Continued

Mergers of National banks, or National and State banks, by States, calendar 1972*

Effective date	Merging banks / Resulting bank	Outstanding capital stock	Surplus	Undivided profits and reserves	Total assets
	NEW YORK—continued				
	Bank of Philadelphia, Philadelphia	$25,000	$55,000	$81,538	$2,056,210
	The Waddington Bank, Waddington	25,000	25,000	123,657	2,163,152
	Jefferson National Bank, LaFargeville (13365)	25,000	175,000	216,965	3,154,290
June 30	Jefferson National Bank, LaFargeville (13365)	225,000	255,000	272,159	7,373,652
	First National Bank of Central Square, Central Square (10109)	160,000	500,000	590,713	17,866,296
	The Oneida National Bank and Trust Company of Central New York, Utica (1392)	5,846,220	10,000,000	9,676,143	358,761,262
Oct. 20	The Oneida National Bank and Trust Company of Central New York, Utica (1392)	6,342,220	10,500,000	10,266,855	376,627,558
	NORTH CAROLINA				
	First State Bank, Reidsville	300,000	1,100,000	534,076	25,928,414
	Wachovia Bank and Trust Company, National Association, Winston-Salem (15673)	50,640,070	51,000,000	38,865,842	2,013,049,917
Jan. 3	Wachovia Bank and Trust Company, National Association, Winston-Salem (15673)	51,360,070	52,100,000	38,998,846	2,037,667,546
	Banner Elk Bank, Banner Elk	50,000	215,000	68,960	4,375,735
	North Carolina National Bank, Charlotte (13761)	17,158,605	54,091,394	25,629,925	1,746,667,642
Jan. 21	North Carolina National Bank, Charlotte (13761)	17,241,105	54,273,895	25,713,835	1,751,048,916
	Carolina Bank of Commerce, Eden	499,125	1,000,000	581,238	30,314,680
	North Carolina National Bank, Charlotte (13761)	17,241,105	54,273,895	28,108,755	1,883,287,655
May 5	North Carolina National Bank, Charlotte (13761)	18,072,980	54,941,145	28,744,065	1,913,684,553
	Bank of Winston-Salem, Winston-Salem	300,000	300,000	45,537	4,217,332
	Bank of North Carolina, National Association, Jacksonville (14676)	3,430,375	7,021,625	1,748,846	287,718,384
May 5	Bank of North Carolina, National Association, Jacksonville (14676)	3,613,375	7,438,625	1,794,383	291,935,716
	The Farmers Bank, Woodland	600,000	400,000	156,576	16,886,190
	North Carolina National Bank, Charlotte (13761)	18,072,980	54,941,145	30,636,433	1,955,172,481
July 28	North Carolina National Bank, Charlotte (13761)	18,447,980	55,566,145	30,964,220	1,972,125,047
	Bank of Hobbsville, Hobbsville	100,000	150,000	216,547	5,151,000
	Bank of North Carolina, National Association, Jacksonville (14676)	3,613,275	7,438,625	105,163	315,919,749
Sept. 8	Bank of North Carolina, National Association, Jacksonville (14676)	3,738,375	7,563,625	321,709	321,071,599
	North Mecklenburg Bank, Cornelius	150,000	150,000	362,351	8,177,358
	First Union National Bank of North Carolina, Charlotte (15650)	19,088,825	39,000,000	18,724,416	1,444,982,363
Oct. 18	First Union National Bank of North Carolina, Charlotte (15650)	19,238,825	39,150,000	19,086,767	1,452,020,945
	The Farmers Bank of Seaboard	40,325	200,000	129,511	3,482,290
	Bank of North Carolina, National Association, Jacksonville (14676)	3,738,375	7,563,625	428,362	324,860,673
Oct. 20	Bank of North Carolina, National Association, Jacksonville (14676)	3,931,935	7,610,390	557,873	328,310,716
	The Bank of New Bern, New Bern	120,000	400,000	217,095	13,274,782
	North Carolina National Bank, Charlotte (13761)	29,516,768	55,566,145	23,061,765	2,146,544,229
Dec. 15	North Carolina National Bank, Charlotte (13761)	30,111,968	55,566,145	23,179,633	2,159,619,294
	North State Bank, Burlington	408,000	1,025,000	221,763	25,555,565
	Bank of North Carolina, National Association, Jacksonville (14676)	3,835,155	12,707,170	1,209,016	348,815,525
Dec. 28	Bank of North Carolina, National Association, Jacksonville (14676)	8,690,310	9,285,015	1,428,974	369,659,404

See footnote at end of table.

TABLE B-17—Continued

Mergers of National banks, or National and State banks, by States, calendar 1972*

Effective date	Merging banks Resulting bank	Outstanding capital stock	Surplus	Undivided profits and reserves	Total assets
	OHIO				
	The North Bloomfield Banking Company, North Bloomfield	$330,000	$420,000	$327,395	$15,760,951
	The Union National Bank of Youngstown, Youngstown (13586)	6,000,000	9,500,000	3,547,450	158,026,680
June 27	The Union National Bank of Youngstown, Youngstown (13586)	6,528,000	10,472,000	3,124,823	175,472,146
	The Johnstown Bank, Johnstown	100,000	225,000	202,215	6,560,340
	The First National Bank of Newark, Newark (858)	1,500,000	2,000,000	426,873	54,690,902
Aug. 15	The First National Bank of Newark, Newark (858)	1,500,000	2,325,000	629,089	61,251,243
	The Mount Union Bank, Alliance	625,000	1,000,000	852,237	26,392,208
	The Canton National Bank, Canton (14501)	1,440,000	1,560,000	1,774,110	62,738,793
Sept. 30	The United National Bank and Trust Company, Canton (14501)	2,200,000	2,560,000	2,491,346	89,131,000
	The Rockford National Bank, Rockford (11804)	125,000	125,000	372,727	9,293,053
	First National Bank of Mercer County, Celina (5523)	750,000	750,000	889,253	33,386,519
Sept. 30	First National Bank of Mercer County, Celina (5523)	1,000,000	1,000,000	999,981	42,747,466
	The Bank of North Lewisburg Company, North Lewisburg	150,000	150,000	86,176	3,315,595
	The Citizens National Bank of Urbana, Urbana (863)	300,000	700,000	1,042,331	19,774,260
Nov. 29	The Citizens National Bank of Urbana, Urbana (863)	450,000	1,050,000	928,507	23,064,855
	PENNSYLVANIA				
	The First National Bank of Oley, Oley (8858)	125,000	375,000	438,095	11,526,647
	The National Bank of Boyertown, Boyertown (2137)	450,000	2,562,000	1,607,054	64,502,935
June 30	National Bank of Boyertown, Boyertown (2137)	575,000	2,937,000	2,045,149	76,029,581
	The Farmers National Bank of Ephrata (4923)	250,000	1,500,000	885,583	32,971,030
	Farmers First National Bank, Lititz (5773)	1,959,000	2,932,000	238,349	74,955,286
July 17	Farmers First National Bank, Ephrata (5773)	2,959,000	4,200,000	758,125	108,092,670
	The First National Bank of Mount Carmel, Mount Carmel (3980)	300,000	700,000	1,011,358	25,668,570
	The First National Bank of Sunbury, Sunbury (1237)	531,250	2,200,000	1,099,962	51,887,864
Oct. 2	First National Trust Bank, Sunbury (1237)	887,500	2,900,000	2,167,887	77,825,040
	UTAH				
	North Davis Bank, Layton	200,000	135,000	210,615	5,858,331
	First Security Bank of Utah, National Association, Ogden (2597)	22,000,000	20,000,000	9,473,329	725,887,290
Sept. 5	First Security Bank of Utah, National Association, Ogden (2597)	22,000,000	20,000,000	9,076,674	731,770,109
	VERMONT				
	Ethan Allen National Bank, Fairhaven (2422)	220,000	220,000	270,775	9,490,771
	Vermont National Bank, Brattleboro (1430)	1,524,110	2,261,912	2,173,367	91,406,456
Nov. 24	Vermont National Bank, Brattleboro (1430)	1,799,110	2,481,912	2,380,489	100,905,977
	WASHINGTON				
	Bothell State Bank, Bothell	200,000	700,000	1,069,976	18,654,553
	Peoples National Bank of Washington, Seattle (14394)	11,722,500	11,777,500	12,083,157	561,390,669
July 15	Peoples National Bank of Washington, Seattle (14394)	11,722,500	12,477,500	10,353,134	574,786,617

*Excludes mergers involving only one operating bank, effected pursuant to corporate reorganization.

Table B–18

*Mergers resulting in National banks, by assets of acquiring and acquired banks, 1960–72**

Assets of acquiring bank†	Acquired banks 1960–72	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	84	84	0	0	0	0
$10 million to $24.9 million	132	118	14	0	0	0
$25 million to $49.9 million	151	98	42	11	0	0
$50 million to $99.9 million	164	104	38	19	3	0
$100 million and over	488	211	169	57	24	27
Total	1,019‡	615	263	87	27	27

*Includes all forms of acquisitions involving two or more banks from May 13, 1960 through December 31, 1972.
†In each transaction, the bank with larger total assets was considered to be the acquiring bank.
‡Comprises 981 transactions, 23 involving three banks, six involving four banks, and one involving five banks.

Table B–19

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1972

Charter No.	Title and location of bank	Branches opened for business: Local	Outside branches	Total
	Total	251	611	862
	ALABAMA			
15073	First National Bank of Athens, Athens	1	0	1
14569	Birmingham Trust National Bank, Birmingham	0	2	2
15473	City National Bank of Birmingham, Birmingham	1	0	1
3185	The First National Bank of Birmingham, Birmingham	0	1	1
14414	State National Bank of Alabama, Decatur	0	2	2
15427	Shoals National Bank of Florence, Florence	1	0	1
15658	Fort Rucker National Bank, Fort Rucker	0	1	1
15316	The American National Bank of Huntsville, Huntsville	1	0	1
7746	The First National Bank of Jasper, Jasper	1	0	1
13414	The American National Bank & Trust Company of Mobile, Mobile	1	0	1
1814	The First National Bank of Montgomery, Montgomery	1	0	1
15053	Phenix National Bank, Phenix City	1	0	1
15604	The Deposit National Bank of Mobile County, Prichard	0	1	1
7568	The First National Bank of Wetumpka, Wetumpka	0	1	1
	ALASKA			
12070	The First National Bank of Anchorage, Anchorage	1	0	1
14651	National Bank of Alaska, Anchorage	0	1	1
14747	Alaska National Bank, Fairbanks	0	2	2
	ARIZONA			
3728	First National Bank of Arizona, Phoenix	2	6	8
14324	The Valley National Bank of Arizona, Phoenix	3	4	7
	ARKANSAS			
16009	Worthen Bank & Trust Company, National Association, Little Rock	9	0	9
13693	The First National Bank in Mena, Mena	0	1	1
6758	The First National Bank of Newport, Newport	0	1	1
15482	Pine Bluff National Bank, Pine Bluff	0	1	1
15631	First National Bank, Searcy	1	0	1

Table B–19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1972

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
	CALIFORNIA			
15347	Alameda First National Bank, Alameda	1	0	1
15437	American National Bank, Bakersfield	0	3	3
14695	City National Bank, Beverly Hills	0	1	1
12904	The Capital National Bank, Downey	0	1	1
15007	First National Bank of Fresno, Fresno	0	1	1
15958	Gavilan National Bank, Gilroy	0	1	1
2491	Security Pacific National Bank, Los Angeles	3	22	25
15532	Commercial and Farmers National Bank, Oxnard	0	2	2
15349	Valley National Bank, Salinas	0	1	1
10391	United States National Bank, San Diego	0	3	3
13044	Bank of America National Trust and Savings Association, San Francisco	0	14	14
9655	The Bank of California, National Association, San Francisco	0	3	3
1741	Crocker National Bank, San Francisco	0	7	7
15660	Wells Fargo Bank, National Association, San Francisco	0	10	10
2158	The First National Bank of San Jose, San Jose	0	2	2
14891	Santa Barbara National Bank, Santa Barbara	0	1	1
	COLORADO			
2179	The First National Bank of Colorado Springs, Colorado Springs	1	0	1
14862	Lakeside National Bank, Wheat Ridge	1	0	1
	CONNECTICUT			
780	The City National Bank of Connecticut, Bridgeport	0	2	2
4	The State National Bank of Connecticut, Bridgeport	1	1	2
1338	Hartford National Bank and Trust Company, Hartford	0	3	[illegible]
720	The Home National Bank and Trust Company, Meriden	0	1	1
227	The Second National Bank of New Haven, New Haven	0	1	1
15439	The North Haven National Bank, North Haven	1	0	1
15354	Orange National Bank, Orange	0	2	2
14972	Vernon National Bank, Vernon	1	0	1
15363	Westport National Bank, Westport	1	0	1
	DISTRICT OF COLUMBIA			
2038	The First National Bank of Washington, District of Columbia	1	0	1
3423	The National Bank of Washington, District of Columbia	1	0	1
15605	National Savings and Trust Company, District of Columbia	2	0	2
......	Union Trust Company of the District of Columbia, District of Columbia	1	0	1
	GEORGIA			
1559	The First National Bank of Atlanta, Atlanta	1	5	6
9617	The Fulton National Bank of Atlanta, Atlanta	0	4	4
15541	The National Bank of Georgia, Atlanta	1	1	2
4944	The First National Bank of Brunswick, Brunswick	0	1	1
4691	The Fourth National Bank of Columbus, Columbus	1	0	1
14061	First National Bank in Elberton, Elberton	1	0	1
11936	First National Bank of Lawrenceville, Lawrenceville	0	1	1
3830	The First National Bank of Cobb County, Marietta	0	2	2
7969	First National Bank of McDonough, McDonough	0	1	1
15373	First National Bank of Houston County, Savannah	0	1	1
13068	The Citizens and Southern National Bank, Savannah	0	7	7
4429	The First National Bank of Valdosta, Valdosta	0	1	1
7899	The First National Bank of Waynesboro, Waynesboro	1	0	1
	HAWAII			
14911	Hawaii National Bank, Honolulu, Honolulu	1	0	1
	IDAHO			
1668	The Idaho First National Bank, Boise	1	1	2
11076	The Farmers National Bank of Buhl, Buhl	0	1	1

TABLE B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1972

Charter No.	Title and location of bank	Branches opened for business: Local	Outside branches	Total
	ILLINOIS			
11923	First National Bank and Trust Company, Centralia	1	0	1
14419	Mercantile National Bank of Chicago, Chicago	1	0	1
1926	The De Witt County National Bank of Clinton, Clinton	1	0	1
14748	Downers Grove National Bank, Downers Grove	1	0	1
14372	First National Bank in Harvey, Harvey	1	0	1
15594	Libertyville National Bank, Libertyville	1	0	1
10079	The Litchfield National Bank, Litchfield	1	0	1
14524	Union National Bank of Marseilles, Marseilles	1	0	1
4400	The National Bank of Monmouth, Monmouth	1	0	1
13605	The Second National Bank of Robinson, Robinson	1	0	1
1715	The Salem National Bank, Salem	1	0	1
4994	The First National Bank of Vandalia, Vandalia	1	0	1
14605	Wauconda National Bank, Wauconda	1	0	1
	INDIANA			
699	The First National Bank of Aurora, Aurora	0	1	1
1066	The First National Bank of Columbus, Columbus	1	0	1
2183	The First National Bank of Crown Point, Crown Point	0	1	1
12132	The National City Bank of Evansville, Evansville	1	0	1
7725	Lincoln National Bank and Trust Company of Fort Wayne, Fort Wayne	0	1	1
14113	The First National Bank of Goshen, Goshen	1	0	1
13759	American Fletcher National Bank and Trust Company, Indianapolis	0	3	3
984	The Indiana National Bank, Indianapolis	2	1	3
869	Merchants National Bank & Trust Company of Indianapolis, Indianapolis	0	3	3
6765	The Lowell National Bank, Lowell	0	1	1
13729	Marion National Bank of Marion, Marion	0	1	1
14921	American National Bank and Trust Company of Muncie, Muncie	1	0	1
9756	The American National Bank of Noblesville, Noblesville	0	1	1
7180	The First National Bank of Portland, Portland	1	0	1
5067	The Rockville National Bank, Rockville	0	1	1
14288	Farmers & Merchants National Bank of Rensselaer, Rensselaer	1	0	1
13987	The National Bank and Trust Company of South Bend, South Bend	0	1	1
	IOWA			
14832	South Des Moines National Bank, Des Moines	1	0	1
5022	Northwestern National Bank of Sioux City, Sioux City	1	0	1
5891	First National Bank of West Des Moines, West Des Moines	1	0	1
	KENTUCKY			
12293	The Third National Bank of Ashland, Ashland	0	1	1
5900	The Citizens National Bank of Bowling Green, Bowling Green	1	0	1
1900	The National Bank of Cynthiana, Cynthiana	1	0	1
6028	The First-Hardin National Bank, Elizabethtown	0	1	1
13651	The New Farmers National Bank of Glasgow, Glasgow	1	0	1
13479	The Lincoln National Bank of Hodgenville, Hodgenville	1	0	1
109	First National Bank of Louisville, Louisville	2	1	3
906	First Security National Bank and Trust Company of Lexington, Lexington	1	0	1
6622	The First National Bank of Pikeville, Pikeville	0	2	2
11544	The Citizens National Bank of Somerset, Somerset	1	0	1
	LOUISIANA			
14484	Security National Bank, Alexandria, Alexandria	0	1	1
9834	Louisiana National Bank of Baton Rouge, Baton Rouge	1	0	1
15642	Parish National Bank of Bogalusa, Bogalusa	1	0	1
14989	Commercial National Bank, Covington	1	3	4
14086	The Citizens National Bank in Hammond, Hammond	0	1	1
14753	The National Bank of Commerce in Jefferson Parish, Jefferson Parish	0	1	1
4154	The First National Bank of Lake Charles, Lake Charles	1	0	1
11669	First National Bank in Mansfield, Mansfield	0	1	1
13668	The Hibernia National Bank, New Orleans	2	0	2

TABLE B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1972

Charter No.	Title and location of bank	Branches opened for business: Local	Outside branches	Total
	LOUISIANA—continued			
15952	Century National Bank in New Orleans, New Orleans	1	0	1
13689	First National Bank of Commerce, New Orleans	1	0	1
14977	Whitney National Bank of New Orleans, New Orleans	2	0	2
	MAINE			
1437	Merchants National Bank of Bangor, Bangor	0	1	1
4459	The First National Bank of Farmington, Farmington	0	1	1
13750	Norway National Bank, Norway	0	1	1
941	Canal National Bank, Portland	0	2	2
4128	Maine National Bank, Portland	1	2	3
	MARYLAND			
15314	Aberdeen National Bank, Aberdeen	1	0	1
1413	The First National Bank of Maryland, Baltimore	1	3	4
13745	Maryland National Bank, Baltimore	1	3	4
5561	Sandy Springs National Bank and Savings Institution, Sandy Springs	0	1	1
14937	American National Bank of Maryland, Silver Spring	0	1	1
15154	Peoples National Bank of Maryland, Suitland	0	4	4
15249	Chesapeake National Bank, Towson	0	1	1
	MASSACHUSETTS			
779	Plymouth-Home National Bank, Brockton	1	0	1
614	Middlesex Bank, N.A., Burlington	0	3	3
590	The Fall River National Bank, Fall River	0	1	1
1320	Falmouth National Bank, Falmouth	0	1	1
528	Community National Bank, Framingham	0	2	2
474	First National Bank of Franklin County, Greenfield	1	0	1
484	The Haverhill National Bank, Haverhill	0	1	1
1129	Merrimack Valley National Bank, Haverhill	1	0	1
2618	The Hudson National Bank, Hudson	0	1	1
866	Milford National Bank and Trust Company, Milford	1	0	1
799	The Merchants National Bank of New Bedford, New Bedford	1	1	2
736	First National Bank of Cape Cod, Orleans	0	1	1
1082	First Agricultural National Bank of Berkshire County, Pittsfield	0	1	1
308	Third National Bank of Hampden County, Springfield	0	1	1
1440	The National Bank of Wareham, Wareham	1	0	1
1022	Blackstone Valley National Bank, Whitinsville	0	1	1
14033	Tanners National Bank in Woburn, Woburn	1	0	1
79	Worcester County National Bank, Worcester	1	1	2
	MICHIGAN			
14933	National Bank and Trust Company of Ann Arbor, Ann Arbor	0	1	1
14185	Security National Bank of Battle Creek, Battle Creek	0	1	1
13833	Farmers and Merchants National Bank in Benton Harbor, Benton Harbor	0	1	1
14925	City National Bank of Detroit, Detroit	0	1	1
13738	Manufacturers National Bank of Detroit, Detroit	0	1	1
14948	Michigan Bank, National Association, Detroit	1	1	2
13671	National Bank of Detroit, Detroit	1	1	2
16037	Central Bank, N.A., Grand Rapids	1	7	8
11954	The First National Bank of Hermansville, Hermansville	0	1	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 and Trust Company, National Association, Jackson	0	2	2
191	The First National Bank and Trust Company of Michigan, Kalamazoo	0	2	2
14032	Michigan National Bank, Lansing	1	3	4
15444	Livonia National Bank, Livonia	0	1	1
14016	The National Bank of Ludington, Ludington	0	1	1
1587	The First National Bank of Monroe, Monroe	1	0	1
9000	The First National Bank of Alger County at Munising, Munising	0	1	1
15899	West Oakland Bank, National Association, Novi	1	0	1

TABLE B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1972

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
	MICHIGAN—continued			
15938	The American National Bank in Portage, Portage	1	0	1
15274	National Bank of Rochester, Rochester	0	1	1
15403	Valley National Bank of Saginaw, Saginaw	0	1	1
15167	National Bank of Southfield, Southfield	0	1	1
15527	Oakland National Bank, Southfield	2	0	2
13874	National Bank Wyandotte-Taylor, Taylor	1	0	1
14934	The Empire National Bank of Traverse City, Traverse City	1	0	1
14918	National Bank and Trust Company of Traverse City, Traverse City	0	2	2
15611	First National Bank of Warren, Warren	1	0	1
15286	First National Bank of Wyoming, Wyoming	1	0	1
13807	The National Bank of Ypsilanti, Ypsilanti	0	1	1
	MISSISSIPPI			
15663	Coahoma National Bank, Clarksdale	0	1	1
15559	First National Bank of Greenwood, Greenwood	1	0	1
5176	First Mississippi National Bank, Hattiesburg	1	3	4
15539	Southern National Bank of Hattiesburg, Hattiesburg	0	1	1
15516	Citizens National Bank, Jackson	1	0	1
15548	Deposit Guaranty National Bank, Jackson	0	2	2
10523	First National Bank of Jackson, Jackson	0	2	2
13551	First National Bank in Meridian, Meridian	1	0	1
	MISSOURI			
7351	The First National Bank of Braymer, Braymer	0	1	1
4441	United Missouri Bank of Carthage, National Association, Carthage	1	0	1
14984	Columbia National Bank, Columbia	1	0	1
4157	The First National Bank of Independence, Independence	1	0	1
13162	First National Bank and Trust Company of Joplin, Joplin	1	0	1
15299	United Missouri Bank of Joplin, National Association, Joplin	1	0	1
15985	Commerce Bank of Kansas City, National Association, Kansas City	1	0	1
6382	The First National Bank of Neosho, Neosho	1	0	1
9382	The Thornton National Bank of Nevada, Nevada	1	0	1
15183	American National Bank in Springfield, Springfield	1	0	1
5156	The Peoples National Bank of Warrensburg, Warrensburg	1	0	1
	NEBRASKA			
9694	The Gering National Bank, Gering	1	0	1
	NEVADA			
7038	First National Bank of Nevada, Reno	1	0	1
15645	Nevada National Bank, Reno	1	0	1
	NEW HAMPSHIRE			
877	The Keene National Bank, Keene	1	0	1
574	The Amoskeag National Bank, Manchester	1	0	1
1059	Bank of New Hampshire, National Association, Manchester	1	0	1
1070	The Souhegan National Bank of Milford, Milford	0	1	1
1310	Indian Head National Bank of Nashua, Nashua	1	0	1
19	The First National Bank of Portsmouth, Portsmouth	0	1	1
1052	Indian Head National Bank of Portsmouth, Portsmouth	2	0	2
13861	First National Bank of Rochester, Rochester	1	0	1
	NEW JERSEY			
10823	The First National Bank of Absecon, Absecon	0	1	1
15781	Atlantic National Bank, Atlantic City	0	1	1
5621	The First National Bank of Blairstown, Blairstown	1	0	1
2999	Citizens National Bank of South Jersey, Bridgeton	0	1	1
9498	The Farmers and Merchants National Bank of Bridgeton, Bridgeton	1	0	1
13203	Third National Bank of New Jersey, Camden	0	1	1
1209	South Jersey National Bank, Cherry Hill	0	2	2

Table B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1972

Charter No.	Title and location of bank	Branches opened for business: Local	Outside branches	Total
	NEW JERSEY—continued			
14162	The United National Bank of Bergen County, Cliffside Park	2	0	2
15709	New Jersey Bank (National Association), Clifton	0	1	1
2076	National Union Bank of New Jersey, Dover	0	1	1
1326	First National Bank of South Jersey, Egg Harbor Township	1	2	3
1436	The National State Bank, Elizabeth, N.J., Elizabeth	0	10	10
12014	First National State Bank of North Jersey, Hackensack	0	1	1
14457	Colonial National Bank, Haddonfield	0	2	2
4147	Peoples National Bank of Monmouth County, Hazlet	1	0	1
374	The First Jersey National Bank, Jersey City	0	2	2
16035	First National State Bank of Ocean County, Lakewood	1	3	4
14673	The City National Bank of Millville, Millville	1	0	1
10440	The First National Bank of Minotola, Minotola	0	1	1
288	First Charter National Bank, Monroe Township	0	1	1
4274	American National Bank & Trust of New Jersey, Montclair	0	1	1
1113	The First National Iron Bank of New Jersey, Morristown	0	1	1
13363	First Merchants National Bank, Neptune Township	1	2	3
12771	Broad National Bank, Newark, Newark	1	0	1
1452	First National State Bank of New Jersey, Newark	1	0	1
587	The National Bank of New Jersey, New Brunswick	0	12	12
15790	Bank of Passaic and Clifton, National Association, Passaic	0	1	1
15839	The First National Bank, Piscataway, Piscataway Township	1	0	1
4872	The First National Bank of Princeton, Princeton	0	1	1
2257	Colonial First National Bank, Red Bank	0	1	1
11759	Citizens First National Bank of Ridgewood, Ridgewood	1	1	2
3866	First National Bank of Central Jersey, Somerville	0	1	1
860	First National State Bank of Northwest Jersey, Succasunna	0	1	1
4365	Citizens National Bank, Tenafly	0	1	1
2509	The First National Bank of Toms River, N.J., Toms River	0	1	1
329	First National Bank of New Jersey, Totowa	0	1	1
1327	New Jersey National Bank, Trenton	0	1	1
399	Peoples National Bank of New Jersey, Westmont	0	3	3
15838	Mid-Jersey National Bank, Woodbridge	0	1	1
1199	National Bank and Trust Company of Gloucester County, Woodbury	0	1	1
	NEW MEXICO			
14786	First National Bank in Alamogordo, Alamogordo	1	0	1
12485	Albuquerque National Bank, Albuquerque	1	0	1
13814	First National Bank in Albuquerque, Albuquerque	1	0	1
14836	First National Bank of Grants, Grants	1	0	1
14628	First National Bank of Lea County, Hobbs	0	1	1
1750	The First National Bank of Santa Fe, Santa Fe	1	0	1
13438	Hot Springs National Bank, Truth or Consequences	0	1	1
	NEW YORK			
15758	Bankers Trust Company of Albany, National Association, Albany	0	2	2
1301	National Commercial Bank and Trust Company, Albany	0	1	1
963	Union National Bank, Albany	0	1	1
15625	First-City National Bank of Binghamton, Binghamton	1	1	2
12997	Franklin National Bank, Brooklyn	3	2	5
15080	Liberty National Bank and Trust Company, Buffalo	0	4	4
1122	Central National Bank, Canajoharie, Canajoharie	0	3	3
8531	The St. Lawrence National Bank, Canton	1	1	2
976	The Putnam County National Bank of Carmel, Carmel	0	1	1
15464	First National Bank of East Hampton, East Hampton	0	1	1
9322	The First National Bank of East Islip, East Islip	0	1	1
11511	Marine Midland Tinker National Bank, East Setauket	0	4	4
12450	The National Bank of Geneva, Geneva	1	0	1
6587	Security National Bank, Hempstead	0	12	12
7703	National Bank of North America, Jamaica	0	5	5
13365	Jefferson National Bank, La Fargeville	0	2	2
15922	Chase Manhattan Bank of Long Island (National Association), Melville	0	2	2
13314	Nanuet National Bank, Nanuet	0	1	1

TABLE B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1972

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
	NEW YORK—continued			
2370	The Chase Manhattan Bank (National Association), New York	3	5	8
15558	Community National Bank & Trust Company of New York, New York	0	1	1
1416	First National City Bank, New York	4	1	5
13493	Finger Lakes National Bank, Odessa	0	1	1
2151	Wilber National Bank of Oneonta, Oneonta	1	0	1
12788	Bankers Trust of Suffolk, National Association, Patchogue	0	1	1
465	Marine Midland Bank of Southeastern New York, N.A., Poughkeepsie	0	5	5
15641	Bankers Trust Hudson Valley, National Association, Poughkeepsie	0	1	1
4230	The Suffolk County National Bank of Riverhead, Riverhead	0	1	1
15556	First National Bank of Rochester, Rochester	0	1	1
11708	Scarsdale National Bank and Trust Company, Scarsdale	0	1	1
14763	Chemical Bank of Suffolk, National Association, Smithtown	0	2	2
15627	Lincoln National Bank and Trust Company of Central New York, Syracuse	0	2	2
1342	The Merchants National Bank & Trust Company of Syracuse, Syracuse	1	0	1
721	Marine Midland Bank-Eastern, National Association, Troy	1	2	3
1392	The Oneida National Bank and Trust Company of Central New York, Utica	0	1	1
2659	The National Bank of Northern New York, Watertown	1	0	1
10525	National Bank of Westchester, White Plains	0	2	2
	NORTH CAROLINA			
11091	The First National Bank of Albermarle, Albermarle	0	2	2
15636	City National Bank, Charlotte	1	0	1
15650	First Union National Bank of North Carolina, Charlotte	0	9	9
13761	North Carolina National Bank, Charlotte	0	26	26
14481	Citizens National Bank of Concord, Concord	1	0	1
13779	The Citizens National Bank in Gastonia, Gastonia	0	1	1
14676	Bank of North Carolina, National Association, Jacksonville	0	16	16
10610	Southern National Bank of North Carolina, Lumberton	0	2	2
11229	First National Bank of Reidsville, Reidsville	1	0	1
10608	The Planters National Bank and Trust Company, Rocky Mount	1	2	3
15673	Wachovia Bank and Trust Company, N.A., Winston-Salem	1	16	17
	NORTH DAKOTA			
15973	Columbus National Bank, Columbus	1	0	1
3096	The Grafton National Bank, Grafton	1	0	1
	OHIO			
13749	Bellefontaine National Bank, Bellefontaine	0	1	1
3654	The Farmers National Bank of Canfield, Canfield	0	1	1
76	First National Bank of Canton, Canton	0	1	1
14501	The United National Bank & Trust Company, Canton	0	1	1
5523	First National Bank of Mercer County, Celina	0	2	2
15423	The Capital National Bank, Cleveland	0	1	1
4318	Central National Bank of Cleveland, Cleveland	0	1	1
786	The National City Bank of Cleveland, Cleveland	2	1	3
14761	Society National Bank of Cleveland, Cleveland	1	0	1
7621	The City National Bank & Trust Company of Columbus, Columbus	1	1	2
7745	The Huntington National Bank of Columbus, Columbus	0	1	1
5065	The Ohio National Bank of Columbus, Columbus	0	2	2
5530	Western Ohio National Bank, Covington	1	0	1
10	The Third National Bank and Trust Company of Dayton, Ohio, Dayton	0	2	2
15577	Elyria Savings & Trust National Bank, Elyria	1	0	1
15861	Citizensbank National Bank, Felicity	0	1	1
15591	Tri-County National Bank, Fostoria	0	1	1
8228	The First National Bank of Harrison, Harrison	1	0	1
98	The First National Bank of Ironton, Ironton	0	1	1
652	The Portage National Bank, Kent	1	0	1
14360	The First National Bank of Marysville, Marysville	1	0	1
4842	The Old Phoenix National Bank of Medina, Medina	0	1	1
8709	The First National Bank of Warren County, Morrow	0	1	1
858	The First National Bank of Newark, Newark	1	1	2

Table B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1972

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
	OHIO—continued			
13742	First National Bank, Orrville	0	1	1
14686	The Lake County National Bank of Painesville, Painesville	0	1	1
7035	The Peoples National Bank of Plymouth, Plymouth	1	0	1
7781	The Security Central National Bank of Portsmouth, Portsmouth	0	1	1
7862	The Citizens Baughman National Bank, Sidney	0	1	1
2160	The First National Bank and Trust Company in Steubenville, Steubenville	1	0	1
14586	First National Bank of Toledo, Toledo	2	0	2
2350	The Mahoning National Bank of Youngstown, Youngstown	1	2	3
13586	The Union National Bank of Youngstown, Youngstown	0	2	2
863	The Citizens National Bank of Urbana, Urbana	0	1	1
164	The First National Bank of Zanesville, Zanesville	1	0	1
	OKLAHOMA			
14005	The First National Bank in Durant, Durant	1	0	1
4862	The First National Bank and Trust Company of Oklahoma City, Oklahoma City	1	0	1
13891	First National Bank and Trust Company, Ponca City	1	0	1
15429	First National Bank, Sallisaw, Sallisaw	1	0	1
5478	The First National Bank of Tahlequah, Tahlequah	1	0	1
4704	The First National Bank and Trust Company of Vinita, Vinita	1	0	1
	OREGON			
15583	Crater National Bank, Medford	0	1	1
1553	First National Bank of Oregon, Portland	2	3	5
15491	Great Western National Bank, Portland	0	1	1
4514	United States National Bank of Oregon, Portland	1	2	3
14860	Douglas National Bank, Roseburg	0	1	1
	PENNSYLVANIA			
373	The First National Bank of Allentown, Allentown	1	0	1
4915	The Farmers National Bank of Athens, Athens	0	1	1
723	Central-Penn National Bank, Bala-Cynwyd	0	1	1
5823	First National Bank of Somerset County, Berlin	0	1	1
2137	National Bank of Boyertown, Boyertown	0	2	2
15422	Provident National Bank, Bryn Mawr	0	3	3
355	Southeast National Bank of Pennsylvania, Chester	0	2	2
5019	DuBois Deposit National Bank, DuBois	0	1	1
8854	The Citizens National Bank of Evans City, Evans City	0	1	1
311	Adams County National Bank, Gettysburg	0	1	1
249	First National Bank of Mercer County, Greenville	0	1	1
580	The Commonwealth National Bank, Harrisburg	0	3	3
3893	Peoples First National Bank and Trust Company, Hazleton	1	0	1
14098	National Bank of the Commonwealth, Indiana	0	2	2
2634	The Fulton National Bank of Lancaster, Lancaster	1	1	2
694	National Central Bank, Lancaster	0	2	2
5773	Farmers First National Bank, Lititz	0	3	3
12	The First National Bank of Pennsylvania, Meadville	0	2	2
870	Marine National Bank, Meadville	1	0	1
357	Tri-County National Bank, Middleburg	0	1	1
1516	The Union National Mount Joy Bank, Mount Joy	1	0	1
5686	The Second National Bank of Nazareth, Nazareth	0	1	1
562	First National Bank of Lawrence County at New Castle, New Castle	1	0	1
14542	Cumberland County National Bank and Trust Company, New Cumberland	0	1	1
13754	The First National Bank of Peckville, Peckville	0	1	1
7710	The Pen Argyl National Bank, Pen Argyl	0	1	1
252	Pittsburgh National Bank, Pittsburgh	0	3	3
2222	Western Pennsylvania National Bank, Pittsburgh	2	1	3
5702	Keystone National Bank, Punxsutawney	0	1	1
328	Citizens & Northern National Bank and Trust Company, Ralston	0	1	1
8764	The McDowell National Bank of Sharon, Sharon	0	1	1
6483	The First National Bank of Slippery Rock, Slippery Rock	1	0	1
1237	First National Trust Bank, Sunbury	0	1	1

Table B–19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1972

Charter No.	Title and location of bank	Branches opened for business: Local	Outside branches	Total
	PENNSYLVANIA—continued			
39	The First National Bank of Bradford County, Towanda	0	1	1
5034	Gallatin National Bank, Uniontown	0	1	1
5920	First National Bank & Trust Co., Washington, Pa., Washington	0	2	2
5184	Southern Pennsylvania National Bank, York	0	1	1
	RHODE ISLAND			
13981	Columbus National Bank of Rhode Island, Providence	0	1	1
1302	Industrial National Bank of Rhode Island, Providence	0	1	1
15723	Rhode Island Hospital Trust National Bank, Providence	0	1	1
	SOUTH CAROLINA			
14425	The Citizens and Southern National Bank of South Carolina, Charleston	1	3	4
2044	The South Carolina National Bank, Charleston	0	4	4
13720	First National Bank of South Carolina, Columbia	0	1	1
10536	The Conway National Bank, Conway	0	1	1
10660	The National Bank of South Carolina of Sumter, Sumter	0	1	1
	TENNESSEE			
14611	American National Bank and Trust Company of Chattanooga, Chattanooga	0	1	1
7848	The Hamilton National Bank of Chattanooga, Chattanooga	1	2	3
9667	The First National Bank of Cookeville, Cookeville	1	0	1
9397	The First National Bank of Franklin County at Decherd, Decherd	1	0	1
14653	The First National Bank of Gatlinburg, Gatlinburg	1	0	1
4177	The First National Bank of Greeneville, Greeneville	1	0	1
15056	The First National Bank of Gibson County, Humboldt	0	1	1
2168	The First National Bank of Jackson, Jackson	2	0	2
3576	The Second National Bank of Jackson, Jackson	1	0	1
13635	The Hamilton National Bank of Johnson City, Johnson City	0	1	1
14657	The Kingsport National Bank, Kingsport	1	0	1
13539	The Hamilton National Bank of Knoxville, Knoxville	1	0	1
2049	Park National Bank of Knoxville, Knoxville	1	0	1
10028	The First National Bank of Anderson County, Lake City	0	1	1
336	The First National Bank of Memphis, Memphis	1	0	1
13349	Union Planters National Bank of Memphis, Memphis	2	1	3
3032	First American National Bank of Nashville, Nashville	1	0	1
13103	Third National Bank in Nashville, Nashville	2	2	4
14619	First National Bank of Pulaski, Pulaski	0	1	1
15590	First National Bank of Selmer, Selmer	1	0	1
3660	The First National Bank of South Pittsburg, South Pittsburg	0	1	1
12639	The First National Bank of Springfield, Springfield	0	1	1
	UTAH			
14964	First Western National Bank, Moab	0	1	1
2597	First Security Bank of Utah, National Association, Ogden	0	3	3
4341	Zions First National Bank, Salt Lake City	0	2	2
	VERMONT			
1430	Vermont National Bank, Brattleboro	1	1	2
194	Catamount National Bank, North Bennington	0	1	1
2274	The Randolph National Bank, Randolph	0	1	1
	VIRGINIA			
7093	Alexandria National Bank, Alexandria	0	1	1
651	United Virginia Bank/First & Citizens National, Alexandria	0	1	1
15353	Woodlawn National Bank, Alexandria	0	1	1
9295	The First National Bank of Altavista, Altavista	1	0	1
14904	Dominion National Bank, Baileys Cross Roads	0	3	3

Table B-19—Continued

Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1972

Charter No.	Title and location of bank	Branches opened for business		
		Local	Outside branches	Total
	VIRGINIA—continued			
15390	First Virginia Bank-Monticello National, Charlottesville	1	1	2
8875	The National Bank of Chilhowie, Chilhowie	0	1	1
9343	American National Bank & Trust Company of Danville, Danville	1	0	1
6389	The National Bank of Fairfax, Fairfax	0	2	2
5683	The First National Bank of Farmville, Farmville	1	0	1
10834	The Grayson National Bank, Independence	0	1	1
1522	The Fidelity National Bank, Lynchburg, Lynchburg	1	0	1
7206	The First National Bank of Martinsville and Henry County, Martinsville	0	1	1
15461	First National Bank of Norfolk, Norfolk	1	2	3
10194	United Virginia Bank/Seaboard National, Norfolk	0	1	1
9885	Virginia National Bank, Norfolk	1	1	2
14190	Farmers & Merchants National Bank in Onley, Onley	0	1	1
11387	The Peoples National Bank, Pulaski	1	0	1
10857	The Richlands National Bank, Richlands	0	1	1
1111	First & Merchants National Bank, Richmond	1	1	2
2737	The First National Exchange Bank of Virginia, Roanoke	1	1	2
15117	United Virginia Bank Security National, Roanoke	1	1	2
1824	The Farmers National Bank of Salem, Salem	0	2	2
10973	The Farmers & Merchants National Bank of Stanley, Stanley	0	1	1
11901	The First National Bank of Stuart, Stuart	0	1	1
15562	Williamsburg National Bank, Williamsburg	1	0	1
15984	First & Merchants National Bank of the Peninsula, County of York	0	6	6
	WASHINGTON			
4375	The National Bank of Commerce of Seattle, Seattle	1	1	2
3417	Pacific National Bank of Washington, Seattle	1	0	1
14394	Peoples National Bank of Washington, Seattle	0	7	7
11280	Seattle-First National Bank, Seattle	0	2	2
4668	Old National Bank of Washington, Spokane	0	2	2
12292	Puget Sound National Bank, Tacoma	1	0	1
	WEST VIRGINIA			
15385	The First National Bank of Belle, Belle	0	1	
	WISCONSIN			
144	First Wisconsin National Bank of Madison, Madison	1	0	1
15972	Manitowoc Savings Bank, National Association, Manitowoc	1	0	1
14460	The First National Bank in Menomonie, Menomonie	0	2	2
14109	National Bank of Commerce in Superior, Superior	0	2	2

Table B–20

Domestic branches of National banks closed, by States, calendar 1972

Charter No.	Title and location of bank	Branches closed: Local	Outside branches	Total
	Total	42	127	169
	ARIZONA			
14324	The Valley National Bank of Arizona, Phoenix	1	0	1
	CALIFORNIA			
14670	Community National Bank, Bakersfield	0	1	1
14695	City National Bank, Beverly Hills	0	1	1
2491	Security Pacific National Bank, Los Angeles	2	0	2
3050	Southern California First National Bank, San Diego	1	2	3
10391	United States National Bank, San Diego	0	1	1
13044	Bank of America National Trust and Savings Association, San Francisco	0	9	9
9655	The Bank of California, National Association, San Francisco	0	1	1
1741	Crocker National Bank, San Francisco	0	1	1
	COLORADO			
14248	Union National Bank in Denver, Denver	1	0	1
	CONNECTICUT			
227	The Second National Bank of New Haven, New Haven	5	12	17
	DISTRICT OF COLUMBIA			
15127	Public National Bank, District of Columbia	1	0	1
	GEORGIA			
9617	The Fulton National Bank of Atlanta, Atlanta	2	0	2
	IDAHO			
11076	The Farmers National Bank of Buhl, Buhl	0	1	1
	INDIANA			
2234	The Merchants National Bank of Muncie, Muncie	1	0	1
	IOWA			
14868	Northwest Des Moines National Bank, Des Moines	0	1	1
3320	The First National Bank of Sibley, Sibley	0	1	1
	KANSAS			
14959	Seneca National Bank of Wichita, Wichita	1	0	1
	KENTUCKY			
5900	The Citizens National Bank of Bowling Green, Bowling Green	1	0	1
	MAINE			
2260	First-Manufacturers National Bank of Lewiston and Auburn, Lewiston	0	1	1
941	Canal National Bank, Portland	0	2	2
	MASSACHUSETTS			
474	First National Bank of Franklin County, Greenfield	1	0	1
1082	First Agricultural National Bank of Berkshire County, Pittsfield	2	0	2
14816	Security National Bank of Springfield, Springfield	2	0	2
2232	First Bristol County National Bank, Taunton	0	1	1
79	Worcester County National Bank, Worcester	0	1	1
	MICHIGAN			
13820	American National Bank and Trust Company of Michigan, Kalamazoo	0	1	1
15403	Valley National Bank of Saginaw, Saginaw	0	1	1

Table B-20—Continued

Domestic branches of National banks closed, by States, calendar 1972

Charter No.	Title and location of bank	Branches closed: Local	Branches closed: Outside branches	Branches closed: Total
	NEW JERSEY			
1209	South Jersey National Bank, Camden	0	2	2
14162	The United National Bank of Bergen County, Cliffside Park	3	1	4
1436	The National State Bank, Elizabeth, N.J., Elizabeth	0	1	1
4365	Citizens National Bank, Englewood	0	1	1
10376	Keansburg-Middletown National Bank, Middletown	0	5	5
1452	First National State Bank of New Jersey, Newark	1	0	1
12425	The Union Center National Bank, Union	0	1	1
	NEW YORK			
1198	The Tanners National Bank of Catskill, Catskill	1	0	1
6587	Security National Bank, Huntington	0	1	1
7703	National Bank of North America, New York	1	1	2
2370	The Chase Manhattan Bank (National Association), New York	0	1	1
1461	First National City Bank, New York	0	1	1
13664	The First National Bank of Painted Post, Painted Post	0	1	1
11881	Valley National Bank of Long Island, Valley Stream	1	20	21
	NORTH CAROLINA			
15650	First Union National Bank of North Carolina, Charlotte	1	0	1
13761	North Carolina National Bank, Charlotte	0	3	3
10610	Southern National Bank of North Carolina, Lumberton	0	1	1
10608	The Planters National Bank and Trust Company, Rocky Mount	0	1	1
15673	The Wachovia Bank and Trust Company, N.A., Winston-Salem	0	3	3
	OHIO			
7744	The Athens National Bank, Athens	1	0	1
786	The National City Bank of Cleveland, Cleveland	0	1	1
2604	The Winters National Bank and Trust Company of Dayton, Dayton	1	0	1
8228	The First Bank of Harrison, Harrison	1	0	1
	PENNSYLVANIA			
2428	The Bradford National Bank, Bradford	1	1	2
14156	Community National Bank of Pennsylvania, Johnstown	0	4	4
240	The First National Bank of Lebanon, Lebanon	2	3	5
705	The Union National Bank of Pittsburgh, Pittsburgh	0	2	2
	RHODE ISLAND			
15664	Industrial National Bank of Rhode Island, Providence	0	3	3
	SOUTH DAKOTA			
15639	United National Bank, Rapid City	0	1	1
	TENNESSEE			
13681	National Bank of Commerce, Memphis	1	0	1
8025	The Hamilton National Bank of Morristown, Morristown	2	0	2
3660	The First National Bank of South Pittsburg, South Pittsburg	0	1	1
	UTAH			
15243	American National Bank, Salt Lake City	0	1	1
	VERMONT			
1430	Vermont National Bank, Brattleboro	0	1	1
1698	The Howard National Bank and Trust Company, Burlington	1	13	14
	VIRGINIA			
15334	Bank of Virginia-Fredericksburg, National Association, Fredericksburg	1	2	3
15461	First National Bank of Norfolk, Norfolk	0	1	1
11387	The Peoples National Bank, Pulaski	1	1	2
1111	First & Merchants National Bank, Richmond	0	6	6
	WASHINGTON			
14394	The Peoples National Bank of Washington, Seattle	1	0	1
	Adjustment made from prior years	0	4	4

TABLE B-21

Principal assets, liabilities, and capital accounts of National banks, by deposit size, year-end 1971 and 1972

[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			
1972 *Deposit size*													
Less than $1.0	12	$16	$3	$5	$4	$3	$1	$9	$6	$2	$3	$0	$4
$1.0 to $1.9	65	132	17	57	39	27	3	101	59	41	11	0	18
$2.0 to $4.9	420	1, 731	233	772	576	326	25	1, 531	734	797	41	1	124
$5.0 to $9.9	904	7, 549	926	3, 552	2, 483	1, 155	117	6, 748	3, 049	3, 699	142	5	470
$10.0 to $24.9	1, 603	28, 795	3, 404	13, 898	9, 416	3, 788	478	25, 846	10, 999	14, 847	486	34	1, 556
$25.0 to $49.9	781	31, 065	3, 707	15, 709	9, 608	3, 449	542	27, 614	11, 665	15, 949	555	66	1, 577
$50.0 to $99.9	404	31, 922	4, 048	16, 290	9, 619	3, 316	604	28, 278	12, 226	16, 051	564	91	1, 563
$100.0 to $499.9	315	77, 682	11, 752	39, 685	20, 626	6, 680	1, 378	66, 808	32, 345	34, 463	1, 355	320	3, 652
$500.0 and over	110	256, 057	43, 311	140, 489	51, 367	16, 555	4, 186	202, 493	101, 482	101, 011	4, 344	1, 612	11, 757
Total	4, 614	434, 947	67, 401	230, 456	103, 736	35, 299	7, 333	359, 427	172, 565	186, 862	7, 500	2, 129	20, 723
1971 *Deposit size*													
Less than $1.0	15	17	3	6	4	3	—	10	7	3	3	0	4
$1.0 to $1.9	75	140	22	59	47	33	2	116	71	46	6	—	15
$2.0 to $4.9	549	2, 260	313	1, 007	775	445	34	1, 990	946	1, 044	54	—	167
$5.0 to $9.9	992	8, 270	1, 068	3, 875	2, 786	1, 350	138	7, 367	3, 322	4, 044	159	3	516
$10.0 to $24.9	1, 556	27, 566	3, 366	13, 145	9, 263	3, 930	481	24, 631	10, 565	14, 066	493	25	1, 517
$25.0 to $49.9	690	27, 546	3, 462	13, 600	8, 752	3, 328	509	24, 377	10, 521	13, 856	506	49	1, 409
$50.0 to $99.9	338	26, 447	3, 421	13, 231	8, 155	3, 027	507	23, 293	10, 139	13, 153	484	62	1, 321
$100.0 to $499.9	289	71, 275	11, 646	35, 699	19, 395	8, 320	1, 311	61, 278	30, 416	30, 861	1, 346	203	3, 477
$500.0 and over	96	212, 935	35, 900	113, 522	46, 853	15, 959	3, 628	171, 151	85, 997	85, 153	3, 777	1, 107	10, 368
Total	4, 600	376, 456	59, 201	194, 145	96, 029	36, 396	6, 611	314, 212	151, 985	162, 227	6, 828	1, 449	18, 795

*Loans and securities figures are shown gross; reserves are not deducted from the respective assets.
†Investment securities only; excludes securities held in trading accounts.

NOTE: Data may not add to totals because of rounding. Dashes indicate amounts of less than $500,000.

Table B–22

Dates of reports of condition of National banks, 1914–72

[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
1971				20		30			30			31
1972				18		30				10		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 information 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 conditions. (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–23

Total and principal assets of National banks, by States, June 30, 1972

[Dollar amounts in millions]

	Number of banks	Total assets	Cash assets*	Securities, gross† U.S. Government obligations‡	Securities, gross† State and local	Securities, gross† Other	Loans, gross	Federal funds sold§	Direct lease financing
United States	4, 607	$392, 163	$60, 197	$42, 892	$51, 033	$2, 885	$207, 414	$12, 756	$97
Alabama	88	4, 564	696	516	773	25	2, 260	160	1
Alaska	5	628	93	73	141	2	284	5	—
Arizona	3	3, 754	472	286	537	9	2, 277	20	3
Arkansas	69	2, 164	344	292	283	7	1, 074	93	3
California	55	54, 860	7, 996	5, 846	5, 715	207	29, 741	2, 706	342
Colorado	122	4, 446	734	389	528	26	2, 509	92	7
Connecticut	26	3, 658	659	206	527	39	2, 057	49	—
Delaware	5	44	4	11	2	—	25	1	0
District of Columbia	11	2, 380	436	265	301	15	1, 275	31	1
Florida	236	12, 161	2, 005	1, 782	2, 050	119	5, 460	346	9
Georgia	61	5, 715	989	321	579	56	3, 309	161	9
Hawaii	1	93	12	17	6	—	54	0	0
Idaho	7	1, 239	137	119	198	19	725	4	2
Illinois	415	31, 700	3, 826	4, 216	4, 129	388	17, 157	734	77
Indiana	122	8, 742	1, 380	1, 143	1, 086	76	4, 274	517	32
Iowa	100	2, 876	537	407	344	10	1, 423	89	2
Kansas	171	3, 404	493	580	451	11	1, 560	221	2
Kentucky	80	2, 854	415	414	409	9	1, 428	104	4
Louisiana	50	5, 056	788	842	713	23	2, 273	270	12
Maine	20	873	117	55	135	2	511	24	—
Maryland	39	3, 381	540	340	603	22	1, 701	77	3
Massachusetts	82	9, 878	1, 740	760	1, 313	85	5, 215	301	62
Michigan	105	15, 176	2, 441	1, 709	1, 836	147	8, 092	503	12
Minnesota	198	8, 036	1, 197	1, 050	869	65	4, 437	165	28
Mississippi	38	2, 086	340	294	238	10	1, 102	35	1
Missouri	100	6, 982	1, 287	731	926	30	3, 456	368	20
Montana	54	1, 164	142	178	150	4	639	18	—
Nebraska	125	3, 034	463	351	349	10	1, 721	55	—
Nevada	4	1, 066	129	149	141	6	558	41	5
New Hampshire	48	873	130	112	95	2	493	17	—
New Jersey	119	13, 235	1, 695	1, 706	2, 378	193	6, 686	185	17
New Mexico	33	1, 493	216	171	231	6	768	61	—
New York	163	55, 053	9, 857	4, 235	5, 997	406	31, 104	674	169
North Carolina	23	6, 980	1, 158	623	998	22	3, 814	114	5
North Dakota	43	958	110	163	130	2	516	13	—
Ohio	219	16, 158	2, 102	2, 357	2, 513	151	7, 990	594	29
Oklahoma	194	5, 674	935	752	967	41	2, 519	301	11
Oregon	8	4, 367	684	379	579	9	2, 466	46	8
Pennsylvania	284	23, 909	3, 343	2, 745	3, 476	297	12, 664	602	44
Rhode Island	5	2, 103	237	119	346	19	1, 280	37	1
South Carolina	19	1, 949	333	179	267	3	1, 035	75	—
South Dakota	32	1, 185	134	170	164	2	660	21	—
Tennessee	77	6, 909	1, 220	822	902	71	3, 444	218	8
Texas	534	25, 390	4, 526	2, 574	3, 671	139	12, 426	1, 163	11
Utah	9	1, 173	187	101	126	6	696	15	8
Vermont	25	442	39	43	65	5	272	10	—
Virginia	100	6, 616	783	711	913	25	3, 824	148	2
Washington	23	6, 763	894	507	750	18	3, 576	677	6
West Virginia	87	2, 203	255	399	369	11	1, 030	74	2
Wisconsin	127	5, 794	820	549	642	33	3, 074	506	11
Wyoming	42	775	105	123	100	2	405	11	2
Virgin Islands	1	145	20	10	25	—	83	3	0
District of Columbia—all ‖	14	3, 541	693	451	435	26	1, 818	40	1

*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.

Note: Data may not add to totals because of rounding. Dashes indicate amounts of less than $500,000.

Table B–24

Total and principal liabilities of National banks, by States, June 30, 1972

[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	$354,479	$322,385	$149,877	$172,509	$111,974	$147,298	$21,541	$3,962
Alabama	4,175	3,958	1,922	2,035	1,454	1,793	68	42
Alaska	582	554	241	314	196	144	10	6
Arizona	3,495	3,090	1,231	1,859	1,039	1,735	274	29
Arkansas	1,978	1,875	963	912	739	835	61	17
California	51,142	45,484	17,400	28,084	14,358	22,415	3,701	525
Colorado	4,111	3,742	1,884	1,858	1,457	1,597	222	37
Connecticut	3,374	3,084	1,657	1,427	1,301	1,237	168	34
Delaware	40	39	15	24	14	24	0	—
District of Columbia	2,163	2,073	1,271	802	1,085	776	42	22
Florida	11,198	10,487	5,334	5,153	4,201	4,412	415	84
Georgia	5,203	4,328	2,554	1,774	1,943	1,470	611	5
Hawaii	87	85	37	49	32	34	0	—
Idaho	1,146	1,088	457	631	367	583	7	10
Illinois	28,866	25,497	10,877	14,620	8,481	12,651	2,133	399
Indiana	8,082	7,285	3,380	3,905	2,348	3,654	531	72
Iowa	2,653	2,486	1,210	1,276	806	1,191	111	25
Kansas	3,086	2,841	1,442	1,399	983	1,199	159	24
Kentucky	2,606	2,491	1,263	1,228	1,010	1,146	57	29
Louisiana	4,623	4,301	2,130	2,171	1,576	1,655	201	46
Maine	800	739	353	386	282	356	27	7
Maryland	3,105	2,882	1,548	1,334	1,206	1,250	137	29
Massachusetts	8,987	7,475	4,532	2,942	3,354	2,573	855	112
Michigan	13,985	13,152	5,076	8,076	3,622	6,943	461	152
Minnesota	7,361	6,290	2,836	3,454	1,895	3,139	765	70
Mississippi	1,918	1,816	960	856	655	706	49	18
Missouri	6,342	5,532	3,292	2,240	2,261	2,067	699	64
Montana	1,080	1,012	374	638	305	579	24	10
Nebraska	2,766	2,553	1,237	1,317	894	1,230	143	29
Nevada	985	956	417	539	333	433	1	8
New Hampshire	785	722	412	310	340	284	17	8
New Jersey	12,176	11,591	4,996	6,595	3,939	6,164	141	123
New Mexico	1,378	1,303	603	699	456	528	32	12
New York	49,795	42,730	23,119	19,611	14,652	15,780	3,141	775
North Carolina	6,418	5,792	2,851	2,941	2,152	2,457	273	64
North Dakota	881	843	297	547	243	512	8	10
Ohio	14,739	13,479	5,577	7,902	4,314	7,119	738	146
Oklahoma	5,171	4,799	2,358	2,440	1,696	2,016	254	42
Oregon	4,005	3,687	1,581	2,106	1,327	1,837	181	41
Pennsylvania	21,664	19,684	8,216	11,468	6,519	10,242	878	238
Rhode Island	1,937	1,761	617	1,144	484	1,091	109	19
South Carolina	1,789	1,630	1,090	540	890	509	65	18
South Dakota	1,087	1,044	380	664	306	600	8	14
Tennessee	6,349	5,779	2,681	3,099	1,853	2,536	363	54
Texas	23,312	20,729	11,104	9,624	8,071	7,390	1,900	230
Utah	1,083	970	414	556	318	472	61	9
Vermont	405	391	126	265	108	261	—	4
Virginia	6,086	5,680	2,322	3,358	1,922	3,024	170	60
Washington	6,273	5,234	2,263	2,971	1,896	2,721	850	62
West Virginia	2,007	1,886	809	1,077	604	1,047	49	18
Wisconsin	5,356	4,657	1,859	2,798	1,425	2,474	363	54
Wyoming	709	680	285	394	216	351	8	6
Virgin Islands	136	121	25	97	15	56	0	1
District of Columbia—all ‡	3,217	3,095	1,911	1,183	1,593	1,154	56	30

*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–25

Capital accounts of National banks, by States, June 30, 1972

[Dollar amounts in millions]

	Total capital accounts	Debentures	Preferred stock	Common stock	Surplus	Undivided profits	Capital reserves
United States	28, 720	$1, 902	$43	$7, 153	$12, 171	$6, 989	$462
Alabama	347	4	0	93	144	96	11
Alaska	40	1	0	13	14	11	—
Arizona	230	43	0	37	90	60	—
Arkansas	169	12	0	39	60	53	4
California	3, 193	425	0	740	1, 298	668	62
Colorado	298	15	—	79	122	80	1
Connecticut	250	12	0	59	133	46	—
Delaware	4	0	0	1	1	1	—
District of Columbia	195	1	2	40	97	55	1
Florida	880	41	—	260	348	211	20
Georgia	459	65	0	115	131	105	41
Hawaii	6	2	0	2	1	1	0
Idaho	82	0	0	20	44	18	0
Illinois	2, 435	46	2	673	1, 190	481	44
Indiana	588	4	0	131	251	192	9
Iowa	197	5	0	43	73	71	5
Kansas	294	7	1	74	115	95	3
Kentucky	219	1	0	40	113	60	4
Louisiana	387	1	3	82	182	115	5
Maine	65	—	0	21	22	21	1
Maryland	247	3	0	53	102	78	11
Massachusetts	780	36	0	161	394	161	28
Michigan	1, 039	190	4	217	400	218	10
Minnesota	605	83	0	153	175	188	6
Mississippi	150	7	0	38	97	8	1
Missouri	577	27	3	137	208	200	1
Montana	74	5	0	27	27	13	1
Nebraska	239	19	—	55	77	83	3
Nevada	73	0	0	23	22	28	—
New Hampshire	80	1	0	14	43	22	1
New Jersey	935	46	—	243	397	231	18
New Mexico	103	12	0	26	38	22	4
New York	4, 484	305	20	1, 254	1, 993	902	9
North Carolina	499	90	0	109	186	110	4
North Dakota	68	5	0	18	21	21	2
Ohio	1, 273	31	0	314	614	312	2
Oklahoma	461	38	0	110	148	163	2
Oregon	320	75	0	80	102	63	0
Pennsylvania	2, 006	84	7	394	970	501	50
Rhode Island	146	—	0	29	73	45	—
South Carolina	142	0	0	32	59	45	6
South Dakota	84	6	0	21	27	29	1
Tennessee	505	21	0	128	196	150	11
Texas	1, 848	66	1	541	685	506	50
Utah	80	0	0	21	40	16	3
Vermont	34	2	—	7	10	13	1
Virginia	470	27	0	121	188	131	3
Washington	429	5	0	121	178	110	14
West Virginia	179	3	0	34	83	54	5
Wisconsin	384	27	0	102	156	94	5
Wyoming	60	2	0	7	26	24	1
Virgin Islands	8	0	0	—	4	3	—
District of Columbia—all*	294	14	2	52	129	95	1

*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

Total and principal assets of National banks, by States, Dec. 31, 1972

[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	4,614	$434,947	$67,401	$47,866	$52,717	$3,154	$230,456	$16,672	$1,073
Alabama	89	5,053	717	606	866	53	2,470	196	1
Alaska	5	649	81	88	134	4	308	7	—
Arizona	3	4,304	460	329	550	13	2,615	154	4
Arkansas	70	2,754	483	356	325	8	1,354	143	3
California	55	58,797	9,105	6,443	5,550	257	32,605	2,041	374
Colorado	124	4,913	784	425	540	23	2,774	185	7
Connecticut	26	3,694	662	208	505	26	2,051	118	4
Delaware	5	47	4	11	2	—	27	1	0
District of Columbia	11	2,504	381	279	291	16	1,359	111	3
Florida	244	14,070	2,403	1,933	2,140	126	6,385	654	12
Georgia	61	6,268	1,116	313	588	75	3,666	209	9
Hawaii	1	106	12	20	5	—	59	5	0
Idaho	7	1,427	195	158	198	19	798	19	3
Illinois	415	35,953	4,568	4,649	4,247	411	19,768	1,056	71
Indiana	122	9,483	1,438	1,196	1,075	102	4,812	572	41
Iowa	100	3,193	546	505	350	9	1,542	175	1
Kansas	171	3,742	585	622	454	11	1,721	254	2
Kentucky	80	3,213	480	471	413	10	1,548	207	7
Louisiana	50	5,693	962	957	706	18	2,582	314	12
Maine	19	882	116	59	111	2	550	13	0
Maryland	39	3,632	534	360	620	17	1,923	77	3
Massachusetts	82	10,755	1,888	904	1,125	79	5,616	602	29
Michigan	106	16,372	2,408	1,833	1,987	152	8,837	661	12
Minnesota	199	8,992	1,278	1,296	1,000	63	4,906	198	38
Mississippi	38	2,322	389	274	273	10	1,236	66	—
Missouri	102	8,006	1,492	840	933	28	3,743	780	25
Montana	54	1,295	144	216	169	3	679	50	—
Nebrasks	123	3,452	524	393	370	12	1,841	219	—
Nevada	4	1,135	127	144	143	6	611	50	9
New Hampshire	48	933	129	128	83	2	525	39	—
New Jersey	121	14,398	1,654	1,930	2,430	254	7,236	441	20
New Mexico	33	1,633	237	188	228	6	849	80	—
New York	163	62,614	11,832	4,698	6,459	469	34,788	785	166
North Carolina	23	7,901	1,403	726	1,052	22	4,311	124	7
North Dakota	43	1,048	116	187	154	2	541	22	—
Ohio	218	17,711	2,292	2,655	2,466	163	8,926	704	34
Oklahoma	192	6,218	1,015	818	1,020	39	2,848	305	16
Oregon	8	4,940	679	478	610	9	2,703	243	10
Pennsylvania	276	26,291	3,547	3,036	3,637	283	13,877	1,101	45
Rhode Island	5	2,288	218	147	289	5	1,486	76	7
South Carolina	19	2,116	353	200	250	4	1,142	102	—
South Dakota	32	1,307	150	187	196	2	708	29	—
Tennessee	73	7,748	1,284	952	968	74	3,918	262	30
Texas	538	29,107	5,234	2,920	4,019	168	13,810	1,982	15
Utah	10	1,370	238	111	125	3	789	60	8
Vermont	24	476	42	45	56	4	297	22	—
Virginia	101	7,229	823	733	975	27	4,270	165	6
Washington	23	7,064	981	552	842	19	3,868	435	17
West Virginia	88	2,468	283	429	391	10	1,159	123	2
Wisconsin	127	6,375	873	706	666	34	3,496	402	13
Wyoming	42	873	121	138	112	6	435	33	2
Virgin Islands	1	131	9	13	20	—	84	0	0
Puerto Rico	1	7	3	2	0	—	2	0	0
District of Columbia—all‖	14	3,720	593	468	420	26	1,965	159	3

*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.

Note: Data may not add to totals because of rounding. Dashes indicate amounts less than $500,000.

Table B–27

Total and principal liabilities of National banks, by States, Dec. 31, 1972

[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	$400, 413	$359, 427	$172, 565	$186, 862	$130, 376	$157, 663	$24, 349	$4, 179
Alabama	4, 644	4, 350	2, 167	2, 183	1, 681	1, 884	136	44
Alaska	599	578	251	327	212	154	2	6
Arizona	4, 004	3, 585	1, 381	2, 204	1, 184	1, 981	266	33
Arkansas	2, 530	2, 360	1, 249	1, 111	941	1, 014	116	22
California	54, 805	49, 046	19, 598	29, 448	16, 305	23, 157	3, 600	563
Colorado	4, 551	4, 231	2, 231	2, 000	1, 749	1, 776	166	41
Connecticut	3, 421	3, 204	1, 845	1, 359	1, 479	1, 151	130	34
Delaware	43	42	17	25	16	25	0	—
District of Columbia	2, 280	2, 164	1, 322	842	1, 150	819	70	23
Florida	13, 001	12, 265	6, 381	5, 884	4, 915	4, 850	420	96
Georgia	5, 727	4, 933	2, 950	1, 983	2, 213	1, 641	480	57
Hawaii	100	98	42	56	37	36	0	1
Idaho	1, 325	1, 269	572	692	458	636	12	11
Illinois	33, 020	29, 133	12, 555	16, 578	9, 585	14, 189	2, 277	416
Indiana	8, 796	7, 843	3, 690	4, 153	2, 726	3, 890	686	74
Iowa	2, 961	2, 672	1, 318	1, 355	933	1, 270	238	27
Kansas	3, 413	3, 149	1, 688	1, 461	1, 148	1, 276	171	26
Kentucky	2, 954	2, 804	1, 477	1, 327	1, 175	1, 213	87	31
Louisiana	5, 217	4, 780	2, 485	2, 295	1, 815	1, 794	287	50
Maine	807	778	364	413	305	382	9	9
Maryland	3, 340	3, 114	1, 617	1, 497	1, 326	1, 349	135	32
Massachusetts	9, 833	8, 306	5, 281	3, 026	3, 898	2, 536	1, 010	116
Michigan	15, 077	14, 193	5, 811	8, 382	4, 184	7, 273	485	159
Minnesota	8, 290	7, 334	3, 495	3, 839	2, 369	3, 455	660	79
Mississippi	2, 144	2, 003	1, 065	938	766	771	88	21
Missouri	7, 348	6, 320	3, 995	2, 325	2, 707	2, 143	900	65
Montana	1, 204	1, 137	449	688	362	618	25	11
Nebraska	3, 176	2, 937	1, 526	1, 411	1, 117	1, 282	163	31
Nevada	1, 049	1, 008	429	579	359	468	0	9
New Hampshire	842	805	482	322	371	302	11	9
New Jersey	13, 276	12, 848	5, 812	7, 036	4, 536	6, 458	101	130
New Mexico	1, 512	1, 427	628	799	504	578	39	13
New York	57, 049	48, 146	26, 263	21, 884	17, 426	17, 232	4, 227	778
North Carolina	7, 296	6, 586	3, 320	3, 265	2, 589	2, 718	360	69
North Dakota	967	938	364	573	305	544	6	10
Ohio	16, 235	14, 958	6, 596	8, 363	5, 126	7, 470	810	150
Oklahoma	5, 697	5, 278	2, 674	2, 604	1, 976	2, 137	323	45
Oregon	4, 538	4, 201	1, 807	2, 394	1, 524	1, 908	175	44
Pennsylvania	23, 980	21, 391	9, 154	12, 237	7, 455	10, 812	1, 462	247
Rhode Island	2, 116	1, 949	674	1, 275	533	1, 187	114	19
South Carolina	1, 948	1, 804	1, 230	574	1, 035	536	75	21
South Dakota	1, 206	1, 165	448	716	374	651	10	13
Tennessee	7, 164	6, 469	3, 099	3, 370	2, 144	2, 746	382	57
Texas	26, 917	23, 893	13, 281	10, 612	9, 625	8, 138	2, 401	253
Utah	1, 262	1, 165	556	610	418	494	52	10
Vermont	437	427	144	283	120	269	—	4
Virginia	6, 669	6, 190	2, 602	3, 588	2, 207	3, 205	226	67
Washington	6, 560	5, 881	2, 651	3, 230	2, 231	2, 946	482	68
West Virginia	2, 257	2, 100	889	1, 212	679	1, 156	86	20
Wisconsin	5, 899	5, 293	2, 280	3, 013	1, 809	2, 702	370	59
Wyoming	803	775	338	437	257	384	5	6
Virgin Islands	121	103	20	83	16	54	13	2
Puerto Rico	5	5	2	3	2	3	0	0
District of Columbia—all‡	3, 384	3, 205	1, 970	1, 235	1, 671	1, 207	115	33

*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–28

Capital accounts of National banks, by States, Dec. 31, 1972

[Dollar amounts in millions]

	Total capital accounts	Debentures	Preferred stock	Common stock	Surplus	Undivided profits	Capital reserves
United States	$30, 352	$2, 129	$42	$7, 458	$12, 717	$7, 524	$482
Alabama	364	3	0	94	148	108	10
Alaska	43	1	0	13	18	11	—
Arizona	267	75	0	37	90	65	0
Arkansas	202	21	0	48	69	59	5
California	3, 428	431	0	745	1, 392	760	100
Colorado	322	23	—	81	126	91	1
Connecticut	239	12	0	55	130	42	—
Delaware	4	0	0	1	1	1	—
District of Columbia	201	1	2	40	97	61	1
Florida	973	40	0	281	395	238	19
Georgia	484	69	0	117	138	114	45
Hawaii	6	2	0	2	1	1	0
Idaho	91	5	0	26	40	20	0
Illinois	2, 516	61	1	677	1, 312	419	46
Indiana	613	3	0	143	251	207	9
Iowa	204	5	0	48	71	74	6
Kansas	302	7	1	76	118	99	2
Kentucky	229	2	0	61	101	61	4
Louisiana	426	12	3	84	194	128	5
Maine	66	—	0	21	22	21	1
Maryland	260	3	0	53	104	89	11
Massachusetts	805	36	0	162	295	211	2
Michigan	1, 137	194	4	245	432	248	13
Minnesota	623	84	0	154	180	199	7
Mississippi	157	8	0	38	109	2	1
Missouri	594	28	3	140	216	205	1
Montana	80	5	0	28	28	18	1
Nebraska	244	19	—	56	78	87	3
Nevada	77	0	0	23	22	33	—
New Hampshire	83	1	0	14	43	24	1
New Jersey	992	55	—	255	414	252	16
New Mexico	109	12	0	27	38	27	4
New York	4, 787	305	20	1, 359	2, 028	1, 067	7
North Carolina	536	89	0	127	223	93	5
North Dakota	70	5	0	19	23	22	2
Ohio	1, 325	36	0	318	646	323	2
Oklahoma	475	41	0	112	150	171	2
Oregon	357	100	0	80	102	75	0
Pennsylvania	2, 064	119	6	395	488	505	50
Rhode Island	154	5	0	30	73	46	—
South Carolina	147	0	0	33	65	47	3
South Dakota	88	7	0	24	28	29	1
Tennessee	527	21	0	129	199	167	11
Texas	1, 936	92	1	550	700	536	57
Utah	97	13	0	30	37	18	0
Vermont	34	2	—	8	10	14	1
Virginia	493	27	0	125	194	143	3
Washington	436	5	—	127	181	111	11
West Virginia	191	3	0	35	88	58	6
Wisconsin	418	39	0	105	175	93	6
Wyoming	63	3	0	7	26	26	1
Virgin Islands	8	0	0	—	4	3	—
Puerto Rico	2	0	0	1	1	—	0
District of Columbia—all*	304	14	2	53	131	102	1

*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

Loans of National banks, by States, Dec. 31, 1972

[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	$230, 456	$56, 121	$19, 041	$8, 427	$7, 264	$82, 459	$50, 468	$6, 676
Alabama	2, 470	492	126	22	43	755	946	87
Alaska	308	133	1	—	—	96	76	1
Arizona	2, 615	786	154	31	239	693	673	39
Arkansas	1, 354	344	37	38	71	383	464	15
California	32, 605	9, 609	2, 938	792	1, 084	11, 401	5, 757	1, 023
Colorado	2, 774	627	183	31	279	788	806	60
Connecticut	2, 051	737	94	7	2	566	544	101
Delaware	27	15	1	0	1	3	8	—
District of Columbia	1, 359	436	203	20	—	344	325	39
Florida	6, 385	1, 659	307	110	69	2, 078	2, 038	125
Georgia	3, 665	721	266	45	23	1, 269	1, 259	82
Hawaii	59	25	0	0	—	26	6	—
Idaho	798	218	10	4	127	191	244	4
Illinois	19, 768	3, 074	2, 795	1, 467	483	8, 543	2, 715	690
Indiana	4, 812	1, 521	360	119	112	1, 212	1, 409	77
Iowa	1, 542	376	26	40	307	396	373	23
Kansas	1, 721	235	51	45	429	501	445	14
Kentucky	1, 548	434	70	36	79	375	513	42
Louisiana	2, 582	551	196	59	30	962	713	71
Maine	550	206	3	1	6	173	156	5
Maryland	1, 923	640	114	53	19	529	536	32
Massachusetts	5, 616	948	607	80	7	2, 842	977	153
Michigan	8, 837	3, 648	631	129	65	2, 145	1, 960	260
Minnesota	4, 906	1, 258	302	160	231	1, 816	1, 067	71
Mississippi	1, 236	271	71	17	39	366	441	30
Missouri	3, 743	634	278	189	170	1, 485	898	89
Montana	679	189	3	2	126	159	197	4
Nebraska	1, 841	218	37	71	609	451	432	22
Nevada	611	247	11	3	10	153	180	7
New Hampshire	525	150	7	3	5	162	190	8
New Jersey	7, 236	3, 025	294	77	13	1, 887	1, 800	140
New Mexico	849	152	26	10	88	283	261	29
New York	34, 788	5, 744	4, 272	3, 097	125	15, 860	4, 519	1, 171
North Carolina	4, 311	543	318	44	38	1, 712	1, 436	220
North Dakota	541	165	2	1	97	149	122	5
Ohio	8, 926	2, 602	455	204	106	2, 591	2, 720	247
Oklahoma	2, 848	577	173	96	291	954	651	106
Oregon	2, 703	676	216	29	102	1, 138	515	27
Pennsylvania	13, 877	4, 008	1, 271	206	179	4, 491	3, 251	470
Rhode Island	1, 486	619	101	1	2	454	278	29
South Carolina	1, 142	209	25	18	15	381	439	55
South Dakota	708	169	3	4	234	146	146	5
Tennessee	3, 918	641	265	65	49	1, 562	1, 271	64
Texas	13, 810	2, 075	1, 122	750	790	5, 569	2, 935	570
Utah	789	248	42	31	30	234	168	35
Vermont	297	160	—	2	8	51	70	5
Virginia	4, 270	1, 203	129	40	77	1, 279	1, 417	124
Washington	3, 868	1, 100	236	100	177	1, 391	793	69
West Virginia	1, 159	373	28	4	9	253	474	17
Wisconsin	3, 496	1, 272	179	64	83	1, 072	717	109
Wyoming	435	99	4	3	84	127	116	2
Virgin Islands	84	64	0	0	—	11	8	—
Puerto Rico	2	0	0	0	0	2	—	—
District of Columbia—all*	1, 965	615	294	40	—	470	467	75

*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–30

Outstanding balances, credit cards and related plans of National banks, Dec. 31, 1972

	Credit cards			Other related credit plans	
	Number of banks	*Outstanding volume* (dollars in thousands)	*Average balance per card**	*Number of banks*	*Outstanding volume* (dollars in thousands)
United States	801	3, 930, 643	$262	789	958, 077
Alabama	16	56, 561	236	8	2, 313
Alaska	1	5, 618	352	0	0
Arizona	2	73, 077	285	2	15, 810
Arkansas	4	13, 959	212	6	472
California	28	783, 650	320	21	169, 074
Colorado	40	96, 849	213	40	11, 936
Connecticut	6	43, 596	289	8	13, 469
Delaware	0	0	0	0	0
District of Columbia	1	54, 513	208	2	7, 182
Florida	59	109, 422	215	39	37, 653
Georgia	24	139, 129	258	7	11, 396
Hawaii	0	0	0	0	0
Idaho	3	16, 111	207	1	6, 058
Illinois	25	153, 222	349	76	33, 599
Indiana	41	56, 841	248	15	9, 523
Iowa	6	18, 164	194	12	2, 020
Kansas	4	31, 275	257	9	953
Kentucky	34	37, 084	225	6	2, 991
Louisiana	6	40, 540	292	5	4, 215
Maine	14	8, 988	217	7	1, 576
Maryland	2	46, 411	226	8	9, 277
Massachusetts	43	64, 745	256	39	71, 082
Michigan	31	160, 844	203	26	39, 353
Minnesota	3	8, 830	145	74	30, 308
Mississippi	2	17, 828	215	3	1, 210
Missouri	10	112, 317	238	15	10, 029
Montana	4	1, 324	212	7	488
Nebraska	5	56, 484	219	16	2, 831
Nevada	3	13, 236	263	1	3, 529
New Hampshire	24	9, 852	214	6	1, 923
New Jersey	18	41, 830	238	28	45, 050
New Mexico	5	13, 907	257	2	607
New York	33	463, 405	284	32	197, 323
North Carolina	8	86, 049	255	11	30, 128
North Dakota	6	476	450	11	1, 165
Ohio	106	214, 666	285	48	24, 638
Oklahoma	7	56, 760	236	13	2, 191
Oregon	2	59, 912	267	0	0
Pennsylvania	21	140, 201	252	32	92, 448
Rhode Island	4	24, 583	273	2	11, 555
South Carolina	5	33, 109	259	3	758
South Dakota	0	0	0	4	261
Tennessee	13	86, 992	238	8	5, 600
Texas	49	183, 690	235	39	10, 390
Utah	4	19, 558	127	0	0
Vermont	5	1, 640	102	2	614
Virginia	18	97, 287	243	20	8, 779
Washington	6	104, 244	278	5	9, 520
West Virginia	8	11, 391	265	5	531
Wisconsin	33	59, 577	278	55	14, 775
Wyoming	9	896	279	10	1, 474
Virgin Islands	0	0	0	0	0
Puerto Rico	0	0	0	0	0

*Average balance for cards with outstanding balances on Dec. 31, 1972.

Table B–31

National banks engaged in direct lease financing, Dec. 31, 1972

	Total number of banks	*Number of banks engaged in direct lease financing*	*Amount of direct lease financing* (dollars in thousands)
Alabama	89	6	1, 422
Alaska	5	1	17
Arizona	3	2	3, 775
Arkansas	70	7	2, 916
California	55	20	373, 786
Colorado	124	25	7, 373
Connecticut	26	5	4, 273
Delaware	5	0	0
District of Columbia*	14	3	3, 210
Florida	244	23	12, 241
Georgia	61	12	8, 662
Hawaii	1	0	0
Idaho	7	2	3, 251
Illinois	415	39	71, 099
Indiana	122	13	41, 356
Iowa	100	9	1, 344
Kansas	171	16	1, 756
Kentucky	80	4	6, 862
Louisiana	50	6	12, 097
Maine	19	0	0
Maryland	39	4	3, 402
Massachusetts	82	6	29, 454
Michigan	106	25	12, 439
Minnesota	199	14	38, 191
Mississippi	38	3	487
Missouri	102	20	24, 736
Montana	54	3	423
Nebraska	123	7	414
Nevada	4	2	9, 376
New Hampshire	48	1	3
New Jersey	121	7	20, 287
New Mexico	33	2	65
New York	163	12	166, 190
North Carolina	23	3	6, 636
North Dakota	43	1	51
Ohio	218	28	33, 711
Oklahoma	192	67	16, 380
Oregon	8	3	9, 670
Pennsylvania	276	13	44, 808
Rhode Island	5	2	6, 758
South Carolina	19	1	68
South Dakota	32	2	165
Tennessee	73	5	29, 753
Texas	538	30	15, 133
Utah	10	2	8, 407
Vermont	24	2	339
Virginia	101	9	6, 308
Washington	23	5	16, 930
West Virginia	88	9	1, 512
Wisconsin	127	18	13, 222
Wyoming	42	11	2, 112
Virgin Islands	1	0	0
Puerto Rico	1	0	0
Total United States and possessions*	4, 617	510	1, 072, 870

*Includes 3 non-National banks in the District of Columbia.

Table B–32

Income and expenses of National banks, by States, year ended Dec. 31, 1972*

[Dollar amounts in thousands]

	United States	*Alabama*	*Alaska*	*Arizona*	*Arkansas*	*California*	*Colorado*	*Connecticut*
Number of banks	4, 614	89	5	3	70	55	124	26
Operating income:								
Interest and fees on loans	$15, 084, 947	$180, 044	$26, 046	$179, 847	$93, 915	$2, 181, 228	$202, 514	$141, 461
Income on Federal funds sold and securities purchased under agreements to resell	641, 771	9, 489	621	1, 432	5, 164	97, 176	6, 418	2, 416
Interest and dividends on investments:								
U.S. Treasury securities	1, 844, 474	24, 575	1, 869	14, 631	11, 679	237, 374	17, 043	7, 261
Obligations of other U.S. Government agencies and corporations	567, 168	5, 596	3, 083	3, 027	6, 064	70, 997	4, 881	3, 555
Obligations of States and political subdivisions	2, 039, 707	31, 127	5, 404	22, 883	13, 325	208, 658	21, 507	18, 974
Other securities	175, 601	1, 701	172	271	519	17, 541	1, 292	2, 243
Trust department income	770, 938	6, 559	502	6, 120	1, 914	91, 490	14, 050	14, 008
Service charges on deposit accounts	718, 310	12, 539	2, 810	9, 022	5, 988	131, 975	13, 848	7, 239
Other service charges, collection and exchange charges, commissions, and fees	695, 876	8, 577	2, 456	4, 745	3, 160	134, 981	12, 969	5, 510
Other operating income	1, 003, 844	6, 224	1, 241	3, 870	3, 345	192, 457	6, 291	4, 814
Total operating income	23, 542, 737	286, 431	44, 204	245, 848	145, 073	3, 363, 877	300, 813	207, 481
Operating expense:								
Salaries and wages of officers and employees	4, 461, 024	58, 051	11, 224	56, 036	28, 737	698, 617	60, 540	53, 158
Pensions and other employee benefits	778, 680	9, 060	1, 397	8, 563	4, 262	116, 479	9, 338	9, 860
Interest on deposits	8, 084, 736	96, 270	15, 238	94, 492	48, 714	1, 279, 790	88, 702	55, 821
Expense of Federal funds purchased and securities sold under agreements to repurchase	976, 133	4, 389	147	10, 267	3, 197	128, 102	7, 442	6, 934
Interest on borrowed money	77, 932	1, 174	9	0	353	2, 208	1, 838	208
Interest on capital notes and debentures	111, 299	220	40	2, 854	1, 222	25, 107	1, 333	587
Occupancy expense of bank premises, net	903, 572	8, 907	1, 776	10, 385	6, 167	150, 250	10, 313	12, 558
Furniture and equipment, depreciation, rental costs, servicing, etc	651, 214	10, 704	1, 556	7, 875	5, 341	73, 225	9, 439	7, 496
Provision for loan losses (or actual net loan losses)	584, 310	6, 431	966	4, 232	2, 429	82, 677	8, 841	5, 360
Other operating expenses	2, 685, 804	33, 932	4, 595	24, 652	18, 750	322, 158	49, 649	26, 231
Total operating expense	19, 314, 704	229, 138	36, 948	219, 356	119, 172	2, 878, 613	247, 435	178, 213
Income before income taxes and securities gains or losses	4, 228, 033	57, 293	7, 256	26, 492	25, 901	485, 264	53, 378	29, 268
Applicable income taxes	982, 206	12, 401	988	1, 414	5, 394	142, 141	14, 987	5, 702
Income before securities gains or losses	3, 245, 827	44, 892	6, 268	25, 078	20, 507	343, 123	38, 391	23, 566
Net securities gains or losses (after tax effect)	54, 137	1, 064	927	−598	1, 270	5, 709	979	−60
Net income before extraordinary items	3, 299, 964	45, 956	7, 195	24, 480	21, 777	348, 832	39, 370	23, 506
Extraordinary charges or credits	+8, 312	+77	0	+651	+20	+2, 992	+19	+276
Minority interest in consolidated subsidiaries	−370	+1	0	0	0	0	0	
Net income	3, 307, 906	46, 034	7, 195	25, 131	21, 797	351, 824	39, 389	23, 782

Changes in capital accounts:								
Increases:								
Net income transferred to undivided profits	3, 307, 906	46, 034	7, 195	25, 131	21, 797	351, 824	39, 389	23, 782
Capital stock, notes and debentures sold or issued including premium received	1, 303, 523	3, 546	1, 537	50, 314	6, 536	174, 735	16, 975	473
Addition to surplus, undivided profits and reserves incident to mergers and consolidations	109, 427	979	331	0	68	2, 248	300	0
Transfers from reserves on loans and securities	41, 433	177	0	0	288	102	321	216
All other increases	459, 425	3, 782	314	133	1, 237	216, 997	1, 652	224
Total increases	1, 913, 808	8, 484	2, 182	50, 447	8, 129	394, 082	19, 248	913
Decreases:								
Cash dividends declared:								
On common stock	1, 307, 628	16, 396	807	9, 789	5, 017	176, 438	13, 641	12, 249
On preferred stock	2, 703	0	0	0	0	0	19	0
Capital stock, notes and debentures, retired including premium paid	135, 537	101	20	0	363	12, 241	62	32
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations	27, 330	0	0	0	33	504	0	0
Transfers to reserves on loans and securities	150, 430	1, 139	−197	2, 306	1, 906	21, 259	2, 123	1, 222
All other decreases	269, 708	3, 722	15	253	447	87, 675	1, 456	267
Total decreases	1, 893, 336	21, 358	645	12, 348	7, 766	298, 117	17, 301	13, 770
Net change in capital accounts	3, 328, 378	33, 160	8, 732	63, 230	22, 160	447, 789	41, 336	10, 925
Capital accounts †	28, 716, 089	347, 057	39, 448	233, 145	177, 392	3, 202, 126	300, 929	244, 649
Ratios:								
Net income before dividends to capital accounts (percent)	11. 52	13. 26	18. 24	10. 78	12. 29	10. 99	13. 09	9. 72
Total operating expense to total operating revenue (percent)	82. 04	80. 00	83. 59	89. 22	82. 15	85. 57	82. 26	85. 89

See footnotes at end of table.

Table B-32—Continued

Income and expenses of National banks, by States, year ended Dec. 31, 1972*

[Dollar amounts in thousands]

	Delaware	*District of Columbia*	*Florida*	*Georgia*	*Hawaii*	*Idaho*	*Illinois*	*Indiana*
Number of banks	5	11	244	61	1	7	415	122
Operating income:								
Interest and fees on loans	$1, 909	$90, 561	$435, 417	$290, 974	$5, 072	$59, 290	$1, 119, 400	$320, 685
Income on Federal funds sold and securities purchased under agreements to resell	63	3, 244	23, 107	8, 786	67	1, 038	47, 088	20, 982
Interest and dividends on investments:								
U.S. Treasury securities	478	12, 997	60, 742	14, 602	644	7, 067	170, 128	48, 507
Obligations of other U.S. Government agencies and corporations	175	2, 057	40, 671	3, 667	277	1, 062	68, 200	15, 293
Obligations of States and political subdivisions	67	10, 337	86, 731	24, 044	272	8, 215	180, 509	44, 024
Other securities	6	890	7, 083	2, 295	5	799	24, 890	6, 321
Trust department income	0	6, 732	23, 922	13, 129	0	735	76, 320	14, 804
Service charges on deposit accounts	95	6, 156	27, 753	18, 659	13	3, 818	30, 254	15, 707
Other service charges, collection and exchange charges, commissions, and fees	38	1, 997	31, 392	8, 924	293	1, 794	36, 871	14, 676
Other operating income	42	3, 099	13, 237	22, 613	84	657	90, 374	12, 674
Total operating income	2, 873	138, 070	750, 055	407, 693	6, 727	84, 475	1, 844, 034	513, 673
Operating expense:								
Salaries and wages of officers and employees	604	33, 219	138, 928	94, 070	1, 917	17, 403	292, 684	92, 885
Pensions and other employee benefits	97	5, 182	22, 068	17, 481	227	2, 666	52, 208	14, 417
Interest on deposits	1, 011	34, 490	246, 813	86, 007	2, 303	30, 622	696, 966	185, 155
Expense of Federal funds purchased and securities sold under agreements to repurchase	0	2, 514	19, 245	25, 057	8	287	110, 097	27, 094
Interest on borrowed money	0	27	787	9, 688	0	948	11, 979	244
Interest on capital notes and debentures	0	1, 091	2, 205	3, 121	75	151	3, 298	172
Occupancy expense of bank premises, net	111	6, 157	20, 787	17, 569	508	2, 048	66, 501	21, 505
Furniture and equipment, depreciation, rental costs, servicing, etc	141	4, 808	23, 340	14, 860	246	2, 329	40, 912	15, 863
Provision for loan losses (or actual net loan losses)	8	2, 669	15, 537	13, 166	210	1, 395	47, 437	12, 939
Other operating expenses	377	17, 212	111, 923	53, 439	1, 027	8, 380	167, 670	60, 322
Total operating expense	2, 349	107, 369	601, 633	334, 458	6, 521	66, 229	1, 489, 752	430, 596
Income before income taxes and securities gains or losses	524	30, 701	148, 422	73, 235	206	18, 246	354, 282	83, 077
Applicable income taxes	194	9, 720	31, 931	22, 275	26	5, 295	73, 920	16, 753
Income before securities gains or losses	330	20, 981	116, 491	50, 960	180	12, 951	280, 362	66, 324
Net securities gains or losses (after tax effect)	13	647	2, 084	1, 103	76	319	2, 066	2, 933
Net income before extraordinary items	343	21, 628	118, 575	52, 063	256	13, 270	282, 428	69, 257
Extraordinary charges or credits	0	+213	+723	−1, 234	+1	37	−231	+150
Minority interest in consolidated subsidiaries	0	0	0	0	0	0	−30	0
Net income	343	21, 841	119, 298	50, 829	257	13, 263	282, 167	69, 407

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Changes in capital accounts:								
Increases:								
Net income transferred to undivided profits	343	21, 841	119, 298	50, 829	257	13, 263	282, 167	69, 407
Capital stock, notes and debentures sold or issued including premium received	285	1, 072	80, 770	36, 428	0	11, 000	128, 792	2, 909
Addition to surplus, undivided profits and reserves incident to mergers and consolidations	0	0	6, 987	494	0	0	620	676
Transfers from reserves on loans and securities	0	0	899	92	0	12	10, 313	1, 095
All other increases	93	30	5, 885	8, 867	0	0	8, 143	6, 824
Total increases	378	1, 102	94, 541	45, 881	0	11, 012	147, 868	11, 504
Decreases:								
Cash dividends declared:								
On common stock	84	8, 649	40, 624	17, 932	132	4, 346	131, 247	19, 242
On preferred stock	0	632	8	0	0	0	95	0
Capital stock, notes and debentures, retired including premium paid	0	82	3, 588	7, 371	0	0	1, 174	432
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations	0	0	1, 644	0	0	0	447	476
Transfers to reserves on loans and securities	21	387	5, 619	2, 468	0	582	21, 077	790
All other decreases	42	674	4, 322	5, 325	150	6, 019	9, 483	13, 295
Total decreases	147	10, 424	55, 805	33, 096	282	10, 947	163, 523	34, 235
Net change in capital accounts	574	12, 519	158, 034	63, 614	−25	13, 328	266, 512	46, 676
Capital accounts†	3, 660	195, 036	887, 031	453, 935	5, 605	83, 709	2, 400, 910	588, 877
Ratios:								
Net income before dividends to capital accounts (percent)	9. 37	11. 20	13. 45	11. 20	4. 59	15. 84	11. 75	11. 79
Total operating expense to total operating revenue (percent)	81. 76	77. 76	80. 21	82. 04	96. 94	78. 40	80. 79	83. 83

See footnotes at end of table.

TABLE B-32—Continued

Income and expenses of National banks, by States, year ended Dec. 31, 1972*

[Dollar amounts in thousands]

	Iowa	*Kansas*	*Kentucky*	*Louisiana*	*Maine*	*Maryland*	*Massa-chusetts*	*Michigan*
Number of banks	100	171	80	50	19	39	82	106
Operating income:								
Interest and fees on loans	$105, 249	$117, 271	$107, 673	$168, 617	$41, 092	$133, 431	$376, 365	$593, 475
Income on Federal funds sold and securities purchased under agreements to resell	6, 863	8, 869	6, 044	9, 574	871	4, 960	13, 097	28, 535
Interest and dividends on investments:								
U.S. Treasury securities	17, 681	26, 545	20, 979	42, 486	2, 860	15, 260	39, 007	81, 835
Obligations of other U.S. Government agencies and corporations	6, 524	7, 649	3, 260	6, 516	449	5, 011	8, 296	17, 501
Obligations of States and political subdivisions	13, 750	18, 086	16, 698	29, 714	4, 250	21, 979	41, 860	76, 578
Other securities	739	551	570	1, 605	106	1, 019	3, 898	9, 315
Trust department income	4, 174	3, 586	2, 780	3, 768	2, 106	3, 949	44, 069	25, 470
Service charges on deposit accounts	4, 981	7, 154	5, 251	11, 093	1, 863	9, 255	17, 736	23, 103
Other service charges, collection and exchange charges, commissions, and fees	6, 979	6, 453	3, 302	10, 125	980	5, 369	18, 868	19, 486
Other operating income	1, 538	2, 326	6, 202	5, 142	1, 731	4, 170	35, 478	17, 753
Total operating income	168, 478	198, 490	172, 759	288, 640	56, 308	204, 403	598, 674	893, 558
Operating expense:								
Salaries and wages of officers and employees	29, 961	35, 893	32, 537	50, 876	12, 946	43, 702	140, 939	157, 430
Pensions and other employee benefits	4, 400	5, 541	4, 943	8, 105	2, 345	6, 341	25, 555	28, 597
Interest on deposits	62, 558	67, 365	58, 767	101, 744	17, 123	57, 809	132, 158	377, 936
Expense of Federal funds purchased and securities sold under agreements to repurchase	6, 369	5, 990	3, 192	7, 225	620	7, 240	39, 439	25, 234
Interest on borrowed money	124	462	90	1, 567	177	749	1, 310	502
Interest on capital notes and debentures	348	470	90	99	12	165	2, 150	9, 769
Occupancy expense of bank premises, net	5, 095	6, 016	6, 186	10, 258	2, 470	10, 606	29, 847	34, 322
Furniture and equipment, depreciation, rental costs, servicing, etc	7, 880	6, 455	5, 409	9, 957	1, 985	6, 986	19, 051	24, 102
Provision for loan losses (or actual net loan losses)	2, 192	3, 963	3, 174	6, 991	1, 114	3, 764	18, 186	11, 245
Other operating expenses	18, 366	22, 366	23, 839	36, 507	8, 786	23, 844	67, 523	83, 262
Total operating expense	137, 293	154, 521	138, 227	233, 329	47, 578	161, 206	476, 158	752, 399
Income before income taxes and securities gains or losses	31, 185	43, 969	34, 532	55, 311	8, 730	43, 197	122, 516	141, 159
Applicable income taxes	8, 032	12, 842	8, 007	11, 800	1, 638	10, 639	42, 915	32, 153
Income before securities gains or losses	23, 153	31, 127	26, 525	43, 511	7, 092	32, 558	79, 601	109, 006
Net securities gains or losses (after tax effect)	551	665	1, 035	2, 252	165	433	937	1, 545
Net income before extraordinary items	23, 704	31, 792	27, 560	45, 763	7, 257	32, 991	80, 538	110, 551
Extraordinary charges or credits	−61	−259	+78	−92	−113	+149	+66	+169
Minority interest in consolidated subsidiaries	−6	0	0	0	0	0	0	−13
Net income	23, 637	31, 533	27, 638	45, 671	7, 144	33, 140	80, 604	110, 707

Changes in capital accounts:								
Increases:								
Net income transferred to undivided profits	23, 637	31, 533	27, 638	45, 671	7, 144	33, 140	80, 604	110, 707
Capital stock, notes and debentures sold or issued including premium received	1, 369	1, 625	3, 084	13, 709	0	2, 827	1, 593	121, 270
Addition to surplus, undivided profits and reserves incident to mergers and consolidations	0	30	0	339	0	0	5, 392	5, 320
Transfers from reserves on loans and securities	112	122	722	3, 067	7	30	475	839
All other increases	965	2, 767	1, 247	11, 623	1, 647	1, 594	1, 776	6, 508
Total increases	2, 446	4, 544	5, 053	28, 738	1, 654	4, 451	9, 236	133, 937
Decreases:								
Cash dividends declared:								
On common stock	11, 761	10, 491	8, 165	14, 249	3, 632	10, 902	43, 351	36, 164
On preferred stock	0	58	0	125	0	0	0	206
Capital stock, notes and debentures, retired including premium paid	1	189	0	150	0	133	40	2, 834
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations	0	0	0	0	50	0	322	100
Transfers to reserves on loans and securities	1, 649	1, 004	1, 511	2, 943	687	1, 096	3, 221	4, 543
All other decreases	741	1, 700	1, 644	1, 170	993	673	2, 507	1, 160
Total decreases	14, 152	13, 442	11, 320	18, 637	5, 362	12, 804	49, 441	45, 007
Net change in capital accounts	11, 931	22, 635	21, 371	55, 772	3, 436	24, 787	40, 399	199, 637
Capital accounts†	198, 052	292, 402	218, 512	393, 572	64, 781	247, 261	783, 498	1, 036, 239
Ratios:								
Net income before dividends to capital accounts (percent)	11. 93	10. 78	12. 65	11. 60	11. 03	13. 40	10. 29	10. 68
Total operating expense to total operating revenue (percent)	81. 49	77. 85	80. 01	80. 84	84. 50	78. 87	79. 54	84. 20

See footnotes at end of table.

TABLE B-32—Continued

Income and expenses of National banks, by States, year ended Dec. 31, 1972*

[Dollar amounts in thousands]

	Minnesota	*Mississippi*	*Missouri*	*Montana*	*Nebraska*	*Nevada*	*New Hampshire*	*New Jersey*
Number of banks	199	38	102	54	123	4	48	121
Operating income:								
Interest and fees on loans	$316, 796	$88, 887	$238, 110	$52, 003	$132, 888	$45, 956	$39, 398	$479, 040
Income on Federal funds sold and securities purchased under agreements to resell	8, 448	3, 089	16, 529	1, 512	4, 856	1, 752	1, 543	13, 718
Interest and dividends on investments:								
U.S. Treasury securities	40, 229	12, 955	30, 728	9, 056	15, 817	7, 030	5, 919	71, 626
Obligations of other U.S. Government agencies and corporations	13, 151	2, 470	8, 913	1, 830	5, 586	2, 143	815	30, 567
Obligations of States and political subdivisions	36, 992	10, 293	34, 423	6, 283	14, 741	5, 985	3, 673	97, 593
Other securities	1, 142	393	2, 007	248	569	363	135	14, 550
Trust department income	18, 475	1, 745	19, 010	458	5, 596	1, 961	1, 078	19, 939
Service charges on deposit accounts	12, 039	6, 067	7, 366	2, 835	4, 962	3, 513	3, 271	28, 117
Other service charges, collection and exchange charges, commissions, and fees	23, 548	4, 953	11, 569	2, 554	7, 383	1, 555	576	12, 659
Other operating income	17, 692	3, 053	18, 256	576	4, 482	763	1, 253	11, 982
Total operating income	488, 512	133, 355	386, 911	79, 355	196, 880	71, 021	57, 661	779, 291
Operating expense:								
Salaries and wages of officers and employees	77, 990	23, 882	71, 044	12, 522	35, 020	14, 351	12, 771	156, 959
Pensions and other employee benefits	13, 758	3, 895	11, 994	2, 258	5, 644	2, 061	2, 222	28, 867
Interest on deposits	171, 771	39, 522	106, 153	32, 107	65, 171	23, 862	14, 350	288, 347
Expense of Federal funds purchased and securities sold under agreements to repurchase	28, 503	3, 069	30, 338	784	5, 512	24	382	5, 273
Interest on borrowed money	3, 087	38	347	27	108	0	29	1, 769
Interest on capital notes and debentures	4, 727	299	1, 280	316	1, 075	0	55	2, 811
Occupancy expense of bank premises, net	11, 273	4, 183	11, 857	2, 092	7, 840	2, 961	3, 191	35, 626
Furniture and equipment, depreciation, rental costs, servicing, etc.	12, 476	4, 767	13, 309	2, 349	7, 498	1, 782	2, 072	23, 010
Provisions for loan losses (or actual net loan losses)	6, 754	6, 106	9, 317	1, 141	4, 037	2, 555	1, 126	18, 564
Other operating expenses	55, 326	18, 255	46, 878	9, 300	24, 187	7, 779	10, 150	91, 525
Total operating expense	385, 665	104, 016	302, 517	62, 896	156, 092	55, 375	46, 348	652, 751
Income before income taxes and securities gains or losses	102, 847	29, 339	84, 394	14, 459	40, 788	15, 646	11, 313	126, 540
Applicable income taxes	36, 165	8, 612	23, 020	3, 723	11, 848	4, 735	3, 056	12, 276
Income before securities gains or losses	66, 682	20, 727	61, 374	10, 736	28, 940	10, 911	8, 257	114, 264
Net securities gains or losses (after tax effect)	1, 062	124	1, 531	84	135	55	552	2, 670
Net income before extraordinary items	67, 744	20, 851	62, 905	10, 820	29, 075	10, 966	8, 809	116, 934
Extraordinary charges or credits	+576	+8	+21	+126	—249	+295	—4	+1, 131
Minority interest in consolidated subsidiaries	0	0	0	0	0	0	0	0
Net income	68, 320	20, 859	62, 926	10, 946	28, 826	11, 261	8, 805	118, 065

Changes in capital accounts:								
Increases:								
Net income transferred to undivided profits	68, 320	20, 859	62, 926	10, 946	28, 826	11, 261	8, 805	118, 065
Capital stock, notes and debentures sold or issued including premium received	56, 907	2, 778	3, 935	2, 145	15, 090	0	65	47, 401
Addition to surplus, undivided profits and reserves incident to mergers and consolidations	198	590	40	8	0	0	0	5, 306
Transfers from reserves on loans and securities	236	548	213	392	493	490	373	1, 083
All other increases	2, 485	517	6, 582	1, 567	1, 002	8	127	11, 570
Total increases	59, 826	4, 433	10, 770	4, 112	16, 585	498	565	65, 360
Decreases:								
Cash dividends declared:								
On common stock	26, 251	9, 000	35, 084	4, 268	11, 494	3, 160	3, 124	63, 747
On preferred stock	0	0	204	0	6	0	0	3
Capital stock, notes and debentures, retired including premium paid	310	120	0	0	0	0	0	7, 365
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations	0	34	0	0	0	0	0	8, 997
Transfers to reserves on loans and securities	4, 890	230	2, 373	1, 155	1, 536	978	314	2, 676
All other decreases	1, 673	659	1, 624	281	1, 543	0	595	3, 298
Total decreases	33, 124	10, 043	39, 285	5, 704	14, 579	4, 138	4, 033	86, 086
Net change in capital accounts	95, 022	15, 249	34, 411	9, 354	30, 832	9, 621	5, 337	97, 339
Capital accounts†	584, 890	149, 575	558, 549	74, 495	232, 752	73, 353	80, 248	941, 369
Ratios:								
Net income before dividends to capital accounts (percent)	11. 68	13. 95	11. 27	14. 69	12. 38	15. 35	10. 97	12. 54
Total operating expense to total operating revenue (percent)	78. 95	78. 00	78. 19	81. 31	79. 28	77. 97	80. 38	83. 76

See footnotes at end of table.

TABLE B-32—Continued

Income and expenses of National banks, by States, year ended Dec. 31, 1972*

[Dollar amounts in thousands]

	New Mexico	*New York*	*North Carolina*	*North Dakota*	*Ohio*	*Oklahoma*	*Oregon*	*Pennsylvania*
Number of banks	33	163	23	43	218	192	8	276
Operating income:								
Interest and fees on loans	$62, 814	$2, 042, 115	$282, 246	$39, 670	$604, 052	$199, 849	$183, 082	$867, 769
Income on Federal funds sold and securities purchased under agreements to resell	2, 812	27, 144	7, 760	963	27, 224	12, 907	6, 103	55, 508
Interest and dividends on investments:								
U.S. Treasury securities	7, 655	186, 027	21, 122	7, 815	112, 855	37, 856	15, 607	123, 843
Obligations of other U.S. Government agencies and corporations	2, 397	30, 093	18, 704	2, 234	22, 555	4, 887	5, 223	34, 711
Obligations of States and political subdivisions	9, 766	236, 414	41, 202	5, 799	103, 457	38, 765	25, 674	134, 475
Other securities	626	20, 934	1, 061	87	11, 492	2, 237	397	15, 206
Trust department income	1, 465	120, 175	15, 705	957	26, 795	6, 973	6, 700	59, 574
Service charges on deposit accounts	4, 146	66, 860	14, 744	2, 200	31, 297	11, 353	14, 908	21, 915
Other service charges, collection and exchange charges, commissions, and fees	3, 502	80, 703	12, 432	2, 016	25, 795	8, 045	6, 559	40, 878
Other operating income	1, 395	323, 143	15, 422	488	15, 379	6, 724	5, 214	45, 462
Total operating income	96, 578	3, 133, 608	430, 398	62, 229	980, 901	329, 596	269, 467	1, 399, 341
Operating expense:								
Salaries and wages of officers and employees	18, 190	566, 446	99, 275	9, 348	173, 808	56, 701	61, 306	246, 510
Pensions and other employee benefits	2, 630	124, 400	17, 268	1, 681	24, 718	8, 380	10, 229	45, 018
Interest on deposits	35, 216	935, 083	137, 072	28, 346	361, 760	116, 982	96, 998	516, 975
Expense of Federal funds purchased and securities sold under agreements to repurchase	1, 249	161, 960	12, 385	126	30, 417	13, 354	5, 878	64, 065
Interest on borrowed money	151	8, 799	957	5	1, 179	124	60	8, 733
Interest on capital notes and debentures	983	15, 393	5, 535	307	1, 681	2, 343	5, 679	5, 513
Occupancy expense of bank premises, net	2, 609	143, 213	18, 142	1, 530	32, 373	8, 600	12, 315	52, 334
Furniture and equipment, depreciation, rental costs, servicing, etc	2, 760	69, 139	12, 825	1, 774	28, 114	8, 239	7, 404	37, 027
Provision for loan losses (or actual net loan losses)	2, 777	113, 299	6, 544	681	20, 694	9, 581	4, 901	23, 069
Other operating expenses	11, 763	357, 965	54, 668	6, 088	127, 310	42, 630	25, 948	155, 180
Total operating expense	78, 328	2, 495, 697	364, 671	49, 886	802, 054	266, 934	230, 718	1, 154, 424
Income before income taxes and securities gains or losses	18, 250	637, 911	65, 727	12, 343	178, 847	62, 662	38, 749	244, 917
Applicable income taxes	4, 612	146, 287	12, 970	3, 269	33, 462	10, 240	7, 248	37, 255
Income before securities gains or losses	13, 638	491, 624	52, 757	9, 074	145, 385	52, 422	31, 501	207, 662
Net securities gains or losses (after tax effect)	413	1, 593	830	125	3, 330	2, 157	234	2, 561
Net income before extraordinary items	14, 051	493, 217	53, 587	9, 199	148, 715	54, 579	31, 735	210, 223
Extraordinary charges or credits	+25	+3, 445	+223	−27	+67	+533	−642	−1, 369
Minority interest in consolidated subsidiaries	0	0	0	0	−11	−3	0	−251
Net income	14, 076	496, 662	53, 810	9, 172	148, 771	55, 109	31, 093	208, 603

Changes in capital accounts:								
Increases:								
Net income transferred to undivided profits	14, 076	496, 662	53, 810	9, 172	148, 771	55, 109	31, 093	208, 603
Capital stock, notes and debentures sold or issued including premium received	2, 173	169, 680	27, 375	1, 766	12, 828	5, 128	75, 139	54, 210
Addition to surplus, undivided profits and reserves incident to mergers and consolidations	0	35, 232	10, 368	250	3, 909	999	20	6, 309
Transfers from reserves on loans and securities	26	1, 934	1, 321	69	4, 472	501	0	3, 631
All other increases	4, 912	81, 425	15, 069	282	3, 523	3, 481	13	4, 090
Total increases	7, 111	288, 271	54, 133	2, 367	24, 732	10, 109	75, 172	68, 240
Decreases:								
Cash dividends declared:								
On common stock	4, 257	136, 988	20, 995	3, 144	58, 837	24, 220	8, 951	95, 386
On preferred stock	0	925	0	0	0	5	0	344
Capital stock, notes and debentures, retired including premium paid	65	89, 270	75	0	336	346	0	1, 382
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations	0	486	0	450	133	225	0	2, 517
Transfers to reserves on loans and securities	701	5, 746	2, 715	257	5, 920	1, 679	1, 179	8, 159
All other decreases	3, 364	18, 662	2, 411	479	3, 202	2, 814	9, 914	29, 258
Total decreases	8, 387	252, 077	26, 196	4, 330	68, 428	29, 289	20, 044	137, 046
Net change in capital accounts	12, 800	532, 856	81, 747	7, 209	105, 075	35, 929	86, 221	139, 797
Capital accounts†	102, 571	4, 527, 443	496, 190	67, 003	1, 273, 064	460, 050	316, 458	2, 004, 223
Ratios:								
Net income before dividends to capital accounts (percent)	13. 72	10. 97	10. 84	13. 69	11. 69	11. 98	9. 83	10. 41
Total operating expense to total operating revenue (percent)	81. 10	79. 64	84. 73	80. 17	81. 77	80. 99	85. 62	82. 50

See footnotes at end of table.

TABLE B-32—Continued

Income and expenses of National banks, by States, year ended Dec. 31, 1972*

[Dollar amounts in thousands]

	Rhode Island	*South Carolina*	*South Dakota*	*Tennessee*	*Texas*	*Utah*	*Vermont*	*Virginia*
Number of banks	5	19	32	73	538	10	24	101
Operating income:								
Interest and fees on loans	$94, 974	$86, 147	$52, 325	$266, 550	$925, 613	$56, 878	$21, 075	$312, 480
Income on Federal funds sold and securities purchased under agreements to resell	2, 156	2, 658	1, 648	13, 594	66, 223	678	592	6, 235
Interest and dividends on investments:								
U.S. Treasury securities	5, 464	7, 686	8, 502	32, 798	100, 032	5, 154	2, 259	29, 082
Obligations of other U.S. Government agencies and corporations	1, 242	2, 902	1, 780	12, 431	42, 221	1, 378	426	12, 752
Obligations of States and political subdivisions	11, 988	10, 811	7, 181	37, 563	140, 918	6, 059	2, 352	38, 675
Other securities	282	208	138	3, 999	8, 733	183	306	1, 483
Trust department income	9, 000	3, 296	993	10, 008	44, 296	1, 424	279	11, 187
Service charges on deposit accounts	2, 578	7, 419	3, 145	12, 625	43, 430	3, 709	1, 106	8, 017
Other service charges, collection and exchange charges, commissions, and fees	2, 593	3, 349	3, 052	14, 763	36, 720	2, 471	236	15, 577
Other operating income	2, 790	3, 654	600	13, 001	43, 395	943	270	6, 958
Total operating income	133, 067	128, 130	79, 364	417, 332	1, 451, 581	78, 877	28, 901	442, 446
Operating expense:								
Salaries and wages of officers and employees	21, 846	34, 470	12, 345	78, 063	239, 526	13, 666	5, 361	86, 028
Pensions and other employee benefits	5, 493	5, 803	2, 330	12, 600	36, 360	1, 629	867	16, 094
Interest on deposits	50, 138	23, 645	34, 528	145, 758	475, 108	25, 734	12, 107	158, 356
Expense of Federal funds purchased and securities sold under agreements to repurchase	3, 225	2, 343	139	14, 712	91, 394	2, 508	56	6, 836
Interest on borrowed money	353	13	24	1, 731	10, 562	1, 967	37	649
Interest on capital notes and debentures	16	0	424	981	2, 072	287	122	2, 072
Occupancy expense of bank premises, net	4, 248	4, 644	2, 106	13, 463	32, 166	1, 768	933	15, 789
Furniture and equipment, depreciation, rental costs, servicing, etc.	2, 295	5, 760	2, 438	14, 902	42, 778	1, 973	834	15, 003
Provision for loan losses (or actual net loan losses)	3, 826	2, 562	1, 465	13, 934	41, 478	919	477	9, 885
Other operating expenses	16, 919	19, 171	7, 060	50, 320	183, 258	9, 402	3, 345	57, 887
Total operating expense	108, 359	98, 411	62, 859	346, 464	1, 154, 702	59, 853	24, 139	368, 599
Income before income taxes and securities gains or losses	24, 708	29, 719	16, 505	70, 868	296, 879	19, 024	4, 762	73, 847
Applicable income taxes	6, 899	9, 132	4, 856	15, 065	69, 438	6, 327	1, 013	15, 921
Income before securities gains or losses	17, 809	20, 587	11, 649	55, 803	227, 441	12, 697	3, 749	57, 926
Net securities gains or losses (after tax effect)	−69	246	127	1, 663	4, 965	133	32	422
Net income before extraordinary items	17, 740	20, 833	11, 776	57, 466	232, 406	12, 830	3, 781	58, 348
Extraordinary charges or credits	0	+8	+76	303	+462	0	−28	+225
Minority interest in consolidated subsidiaries	0	0	0	−55	0	0	0	0
Net income	17, 740	20, 841	11, 852	57, 714	232, 868	12, 830	3, 753	58, 573

Changes in capital accounts:								
Increases:								
Net income transferred to undivided profits	17, 740	20, 841	11, 852	57, 714	232, 868	12, 830	3, 753	58, 573
Capital stock, notes and debentures sold or issued including premium received	6, 200	625	1, 864	10, 271	94, 706	13, 700	507	12, 473
Addition to surplus, undivided profits and reserves incident to mergers and consolidations	0	250	0	4, 043	6, 923	3, 040	464	5, 653
Transfers from reserves on loans and securities	15	12	341	463	3, 866	0	17	747
All other increases	219	8, 182	699	2, 290	18, 788	644	220	2, 735
Total increases	6, 434	9, 069	2, 904	17, 067	124, 283	17, 384	1, 208	21, 608
Decreases:								
Cash dividends declared:								
On common stock	10, 125	7, 905	4, 332	22, 200	84, 013	4, 830	1, 380	26, 516
On preferred stock	0	0	0	0	17	0	24	0
Capital stock, notes and debentures, retired including premium paid	338	0	15	65	6, 730	0	55	75
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations	0	0	0	0	250	397	55	8, 573
Transfers to reserves on loans and securities	867	1, 114	156	1, 728	14, 444	337	225	3, 878
All other decreases	2, 871	8, 197	298	3, 349	24, 333	17	323	1, 957
Total decreases	14, 201	17, 216	4, 801	27, 342	129, 787	5, 581	2, 062	40, 999
Net change in capital accounts	9, 973	12, 694	9, 955	47, 439	227, 364	24, 633	2, 899	39, 182
Capital accounts†	147, 930	141, 362	83, 461	505, 721	1, 842, 441	83, 729	36, 131	472, 139
Ratios:								
Net income before dividends to capital accounts (percent)	11. 99	14. 74	14. 20	11. 41	12. 64	15. 32	10. 39	12. 41
Total operating expense to total operating revenue (percent)	81. 43	76. 81	79. 20	83. 02	79. 55	75. 88	83. 52	83. 31

See footnotes at end of table.

TABLE B-32—Continued

Income and expenses of National banks, by States, year ended Dec. 31, 1972*

[Dollar amounts in thousands]

	Washington	West Virginia	Wisconsin	Wyoming	Puerto Rico	Virgin Islands	District of Columbia—all‡
Number of banks	23	88	127	42	1	1	14
Operating income:							
Interest and fees on loans	$271, 908	$78, 644	$231, 261	$33, 572	$18	$6, 841	$127, 421
Income on Federal funds sold and securities purchased under agreements to resell	25, 527	4, 224	19, 628	823	0	13	4, 665
Interest and dividends on investments:							
U.S. Treasury securities	21, 474	17, 924	25, 698	5, 929	25	557	23, 715
Obligations of other U.S. Government agencies and corporations	6, 055	6, 810	7, 829	1, 240	4	1	2, 971
Obligations of States and political subdivisions	32, 157	15, 478	26, 767	4, 401	0	830	15, 555
Other securities	2, 059	574	2, 052	286	6	8	1, 484
Trust department income	12, 791	2, 442	8, 441	488	0	0	11, 439
Service charges on deposit accounts	23, 069	2, 082	7, 169	1, 962	3	91	8, 906
Other service charges, collection and exchange charges, commissions, and fees	16, 449	1, 954	12, 665	1, 204	0	171	3, 014
Other operating income	12, 852	1, 965	9, 622	908	0	347	4, 636
Total operating income	424, 341	132, 097	351, 132	50, 813	56	8, 859	203, 803
Operating expense:							
Salaries and wages of officers and employees	98, 872	20, 658	60, 792	8, 902	42	1, 973	45, 550
Pensions and other employee benefits	16, 675	2, 969	12, 291	1, 182	3	229	7, 369
Interest on deposits	133, 197	52, 064	142, 165	20, 038	10	4, 319	50, 616
Expense of Federal funds pruchased and securities sold under agreements to repurchase	32, 154	2, 486	16, 615	257	0	0	2, 700
Interest on borrowed money	743	81	1, 220	273	0	422	875
Interest on capital notes and debentures	250	219	2, 135	145	0	0	1, 685
Occupancy expense of bank premises, net	19, 581	3, 495	12, 788	1, 718	12	380	9, 806
Furniture and equipment, depreciation, rental costs, servicing, etc	14, 362	3, 506	11, 462	1, 242	3	151	6, 260
Provision for loan losses (or actual net loan losses)	15, 167	1, 925	4, 847	1, 166	0	587	4, 000
Other operating expenses	48, 573	16, 427	37, 086	6, 124	75	395	23, 675
Total operating expense	379, 574	103, 830	301, 401	41, 047	145	8, 456	152, 536
Income before income taxes and securities gains or losses	44, 767	28, 267	49, 731	9, 766	−89	403	51, 267
Applicable income taxes	4, 527	5, 602	11, 319	2, 385	0	−223	17, 432
Income before securities gains or losses	40, 240	22, 665	38, 412	7, 381	−89	626	33, 835
Net securities gains or losses (after tax effect)	811	1, 051	970	215	0	0	973
Net income before extraordinary items	41, 051	23, 716	39, 382	7, 596	−89	626	34, 808
Extraordinary charges or credits	−276	+61	−301	+36	0	0	+463
Minority interest in consolidated subsidiaries	−2	0	0	0	0	0	0
Net income	40, 773	23, 777	39, 081	7, 632	−89	626	35, 271

Changes in capital accounts:							
Increases:							
Net income transferred to undivided profits	40, 773	23, 777	39, 081	7, 632	−89	626	35, 271
Capital stock, notes and debentures sold or issued including premium received	5, 473	1, 093	17, 604	738	800	0	1, 522
Addition to surplus, undivided profits and reserves incident to mergers and consolidations	1, 584	2	29	426	0	0	0
Transfers from reserves on loans and securities	22	43	1, 230	6	0	0	0
All other increases	1, 634	722	1, 597	1, 533	1, 201	0	35
Total increases	8, 713	1, 860	20, 460	2, 703	2, 001	0	1, 557
Decreases:							
Cash dividends declared:							
On common stock	15, 315	5, 771	18, 489	2, 538	0	0	13, 734
On preferred stock	32	0	0	0	0	0	632
Capital stock, notes and debentures, retired including premium paid	0	30	147	0	0	0	82
Reduction in surplus, undivided profits and reserves incident to mergers and consolidations	1, 637	0	0	0	0	0	0
Transfers to reserves on loans and securities	6, 516	1, 016	1, 685	351	0	249	1, 318
All other decreases	625	1, 100	2, 707	380	28	0	680
Total decreases	24, 125	7, 917	23, 028	3, 269	28	249	16, 446
Net change in capital accounts	25, 361	17, 720	36, 513	7, 066	1, 884	377	20, 382
Capital accounts †	426, 101	178, 969	389, 545	59, 997	1, 884	7, 880	293, 513
Ratios:							
Net income before dividends to capital accounts (percent)	9. 57	13. 29	10. 03	12. 72	....	7. 94	12. 02
Total operating expense to total operating revenue (percent)	89. 45	78. 60	85. 84	80. 78	258. 93	95. 45	74. 84

*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. Excepting Puerto Rico, 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.

NOTE: Data may not add to totals because of rounding.

Table B–33

Income and expenses of National banks, by deposit size, year ended Dec. 31, 1972*

[Dollar amounts in thousands]

	Banks operating full year with deposits in December 1972, 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, 614	77	420	904	1, 603	781	404	315	110
Operating income:									
Interest and fees on loans	$15, 084, 947	$3, 453	$56, 171	$258, 783	$1, 011, 913	$1, 128, 362	$1, 154, 886	$2, 719, 030	$8, 752, 349
Income on Federal funds sold and securities purchased under agreements to resell	641, 771	494	4, 074	17, 034	56, 695	48, 037	42, 194	103, 620	369, 623
Interest and dividends on investments:									
U.S. Treasury securities	1, 844, 474	1, 246	17, 176	62, 201	205, 564	188, 047	179, 695	343, 163	847, 382
Obligations of other U.S. Government agencies and corporations	567, 168	274	6, 467	23, 688	83, 333	84, 870	76, 184	134, 464	157, 888
Obligations of States and political subdivisions	2, 039, 707	154	4, 836	33, 094	154, 803	182, 856	185, 722	408, 608	1, 069, 634
Other securities	175, 602	63	798	3, 167	11, 315	14, 932	18, 208	40, 106	87, 013
Trust department income	770, 938	0	124	506	5, 273	17, 505	36, 056	146, 784	564, 690
Service charges on deposit accounts	718, 310	195	3, 640	18, 484	73, 556	73, 165	68, 588	135, 942	344, 740
Other service charges, collection and exchange charges, commissions, and fees	695, 876	109	1, 728	7, 729	30, 906	38, 202	38, 897	142, 037	436, 268
Other operating income	1, 003, 944	91	1, 202	4, 484	18, 920	18, 942	25, 314	118, 582	816, 409
Total operating income	23, 542, 737	6, 079	96, 216	429, 170	1, 652, 278	1, 794, 918	1, 825, 744	4, 292, 336	13, 445, 996

Operating expense:									
Salaries and wages of officers and employees	4, 461, 024	2, 061	22, 878	87, 923	304, 623	320, 401	339, 214	831, 147	2, 552, 777
Pensions and other employee benefits	778, 680	191	2, 422	11, 090	44, 487	50, 127	54, 919	139, 397	476, 047
Interest on deposits	8, 084, 736	1, 426	34, 181	161, 221	653, 613	708, 003	708, 032	1, 504, 555	4, 313, 705
Expense of Federal funds purchased and securities sold under agreements to repurchase	976, 133	13	118	637	2, 738	7, 110	13, 725	113, 471	838, 321
Interest on borrowed money	77, 932	5	104	196	1, 169	1, 722	1, 888	7, 667	65, 181
Interest on capital notes and debentures	111, 299	1	24	183	1, 862	3, 533	4, 892	17, 067	83, 737
Occupancy expense of bank premises, net	903, 572	292	3, 292	13, 382	54, 656	62, 834	71, 749	166, 571	530, 796
Furniture and equipment, depreciation, rental costs, servicing, etc	651, 214	220	2, 567	11, 540	44, 815	51, 532	55, 519	148, 527	336, 494
Provision for loan losses (or actual net loan losses)	584, 310	141	2, 559	10, 094	35, 176	38, 721	33, 847	93, 526	370, 246
Other operating expenses	2, 685, 804	1, 404	13, 227	56, 694	209, 227	226, 945	225, 750	524, 726	1, 427, 831
Total operating expense	19, 314, 704	5, 754	81, 372	352, 960	1, 352, 366	1, 470, 928	1, 509, 535	3, 546, 654	10, 995, 135
Income before income taxes and securities gains or losses	4, 228, 033	325	14, 844	76, 210	299, 912	323, 990	316, 209	745, 682	2, 450, 861
Applicable income taxes	982, 206	102	3, 875	18, 078	67, 990	67, 881	63, 762	158, 137	602, 381
Income before securities gains or losses	3, 245, 827	223	10, 969	58, 132	231, 922	256, 109	252, 447	587, 545	1, 848, 480
Net securities gains (after tax effect)	54, 137	7	330	2, 098	10, 238	9, 712	8, 702	14, 103	8, 947
Net income before extraordinary items	3, 299, 964	230	11, 299	60, 230	242, 160	265, 821	261, 149	601, 648	1, 857, 427
Extraordinary charges or credits	+8, 312	—33	+104	+288	+981	+17	+800	—4	+6, 159
Minority interest in consolidated subsidiaries	—370	0	0	—1	—6	—42	+1	—53	—269
Net income	3, 307, 906	197	11, 403	60, 517	243, 135	265, 796	261, 950	601, 591	1, 863, 317
Cash dividends declared:									
On common stock	1, 307, 628	267	3, 718	16, 170	63, 290	80, 991	84, 507	241, 261	817, 424
On preferred stock	2, 703	0	0	8	45	179	24	667	1, 780
Total cash dividends declared	1, 310, 331	267	3, 718	16, 178	63, 335	81, 170	84, 531	241, 928	819, 204

*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–34

Capital accounts, net income, and dividends of National banks, 1944–72

[Dollars 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
1971	4, 600	56, 761	6, 640, 849	6, 697, 610	25, 986, 802	3, 041, 122	4, 011	1, 386, 166	11. 70	45. 71	7. 07	5. 35
1972	4, 614	42, 627	7, 132, 092	7, 174, 719	28, 714, 775	3, 307, 906	2, 703	1, 307, 628	11. 52	39. 61	6. 34	4. 56

*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-35

Loan losses and recoveries of National banks, 1945–72

[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	0. 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	1971	190, 308, 412	666, 190	. 35
1957	50, 502, 277	35, 428	. 07	1972	226, 354, 896	545, 473	. 24
1958	52, 796, 224	38, 173	. 07	Average for 1945–72	78, 932, 738	144, 594	. 18
1959	59, 961, 989	25, 767	. 04				

NOTE: For earlier data, including figures on gross losses and chargeoffs and gross recoveries, see *Annual Reports of the Comptroller of the Currency*, 1947, p. 100 and 1968, p. 233.

TABLE B-36

Securities losses and recoveries of National banks, 1945–72

[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	0. 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	1971	95, 948, 647	+189, 347	+. 20
1957	40, 981, 709	151, 152	. 35	1972	103, 658, 543	+94, 506	+. 09
1958	46, 788, 224	67, 455	. 12	Average for 1945–72	54, 824, 710	111, 132	. 20
1959	42, 652, 855	483, 526	1. 09				

*Excludes transfers to and from valuation reserves beginning in 1948.

NOTE: For earlier data, including figures on gross losses and chargeoffs and gross recoveries, see *Annual Reports of the Comptroller of the Currency*, 1947, p. 100 and 1968, p. 234.

Table B-37

Assets and liabilities of National banks, date of last report of condition, 1950–72

[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
1971....	4, 600	372, 538, 487	59, 200, 995	95, 948, 647	190, 308, 412	27, 080, 433	314, 211, 616	866, 103	30, 387, 265	8, 277, 752	18, 794, 699
1972....	4, 614	430, 768, 064	67, 401, 118	103, 658, 543	226, 354, 896	33, 353, 507	359, 427, 154	2, 370, 204	38, 616, 017	9, 629, 168	20, 722, 810

*After deduction of securities and loan reserves.

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.

TABLE B–38

Foreign branches of National banks, by region and country, Dec. 31, 1972

Region and country	Number
Central America	47
El Salvador	1
Guatemala	3
Honduras	3
Mexico	5
Nicaragua	3
Panama	32
South America	128
Argentina	38
Bolivia	3
Brazil	21
Chile	0
Colombia	28
Ecuador	15
Guyana	1
Paraguay	6
Peru	8
Uruguay	4
Venezuela	4
West Indies Caribbean	126
Antigua	2
Bahamas	75
Barbados	4
British Virgin Islands	3
Cayman Islands	1
Dominican Republic	15
French West Indies	2
Grenada	2
Haiti West Indies	1
Jamaica	7
Montserrat	1
Netherlands Antilles	3
St. Lucia	1
Trinidad and Tobago	6
West Indies Federation of States	3
Europe	107
Austria	1
Belgium	4
England	29
France	11
Germany	21
Greece	14
Ireland	4
Italy	7
Luxembourg	1
Monaco	1
Netherlands	6
Northern Ireland	1
Scotland	1
Switzerland	6
Africa	2
Liberia	2
Middle East	15
Bahrain	2
Israel	2
Lebanon	3
Qatar	1
Saudi Arabia	2
Trucial States	5
Asia and Pacific	93
Brunei	2
Fiji Islands	3
Hong Kong	19
India	11
Indonesia	6
Japan	17
Korea	3
Malaysia	5
Pakistan	4
Philippines	4
Republic of China	3
Singapore	11
Thailand	2
Vietnam	3
U.S. overseas areas and trust territories	48
Panama (Canal Zone)	2
Caroline Islands	1
Guam	6
Marianas Islands	1
Marshall Islands	1
Puerto Rico	19
Virgin Islands	18
Total	566

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Table B-39

Total assets of foreign branches of National banks, year-end 1953–72*

[Dollar amounts in thousands]

1953	$1, 682, 919	1963	$2, 678, 717
1954	1, 556, 326	1964	3, 319, 879
1955	1, 116, 003	1965	7, 241, 068
1956	1, 301, 883	1966	9, 364, 278
1957	1, 342, 616	1967	11, 856, 316
1958	1, 405, 020	1968	16, 021, 617
1959	1, 543, 985	1969	28, 217, 139
1960	1, 628, 510	1970	38, 877, 627
1961	1, 780, 926	1971	50, 550, 727
1962	2, 008, 478	1972	54, 720, 405

*Includes military facilities operated abroad by National banks in 1966 through 1971.

Table B-40

Foreign branches of National banks, 1960–72

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	1967	278	95.5
1961	102	75.6	1968	355	95.0
1962	111	76.6	1969	428	93.0
1963	124	77.5	1970	497	92.7
1964	138	76.7	1971	528	91.5
1965	196	93.5	1972	566	90.2
1966	230	94.3			

Table B-41

Assets and liabilities of foreign branches of National banks, Dec. 31, 1972: consolidated statement

[Dollar amounts in thousands]

Assets

Cash and cash items in process of collection	$332, 251
Demand balances with other banks	927, 290
Time balances with other banks	19, 312, 958
Securities	642, 449
Loans, discounts and overdrafts, etc	24, 946, 767
Customers' liability on acceptances outstanding	1, 056, 107
Customers' liability on deferred payment letters of credit	66, 916
Premises, furniture and fixtures	166, 212
Accruals—interest earned, foreign exchange profits, etc	607, 634
Due from other foreign branches of this bank	4, 570, 802
Due from head office and its domestic branches	1, 896, 943
Other assets	194, 075
Total assets	54, 720, 405

Liabilities

Demand deposits	$4, 209, 576
Time deposits	42, 519, 675
Liabilities for borrowed money	772, 990
Acceptances executed	1, 106, 680
Deferred payment letters of credit outstanding	21, 876
Reserve for interest, taxes and other accrued expenses	678, 193
Other liabilities	204, 721
Due to other foreign branches of this bank	4, 325, 794
Due to head office and its domestic branches	880, 899
Total liabilities	54, 720, 405

Memoranda

Letters of credit outstanding	$30, 683, 737
Future contracts to buy foreign exchange and bullion	23, 058, 104
Future contracts to sell foreign exchange and bullion	22, 008, 956

TABLE B-42

Trust assets and income of National banks, by States, calendar 1972*

[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 (Dollars in thousands)
Total United States	1, 739	$69, 066	$101, 095	$170, 161	$41, 887	$212, 048	775, 645
Alabama	32	358	1, 148	1, 506	163	1, 669	6, 559
Alaska	4	46	22	68	35	103	502
Arizona	2	222	715	937	116	1, 053	6, 120
Arkansas	34	66	309	374	30	404	1, 914
California	16	7, 277	9, 690	16, 966	2, 127	19, 093	91, 490
Colorado	30	743	1, 536	2, 279	467	2, 746	14, 050
Connecticut	11	513	2, 195	2, 709	1, 061	3, 770	14, 008
Delaware	1	0	0	0	0	0	0
District of Columbia‖	6	500	1, 524	2, 025	1, 495	3, 519	11, 439
Florida	92	489	4, 635	5, 124	1, 309	6, 433	23, 922
Georgia	31	763	1, 517	2, 280	1, 612	3, 892	13, 129
Hawaii	0	0	0	0	0	0	0
Idaho	2	52	98	150	8	158	735
Illinois	168	8, 592	7, 991	16, 583	4, 903	21, 486	76, 320
Indiana	97	597	2, 996	3, 593	1, 006	4, 599	14, 804
Iowa	48	128	575	703	329	1, 032	4, 174
Kansas	51	116	581	696	252	948	3, 586
Kentucky	53	74	407	481	117	598	2, 780
Louisiana	21	255	342	597	120	717	3, 768
Maine	16	49	301	350	122	473	2, 106
Maryland	12	172	804	976	245	1, 220	3, 949
Massachusetts	53	4, 562	4, 964	9, 526	1, 697	11, 222	44, 069
Michigan	38	6, 265	3, 575	9, 840	2, 080	11, 921	25, 470
Minnesota	21	1, 506	2, 616	4, 122	1, 088	5, 210	18, 475
Mississippi	20	68	257	325	12	338	1, 745
Missouri	42	1, 150	3, 489	4, 639	1, 573	6, 213	19, 010
Montana	14	7	75	82	17	99	458
Nebraska	22	216	668	884	265	1, 150	5, 596
Nevada	3	19	384	403	30	433	1, 961
New Hampshire	21	11	201	212	82	294	1, 078
New Jersey	68	562	2, 249	2, 811	1, 106	3, 917	19, 439
New Mexico	18	27	286	313	41	354	1, 465
New York	73	18, 134	10, 596	28, 731	7, 174	35, 904	120, 175
North Carolina	15	1, 601	2, 346	3, 953	817	4, 771	15, 705
North Dakota	12	25	126	150	37	188	957
Ohio	62	2, 320	5, 272	7, 592	1, 425	9, 017	26, 795
Oklahoma	44	299	976	1, 275	425	1, 700	6, 973
Oregon	2	320	821	1, 142	138	1, 279	6, 700
Pennsylvania	122	6, 127	9, 802	15, 929	3, 294	19, 224	59, 574
Rhode Island	3	324	1, 430	1, 753	400	2, 154	9, 000
South Carolina	8	186	519	705	149	854	3, 296
South Dakota	10	35	105	141	49	190	993
Tennessee	30	335	1, 818	2, 152	790	2, 942	10, 008
Texas	146	2, 614	5, 328	7, 941	1, 707	9, 648	44, 296
Utah	2	114	209	323	21	344	1, 424
Vermont	10	2	40	42	4	46	279
Virginia	49	342	1, 565	1, 907	1, 053	2, 959	11, 187
Washington	10	497	1, 930	2, 427	290	2, 716	12, 791
West Virginia	37	33	456	489	69	559	2, 442
Wisconsin	41	342	1, 532	1, 874	518	2, 391	8, 441
Wyoming	16	6	75	81	19	100	488

*As of December 31, 1972.

†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

Addresses and Selected Congressional Testimony

REMARKS OF DEAN E. MILLER, DEPUTY COMPTROLLER OF THE CURRENCY FOR TRUSTS, BEFORE THE MIDWINTER TRUST CONFERENCE OF THE AMERICAN BANKERS ASSOCIATION, NEW YORK, N.Y., FEB. 7, 1972

It was 9 years ago this month when I attended my first Midwinter Trust Conference. For me, anyway, it was a very dramatic and significant conference, one at which Mr. Saxon announced the proposed wide-ranging changes in Regulation 9. When I went to New York that Sunday, I, of course, had no idea how those proposed rules would be received. Many persons had told us, during the period that we were working on the revisions, that we should not fool with a system that was, by and large, working well. Hardly any of our proposed changes went unchallenged, although, in nearly every case, the proposals had been advocated by other trustmen. I was generally apprehensive of the cumulative reaction to our sweeping revision of so many pillars of trust regulation.

As I, for the first time, went through the now familiar lengthy wait in the lobby while getting checked in, I looked at the trustmen around me, none of whom, of course, I knew at that time, and wondered "What are we doing to your world?" The next morning, when Mr. Saxon received a standing ovation after his speech, I decided that we, indeed, had effected a revolution in that world. The passing of time, having served, with some assistance from the Supreme Court in placing Regulation 9 in its proper perspective, has since shown that that was not quite the case. But, I never come to New York without remembering that first trust conference, already almost a decade ago. Although today I also plan to speak to you in part about changes we are making in Regulation 9, it is quite a different occasion.

As most of you are aware, in September of this year, our Office published in the *Federal Register* some proposed revisions of Regulation 9. We received many comments on those proposals, and, after analysis of that material, we are considering a number of changes. We have also had the benefit of the views of the President's Commission on Financial Structure and Regulation, the so-called Hunt Commission, as expressed in its report. While many of the Hunt Commission's recommendations involve very complex questions of policy to be resolved by the appropriate bodies, including, not leastly, the Administration, those relating to trust departments include several suggestions to the bank supervisory agencies that do not require such preliminary decisions. Some reflect actions we have already taken, we are trying to strengthen those and to adopt others that seem equally meritorious, into our supervisory framework. Let me discuss those recommendations with you.

Recommendation 2(a) of the Commission is that the appropriate regulatory agencies examine and monitor bank and other trust departments to assure that brokerage commissions shall not be used to attract or hold deposit balances and loans of brokerage houses with the banking department of the corporate fiduciary. This is related to number 2(b), where we assure that each corporate fiduciary establish procedures to review whether every effort has been made to achieve the best execution of buy and sell orders for securities and to evaluate the services rendered by the trust department which have been paid for by an allocation of brokerage commissions.

As you who are National bankers are aware, we have had an interest in that area for some time. Currently, our examiners request a statement of the policy of the bank as to allocation of brokerage commissions. That does not satisfy the professional critics, who assume that bankers wilfully give false statements in writing to the examiners. That has not been our experience, and until it is, we believe that the procedure is a meaningful check. When it appears, from the reply, that a bank's policy may have violated the securities or antitrust laws, the bank is so advised. In addition, the examiner ascertains, by means of a test check, whether the account has suffered a detriment through receipt of less than the best execution. We plan to strengthen our procedures in that latter regard in order to render more comprehensive protection. We are currently considering amending Section 9.11 of Regulation 9 to provide:

> In addition, the bank's allocation of brokerage business in trust accounts shall be examined to determine if the best execution is achieved, and if possible violations of law have occurred.

We have not progressed to the point of publishing that as a proposed rule, but would welcome your comments nevertheless. I think that it is clear that our policies are in accord with the spirit, and in some cases the letter, of the Hunt Commission recommendations in that area.

Recommendation 2(c) apparently is that we impose a rule applying to trust departments in banks with total assets over $200 million, which would deny trust department investment personnel access to commercial banking department credit information. The Commission felt that prohibition should not be applied to banks smaller than that because, in such institutions, there is little poential for anti-competitive effects, and also because such banks would have great difficulty in complying with such a rule inasmuch as trust department personnel often serve in the bank's commercial operations as well. Of course, the question here is not so much one of antitrust, but violation of the securities laws resulting from use of insider information. The rationale for the suggested dividing line is the same, in a smaller bank there is less possibility of there being material inside information available in the credit files, and less potential impact of investment actions based upon such information, thus the adverse effect of recognizing and permitting the continuance of that organizational structure would probably be minimal. The proposal is an interesting one, and we have it under consideration. Once again, any comments you might wish to offer will be welcome. Inasmuch as this would constitute one additional limitation on the freedom of operation of a business, we are loath to impose it unless it is shown to be absolutely necessary.

We now have under consideration an amendment of the language of Section 9.7(d) which gives recognition to the problem of insider information and should at least preclude the possibility that a bank would misinterpret the Regulation as excusing the use of such information. As amended, the paragraph would read:

> The trust department may utilize personnel and facilities of other departments of the bank, and other departments of the bank may utilize the personnel and facilities of the trust department, only to the extent not prohibited by law.

The next recommendation of the Commission is based upon a similar fear, that insider information would be used by a bank fiduciary before such information became known to the public. While the issue has not been decided by a court, it appears to us that the assertions of the SEC—that securities laws would apply to a bank fiduciary's acting on the basis of knowledge acquired on its commercial side, and that fiduciary law would not require a bank to act upon such information if, in doing so, it would violate securities laws—will be accepted by the courts. Thus, the question before us is whether we should anticipate that determination and impose the rule as a matter of trust department regulation. To me, there appear to be good reasons for doing so, accordingly, we are currently considering a further amendment to Section 9.7 which would add the following sentence at the end:

> No director, officer, or employee of a National bank shall recommend or initiate any purchase or sale of securities for a trust department account on the basis of insider information.

Once again, that has not yet been published, but comments are welcome.

Recommendation 2(e) of the Commission is that we ensure that:

> Each corporate fiduciary shall establish procedures to review at frequent intervals the amount of uninvested cash in each trust account and shall require the officer responsible to justify the retention of balances.

The matter of the amount of uninvested cash has long been a prime subject of inquiry by our examiners. Regulation 9 has, for years, required at Section 9.10:

> Funds held in a fiduciary capacity by a National bank awaiting investment or distribution shall not be held uninvested or undistributed any longer than is reasonable for the proper management of the account.

The representatives of our Office have, as a part of each examination, scrutinized cash balances for compliance with that requirement. That practice has continued justification, particularly in these days when we hear it said of so many banks that their trust operation is profitable only if the amount of trust funds on deposit on the commercial side is taken into consideration. That state of affairs provides a built-in incentive to keep trust funds on deposit, and also provides a powerful argument for the adoption of more realistic fee schedules and of a policy of ceasing to give away trust services. To reflect our intensified interest in that area, we are considering amending Section 9.7(a)(2) of Regulation 9 to add, at the end:

> Such reviews shall include the amount of uninvested cash in each account, and a justification of the retention of any balances.

That completes the list of recommendations made to the banking regulatory authorities. Now I would like to devote some time to a discussion of other proposals made by the Hunt Commission. I emphasize that the opinions I express are solely my own, and in some cases, are even subject to further reflection and inquiry on my part.

The first recommendation was that a Federal prudent-man investment rule be enacted. That has a certain appeal to me. As I have said before, there is a fuzziness as to what the prudent-man rule is. Actually, it appears that there are two prudent-man rules. It is an investment rule and it is also incorporated into the trustee's duty to exercise reasonable care and skill. That latter duty, to exercise such care and skill as a prudent man would, is but one of the duties of a trustee (Scott lists at least 16) yet it is believed by many who have too casually examined the law of trusts to be the only duty. As a result, we have had some poorly reasoned judicial decisions and opinions of counsel which said, in effect, that a trustee can do almost anything so long as he is prudent, speculate prudently, self-deal prudently, etc. If that is, in fact, what the prudent-man rule is, then it simply won't do in this age. The conflict of interests which exists between the bank's business and that of its fiduciary accounts in every bank with a trust department, cannot be effectively moderated by a rule that permits anything, "if prudent." As I have said before, every banker believes that the transactions into which he has entered for the bank are prudent. The determinant must be clearly recognized, the public interest requires that the business of the bank and that of its fiduciary accounts must be kept separate, and no prudent-man rule should be understood as permitting otherwise. A Federal law making that clear would be in the public interest.

But implementation of that recommendation presents problems. Frankly, I don't see how such a Federal statute could be imposed on individual trustees, except possibly as a part of the Internal Revenue Code. That, in my opinion, would not accomplish the desired purpose. The Internal Revenue Code and the law of trusts are not co-extensive, I wish more lawyers and pension fund consultants understood that, for the philosophy held by some of them that a company may freely make use of its employee benefit trusts as sources of capital, to the full extent permitted by the tax laws, is a continuing source of difficulty for all of us. Putting a prudent-man rule in the Code probably would not be effective. On the other hand, it would be, by comparison, no problem at all to put it in the banking laws and apply it to all insured banks, and into the Welfare and Pension Plans Disclosure Act and apply it to all pension funds.

Presently, the prudent-man rule is a matter of local law, variously interpreted or enacted in the several states. Commonly, governing instruments contain provisions which provide for investment without regard to the rules of law otherwise applicable to trustees. To the extent that that may take a trustee out from under the prudent-man rule, it makes for further lack of uniformity and lessens the effectiveness of the rule. Thus, in my opinion, it would appear desirable for a Federal prudent-man statute to provide that such language is ineffective.

If those measures were taken, banks would be at a disadvantage to individuals. Would that be a crippling disadvantage? I think that a compelling, perhaps persuasive, argument could be made that the application of a Federal, non-waivable, prudent-man investment rule to banks would be a proper price to be paid, by the customer, to obtain the advantages of a professional corporate fiduciary—immortality, experience, and expertise—and, by the bank, because of the conflicts it has that other fiduciaries do not.

One might also make a compelling case that our Office has moved in that direction through its application of Regulation 9 to National banks. We have interpreted State law in a fairly uniform manner in applying the self-dealing and conflict of interest provisions of the Regulation, and in so doing, made a Federal law of sorts. There are times when I think that we should incorporate a prudent-man rule into Regulation 9. Although it might put National banks at a disadvantage to State banks in states where a more liberal rule is in effect, we should not give that consideration too much weight. Speaking very personally, if a bank were in some manner to bring discredit upon itself and the banking industry through ill-advised trust department actions, I would much prefer that bank to be a State bank, as I told the officers of a National bank that once threatened to convert. At this time it would appear preferable, in view of the relative non-urgency of the proposal and the desirability of having a uniform rule applying to all banks, that a prudent-man rule be adopted by Federal legislation. The recent experience in attempting to enact a fiduciary standard for pension funds suggests, however, that that might not be easy.

The Hunt Commission also recommended that a requirement be imposed to make corporate fiduciaries file annual reports on trust holdings with the appropriate regulatory agency. I have previously stated my disagreement with such proposals and will not repeat myself here. However, I would admit that, as a loyal government employee, I would support such a proposal if the administration were to adopt it, and would prepare to implement it. For example, if the recommendations of the Commission on that point were to be adopted, it would appear most sensible to alter our *modus operandi* somewhat. The reports would be filed with us, and we should use them. Thus I would think that we would have to transfer several of the functions which scrutiny of these reports would permit from our field examining staff to our Washington Office. Examiners would cover other aspects of the trust department's operations, and, of course, verify the accuracy of the reports. Obviously that would require an increase in the staff of the Washington Office.

Recommendations 4 and 5 of the Commission are interrelated. They are:

4. That bank holding companies be permitted to operate a single trust affiliate to carry on trust activities for all banks in the holding company.

5. That bank holding companies be permitted under state laws to operate system-wide common trust funds among all affiliate banks with trust powers.

As those matters concern holding companies, they are to a degree subjects for the Federal Reserve, but there is an overlapping here, particularly for chains where the lead bank is a National bank. We have gone a long way in permitting the effectuation of Recommendation 4 by permitting co-fiduciary and agency arrangements between banks, subject to certain safeguards. We feel that we have gone as far as we can in that area and that a bank, named as a fiduciary, cannot delegate its responsibilities to another. It can share them with a co-fiduciary, and it can obtain advice and assistance from another, more experienced bank, but it cannot, and should not, we believe, accept an undertaking to act as fiduciary for someone, and then, in effect, substitute a third party in its stead, even if that third party is an affiliated trust company. That arrangement would all too easily permit deception of the public. On the other extreme, I can see no difficulty whatever in permitting a holding company to have a trust company to which the banks in the chain would refer their trust business, as long as the trust company were the sole fiduciary. That is close to what is being done now in some holding company groups between the smaller banks and the lead bank.

Recommendation 5 requires, in addition to amendment of State laws, such as enacted by New York and Virginia, an amendment of Section 584 of the Internal Revenue Code. Suffice it to say that such legislation is before Congress, that we favor it, and that we have an amendment of Regulation 9 already drafted to carry it into effect should the proposal be enacted into law.

The remaining four recommendations of the Hunt Commission dealing with corporate fiduciaries relate to pension funds. The first is that the Federal prudent-man rule, discussed earlier, be applied to all pension funds. Of course, under the present laws of prudent-man jurisdictions, pension trusts are subject to the rule as it exists in those states, and to the extent that the report suggests, otherwise it is in error. But the recommendation, that there be a Federal prudent-man rule imposed as to all pension funds, is one that I heartily favor. Speaking personally, I would hope that there be enacted absolute prohibitions on the investment of funds of employee benefit trusts in any employer-related media—its stock, property leased to it, loans to it—whatever. Our experience with direction trusts and the continued efforts of some of you to get absolution for closing your eyes to them, have contributed to that conviction. Some day a large number of employees are going to have their retirement expectations dashed because our tax laws do not sufficiently prevent the use of employee benefit funds by employers as an additional source of capital. I hope that banks don't get tarnished in the process, but I'm afraid that it will happen as long as you keep accepting such trusts and whining that your only course of action is exculpation. It is very singular to me in this day of general agreement as to the duties and social responsibilities of business toward the public, that all that some of you can think of with reference to that essentially deceptive practice of permitting yourselves to be named as trustees and then proceeding to deny it, is how to devise ways to accomplish that end and emerge without liability.

The remaining three recommendations have been covered to some extent by existing legislative proposals of the Administration and, of course, I stand on those proposals. Accordingly, I will not comment upon those recommendations.

So much for the Hunt Commission, and back to Regulation 9. We have some other proposed changes that we published last September, and which I would like to discuss with you. The two most difficult features of the new provisions have proved to be the ones pertaining to promotion and disclosure of common trust funds, and the 10 percent limitations. As to the former, our current thinking is to change the Regulation so as to make certain distinctions between traditional common trust funds and pooled pension and profit-sharing trusts. While the prohibition on predictions or representations as to future results would be continued for both types of funds, hereafter the prohibition on making reference to funds other than those of the bank would apply only to traditional common trust funds. National banks would still be required to furnish a copy of their annual reports to any person, upon request, for both types of funds. However, a reasonable charge could be imposed for that service. The limitation concerning publicizing the availability of the report would thereafter apply only to traditional common trust funds.

We would hope, through this, to strike a balance between the need for the public to find out what is going on in bank collective investment funds, the legitimate need of banks to inform in order to better compete, and the limitations upon promotion of those funds which result from the SEC's interpretation of the common trust fund exemption in the Investment Company Act. If that appears to be an unworkable or unwise provision, tell us and we will try again.

As to the 10 percent limitations which, as you know, apply only to traditional common trust funds, we are now considering the incorporation of modified provisions dealing with the situation when a limitation is exceeded by means other than outright excessive investment on the part of the bank, either on the part of a particular account, in the one case, or in a particular security, in the other. Thus, in cases where an account or a particular security come to exceed 10 percent of the market value of a common trust fund for any other reason, we have considered providing for a corrective mechanism. As to the investment of a fund, it would work on a delayed-action basis. Under the Regulation, if the excess reached the point of 15 percent of the fund, and if the excessive investment in a particular holding continued in excess of 15 percent on each consecutive valuation date for 6 months, the bank would be required to reduce the participation, or the investment, as the case might be, back to 10 percent within a reasonable time, not to exceed 12 months. As to an excessive investment by a fund, the 12-month period would date from the expiration of the 6-month period. Of course, any excess resulting from an improper investment made either deliberately or through inadvertence, must be corrected as soon as possible. In the case of an excessive participation, that would mean at the next valuation date. As to an excessive investment, it would mean immediately. It is our thought that the foregoing would help attain the regulatory purposes of maintaining a reasonable diversification in common trust funds regardless of what factors may tend to cause a concentration, and yet would not cause precipitate action to be taken to correct temporary imbalances.

The other amendments to the Regulation being considered are not very different from those which we proposed in September. One would require that a bank accept requests for withdrawals from a traditional common trust fund received at any time prior to the valuation date. It is recognized that that conflicts with some State banking laws and regulations. However, I personally feel so strongly that this is the equitable solution, that we should not defer. Because compliance with Regulation 9 is required as a condition for tax exemption for all common trust funds, it is anticipated that some fund plans would have to be amended to conform to that requirement, if made effective.

The Regulation would call for plans for collective investment funds to include, in their provisions, acceptable valuation criteria. It is expected that plans that incorporate, by reference, acceptable State regulations on the subject, such as is the case in New York, would be in conformity with the requirement.

Some of the other pending changes include (1) an amendment to Section 9.13 which would permit a bank to participate in a central certificate depository, where permitted under local law; (2) an amendment of the definition of trust department so as to continue that term in the Regulation, and to include all persons within a bank who perform fiduciary responsibilities, whether they are so-named, or not; and (3) an amendment of Section 9.12 to make clear that the bank may engage in a self-dealing transaction with a trust account where required to do so, by the Comptroller of the Currency, to correct a criticism.

Finally, the authority to operate a common trust fund for managing agency accounts would be deleted. That is another chapter of the story of the struggle to make available the investment expertise of bank trust departments to the person of modest means. One of the foremost revelations of that struggle has been the extent to which the protection of the public could be given as the basis for so many diverse points of view on that proposal. While we do not believe that the *Investment Company Institute* case requires that authorization to be removed from the Regulation, it appears that no useful purpose would be served in retaining it. Of much more promise in this area is the proposal of Provident National Bank of Philadelphia to establish and manage a closed-end investment company. Once again, my view of the public interest is that it would be best served by making such a service available to the public, and that proposal appears to be the way to accomplish it. I note that the Hunt Commission recommended that banks be permitted to manage and sell mutual funds, including commingled agency accounts. It should come as no surprise to you that we agree with that proposal in all respects.

In conclusion, I would state that the commentary which we have received on our proposed rules has been of great assistance to us, and I hope that it will not end here. As Mr. Camp has said, we are always ready to receive your questions, your comments, and your mild criticisms. Seriously, both you and the staff of the Trust Division of your association have been very helpful, although I am sure that many will say that what finally emerges certainly is not what they would have written if they were doing it alone. Probably, that will include me. We have also received the comments of persons outside the industry, including the Nader organization. I expect that they might make the same comment, perhaps even stronger, about the final language. We won't please everybody, but then that is not the proper function of a government regulation, to please either the regulatees or the professional fault finders. Rather, it is in my opinion, to provide a means of supervision which is effective, and yet imposes the least possible restraint. That requires, on the one hand, that the proper control be imposed even if it conflicts with a long-standing practice, and on the other, that the regulation attempt to meet only those dangers that are real, rather than also including the hypothetical. That is what I hope we will accomplish.

Statement of Robert Bloom, Chief Counsel, Office of the Comptroller of the Currency, Before the Senate Committee on Banking, Housing, and Urban Affairs, on S. 3562, Aug. 2, 1972

The Comptroller of the Currency and the Treasury Department favor continuation of the policy adopted by the Congress in 1969 of complete equality of treatment between State and National banks with regard to State taxes. Both S. 3562 and Title II of H.R. 15656 provide complete equality of treatment, but impose restrictions on the States with regard to collecting two types of taxes from any bank. The language of either bill is acceptable. However, we believe that the wording of H.R. 15656 is somewhat clearer and less susceptible to the creation of questions of interpretation.

Unless one or the other of the bills is enacted prior to the end of this year, the "permanent amendment" of section 5219 of the revised statutes (12 U.S.C. 548) will become effective on January 1, 1973. If that provision is permitted to go into effect without revision, there will thereafter, be no federal statutory restrictions of any kind on the power of States and their subdivisions to impose taxes on insured banks. The Congress, in enacting Public Law 91–156 in 1969, was concerned over possible unforeseen consequences of that substantial change in preexisting law and requested, in section 4(a), that the Board of Governors of the Federal Reserve System make a study to determine the probable impact on the banking systems and other economic effects of the change and, in section 4(b), requested that the Federal Reserve study include recommendations as to any additional Federal legislation that may be needed on the subject. The Board, in response to that request, made an exhaustive study of the subject.

The Board's conclusions and recommendations dated May 1971 were that the permanent amendment of Public Law 91–156 should not be permitted to go into effect without revision. The Board concluded that if this were allowed, the changed tax status of banks could open the way for State and local tax measures which "could impair the ability of the banking system and possibly the entire structure of financial intermediaries to contribute to the efficient allocation of the Nation's credit resources." The Board recommended that restrictions be continued on the powers of states and local governments to collect two types of taxes: (1) a tax on intangible personal property, and (2) "doing business" taxes imposed by States other than the State of the home office.

The reasons for the Board's recommendations are clearly and persuasively set forth in their Report. I shall only briefly summarize them here. The case for prohibition of *ad valorem* taxes on intangible personal property of banks is set forth on pages 2, 3 and 4 of the Report. The Board points out that a general tax on intangibles would bear with much greater weight on banks and other depositary institutions than on nonfinancial businesses. Virtually all the assets of such institutions are in the form of intangibles whereas that type of property is much less important for nonfinancial firms. Banks are closely regulated and supervised with published balance sheets; the tax assessors are unlikely to undervalue fixed claims, such as bank assets, to the degree that they can, and generally do, undervalue other types of assets. However equal the treatment provided in the tax law, in practice depositary institutions would be at a marked disadvantage compared with businesses and individuals, particularly where intangibles are blanketed into a general property tax that purports to apply the same evaluation standards and rates to all types of tangible and intangible personal property.

An intangibles tax applied to banks would have a number of adverse economic consequences depending in magnitude on the level and geographic extent of the tax. The principal effect would be an impairment of the ability of such financial intermediaries to gather in savings and allocate funds for productive investment. The process of financial intermediation performed by banks is particularly vulnerable to an intangibles tax because the duplication of financial assets that is inherent in the flow of savings, first into deposits and then into customer loans, would expose savings flowing through intermediaries to an additional layer of taxation not encountered when funds flow directly from savers to ultimate borrowers.

A tax on intangible assets would tend to induce banks to divert funds from taxable to tax-exempt forms of assets—that is, from financing for consumers and businesses to acquisition of Federal, State, and local obligations.

The Board also recommended, and these bills embody, a limitation on taxation by States other than the state of the principal office. The bills *permit* such other states to collect the following forms of taxes from out-of-state banks which may be doing some business within the collecting state's borders: (1) sales and use taxes upon purchase, sales, or use of tangible personal property within such jurisdiction; (2) taxes on real estate or on the occupancy of real estate located within such jurisdiction; (3) taxes on the execution, delivery, or recordings of documents within such jurisdiction; (4) *ad valorem* taxes on tangible personal property located within the jurisdiction; (5) license registration transfer, excise or other fees, except those based on gross receipts or net incomes, imposed on the ownership, use or transfer of tangible personal property located within the jurisdiction; and (6) payroll taxes based on persons employed in the jurisdiction.

The bills would *prohibit* non-domiciliary States from collecting taxes measured by income or receipts or other so-called "doing business" taxes. Section 207(a) of H.R. 15656 would direct the Board of Governors to study further the question of the application of State "doing business" taxes on out-of-State insured commercial banks and to make recommendations for legislation which will provide equitable State taxation of out-of-State insured commercial banks. We understand that the Board does not believe that it is the appropriate agency to make such recommendations.

The reasons for the limitation on "doing business" taxes by non-domiciliary States are stated on pages 4, 5 and 6 of the Board's report. In the absence of some Federal standard under which States are required to divide the tax base, there is no assurance that the sum of the taxes which two or more States may levy will not exceed 100 percent of the actual base. Even where this limit is not exceeded, serious burdens result when two or more states claim jurisdiction to tax, for example, the same net income, using different rules for interstate division of the tax base and requiring different kinds of records and reports.

The added cost of acquiring technical competence regarding the differing tax laws and procedures over all states where business is done, maintaining the records needed to determine which taxes are applicable and the amount of liability, and preparing and filing the returns in all affected states may be even greater than the taxes.

In addition to the importance of avoiding overtaxation of any given tax base, it is equally important to avoid excessive compliance costs and the erection of barriers to interstate credit flows. Such barriers would be raised not only by the taxes themselves, but also if there ensued uncertainty, controversy, and litigation of the sort that for decades has characterized taxation of interstate mercantile and manufacturing businesses. Uncertainties about potential tax liabilities and concern about compliance burdens could become material factors in decisions to make particular loans or investments.

The imposition of income or other "doing business" taxes would tend to induce out-of-State lenders to divert credit flows away from states imposing such taxes and into states with a favorable tax climate or into marketable securities.

The Board's conclusion, with which we agree, is that the non-domiciliary State's power to impose income or other "doing business" levies, should be suspended until such time as a formula can be devised for the fair allocation of such taxes among states.

The Comptroller of the Currency fully supports the recommendations of the Board of Governors of the Federal Reserve as embodied in Title II of H.R. 15656 and S. 3562.

Remarks of Dean E. Miller, Deputy Comptroller of the Currency for Trusts, Before the Western Trust Conference of the American Bankers Association, Monterey, Calif., Sept. 7, 1972

"Without Precedent"

It is always a pleasure, as well as an honor, to be asked to come to a place such as this and address a group such as yourselves. One feels very pleasant on being invited, and can spend a considerable period after accepting basking in the glow of being so honored, while doing nothing to pay for it. The glow is not without vexing little interruptions, however, and probably the first is when you are asked to give a title for your remarks. As this usually takes place quite some time in advance of actual preparation of your text, it presents something of a challenge. You know of matters on which you would like to speak if it were today, or tomorrow, or next week. But beyond that a number of variables begin to take effect, or could, so that there is always a risk, at least in my area, that the matters of today will not be appropriate when the time arrives to speak. Thus it is a challenge to provide a title far in advance which covers that possibility. There are two ways I have coped with that problem. One has been to pick a good safe general title, such as "Trust Department Supervision" (which is not my title today). That is certainly a safe course to follow, as because of my position, there is always something I can say relevant to the title, although that something is not always the same. That way of choosing a title has the disadvantage of being colorless, the kind of thing that makes your spot on the program look like a good time to be elsewhere. My alternative has been to try to find a catchy title; one which might suggest various things to different people, and perhaps in the process, provide motivation for them to come and listen to see if, in fact, the message concerns one, or several, of the possible subjects within the broad coverage of the title about which they would like to hear. It also provides the speaker with flexibility, and can look great on a program. That was my course for this conference, when I titled my remarks "Without Precedent." One could see that on the program and assume that I was going to say that the number of criticisms in examination reports of banks in this area is without precedent, which isn't so. Or one could assume that I would dwell upon the unprecedented growth in assets held in bank trust departments, or the unexampled development of new services being offered by them. One could assume that I was going to be sarcastic and observe that the existing desire of so many uninformed people to modify or restrict bank trust department operations in so many novel ways is worthy of note. Those were all considerations that went into my choice of a title, while, of course, I maintained the hope that the real subject on which I wished to speak would not become outdated. I shall proceed upon the assumption that it hasn't.

Over the last two decades, and more particularly the last one, there has emerged a marked change in attitude on the part of a great many members of our judicial system in the direction of activism. "Activism" itself isn't precisely the correct word, unless viewed in the context of the way the judicial system works, with the initiative taken by litigants and the judge responding. Perhaps the development, therefore, could better be described as a responsiveness to activism. Thus we have seen judges agreeing with plaintiffs that causes of action, which in previous periods were not thought to exist, in fact, did, either under common law or under statutes which have been on the books for some time. As a corollary, we have seen them finding judicial remedies for those causes, some of which had been thought, in times past, to be the role of other branches of government.

It would be difficult to pinpoint precisely when that change to responsiveness began. Some would say that it started with the ascendancy of Chief Justice Warren to the Supreme Court, but I do not think that would be accurate. A case might be made that the prevailing theories of proper jurisprudential activity follow a cyclical pattern, and what we are presently experiencing is the movement of the cycle away from the mean, or central position of the spectrum, and that the process has parallels in previous eras. I put that statement in those terms because I have not made the investigation necessary to develop the facts to support or refute the proposition. It is not material to my point here whether what we are seeing is part of a cycle which will one day abate and reverse itself, or whether it represents a permanent restructuring of our governmental system, insofar as it may imply a greater judicial role in the lawmaking process. Even if the cyclical analysis is correct, it is apparent that we are nowhere near the turning point, and the trend is apt to continue. I do not believe that the new members of the Supreme Court, the "strict constructionists", even if they become a majority, have been shown to be conceptually opposed to the general principle of growth of judge-made law and judicial remedies. Until a number of cases, on a variety of subjects, are decided by the Supreme Court on the ground that they are legislative rather than judicial questions, I think that my assumptions here are safe. Neither does it appear to me that a countermove will soon be generated by the lower judiciary or by the bar. Current trends in decisions and suits filed are, I believe, in the direction of more new courses of action, more new judge-made remedies. A visit to the campus of any law school can supply evidence that such trends are likely to continue and intensify.

Thus, I hope I have established the bases for my preliminary conclusion—that we are now in an era where judges are discovering new causes of actions in areas where grounds for resort to the courts were heretofore thought to be lacking, and are fashioning new judicial remedies to redress those causes of action, with the result that whole new volumes of decisional law are being created. In the process they are becoming increasingly result-oriented, and less and less apt to be swayed by forms and rules that permit results which run counter to very basic and simple rules of fairness.

The process is not entirely being conducted at the judicial level, for the legislatures and Congress have occasionally assisted through enactment of statutes creating new rules and giving rights of action to enforce those rules. However, it is primarily occurring in the courts, in part, some have said, due to the failure of our existing legislative machinery to function properly. It has been claimed that courts have become more rapid sources of redress than legislatures, as the undemocratic features of those latter bodies have increasingly made them unresponsive to needed change. The committee system, the absence of party leadership and discipline, and the high degree of effectiveness of lobbying efforts of vested interests have been pointed to as the reasons why that state of affairs has come to pass. Personally, I believe a strong argument can be made that until there is legislative reform we are increasingly going to have laws made, and new rights and wrongs and their remedies delineated, by the judiciary.

Rather than devoting more of my time to the development of that conclusion, let me now relate what I think this means to our area of endeavor—the trust business of banks. Put summarily, and in terms of my title, I think that it means that legal precedent is going to become less and less of a reliable guide for you in determining how you will run your business. Indeed, isn't that already so? Who could have foreseen, on the basis of precedent, the implications of the McDonnell Douglas and Texas Gulf applications of the securities laws as to trust department operations? Or the application of the antitrust laws to the question of allocation of brokerage in return for deposits? Or to the holding of competing closely-held companies in trust accounts? Who could have foreseen that some kinds of trust accounts created by settlors in accordance with the time honored motives and procedures would become securities, issued by some entity other than the bank which accepted them? Who could have anticipated the emergence of suits by beneficiaries for engaging in investment and administrative procedures which have gone unchallenged for years?

Yet those things, and many similar ones, have come to pass, and those of you who failed to anticipate them, and most of you are included in that number, are now viewed as being slightly less than perspicacious as a result. Yet, in most cases you were acting pursuant to the advice of your competent legal counsel, as old Regulation F used to require. Were they incompetent? That certainly would be too harsh a judgment. A case can be made, however, for the proposition that they, and you, failed to anticipate the prevailing jurisprudential trends. But, I don't think that fault can be found for that either. This industry, particularly, has had to be guided by the past, in its many legal requirements of care and prudence. It has been a fact of your existence that the propriety of your actions will be judged after the fact, with the full benefit of hindsight. Thus, in making your decisions, it has been useful to prepare for that judgment, should it come, to rely upon what has stood the test of time——what has been tried before and found acceptable. But, as I think I have shown, precedent, or the absence thereof, if you will, may no longer be of complete comfort to you in making judgments, and you may be faulted if you don't anticipate future developments. The next question is obvious, if I think that this revolution has occurred in our traditional framework for determining the rightness of your actions, what would I have you do?

To begin with, I would point out that what I think we are seeing is no revolution. It is not a cataclysmic development that has completely overturned the preexisting order. The continuing jurisprudential evolution has not primarily been contrary to reason or logic; it has only been contrary to precedent. Some decisions have greatly unsettled the preexisting order of things, to be sure, but on the whole, they have not been unjust. In nearly every area you can name, the ultimate result has been one which can be grounded on very elementary notions of justice. The principal effect, I think, of the emergence of the judiciary as a prime means of effecting reform, has been to remove impediments to justice, impediments which in some cases also provided very meaningful protections for business and financial operations. In other cases, we have seen practices attacked which might not be considered to be protections, but which were an integral part of a complex system of rules which the establishment knew well and had come to plan upon. Those have come under attack where they have, in addition, been used by some to cause injustice to others. There are several areas in the corporate fiduciary business which may be vulnerable to that type of attack. Let me touch upon what I think are a few of them.

Possibly the biggest area is the employee benefit trusts. Here there have evolved a number of practices which have the sanction of widespread acceptance by the banks, apparent authority in appropriate governing instruments, and conformity with laws having concerns other than the protection of beneficial interest holders—the tax laws, usually. Here too, the National legislature has struggled for years to come up with legislation to provide protection for the employee, with the prospects, at best, still only of achieving partial redress. The field is ripe for an extension of the trend I have described. In some situations where investments have been made, consistent with investments in similar accounts at other banks, where the bank's acquiescence therein is pursuant to specific governing instrument authority, and where there is no question of failure to conform to the tax laws, it is apparent that under any common sense rule, the investment is obviously motivated by something other than the employee's exclusive benefit.

Another situation might be in the case of a personal trust which was very conservatively invested over the years, say in government bonds, so much so, that the trustee's fees have exceeded the income and growth and have gradually eaten away the rest. The investments were legal under the law of the State, the trustee strictly conformed to the governing instrument provisions and has filed regular accountings, but the widow is poverty-stricken.

There may be other possibilities, I shall not anticipate them. My two examples are cases in which, I now think, the beneficiary may have a gripe, and some of you don't agree. The point is that I do not believe that you can rely upon precedent, or its absence, in situations where the beneficiary is getting less than he might have had the trustee been truly zealous in serving only him. The fact that it has always been done this way, or that everyone in New York is doing it, or that there are miles of language of authorization and exculpation, or that it conforms to the tax laws, or the disclosure laws, or even to those rules of the law of trusts which no longer have justification, will not be of help. Further, I do not think that you can rely upon legal advice that, in the foregoing situations, you will be protected. It is unfortunate that some attorneys apparently believe that the steps necessary to qualify for a tax benefit, or to comply with the Welfare and Pension Plans Disclosure Act, are the same as those necessary to protect a bank trustee from liability for a wrong done its beneficiary. Another curious example, which I have occasionally run across, concerns the banks' employee benefit trusts for their own employees. It is difficult to be charitable toward attorneys' opinions concluding that because a bank's plan is trusteed by individuals, rather than the bank itself, our Office has no authority to review it. Invariably, those individuals are either identified with, or subject to, the bank's management and, of course, they are reviewed just as if the bank itself was trustee. I think it should be a breach of trust for you to pay an attorney for advice like that.

Much of the "new law" which has already come on the scene in the professional fiduciary area concerns the application of "other laws." The securities laws are a good example. In some cases, as I have noted, it has been extremely unfortunate that a long-standing practice is given a securities law label, and then subjected to the rules of a very different ballgame. Often the application of securities laws has not necessarily provided the optimum regulation. On the other hand, because certain practices were engaged in by many banks pursuant to proper authority, in conformity with the tax laws but to the possible detriment of a segment of the public, the idea that resort to the securities laws is possible has arisen. The same could be the case for antitrust laws. How different it might be if you and your lawyers, instead of merely looking to see if a suit for breach of trust had succeeded in the past, in a transaction similar to what was before you, also inquired if there were any other public interest which such an action would offend? It is a question that you will have to be constantly asking in the future. The precedents are yet to be made, and if you are the one who makes them, it will be painful. If an activity of a bank trustee, that offends a public concern not previously considered in decision making, is attacked as a violation of some indivisible, non-exculpable duty of the trustee, or of the Securities Exchange Act of 1934, or of the Clayton Act, or of some act waiting in the wings yet to be applied, I think you can count on the courts finding against you. And, if it happens very often, you're going to be forced to make a decision on whether to be bankers or trustmen, for you may be deprived of the opportunity to be both.

So, the next time your good customer, or your management, comes in your door with such a proposal and you know the kind I mean, see if you can do a little more than smile weakly and whimper something about the jerk in Washington with the silly-sounding title who doesn't have express written authority to object to the specific transaction, but who will do so. Use a little imagination about the possible duties of the trustees, or the Federal or State laws that the action might violate. I can assure you, there is an army of plaintiffs' attorneys, and perhaps less than an army, but a sizeable number of government attorneys, who have the most fertile of imaginations, and they will be doing just that.

In a talk I gave at the Midwinter Trust Conference earlier this year, I indicated that we were considering the amendment of Regulation 9 to impose a requirement that our examiners inquire as to whether a bank has achieved the best execution on security purchases and sales. Several persons have commented upon that proposal, in the main, pointing out that "best execution" is a very difficult thing to isolate and define. Following that conference, the SEC published a policy statement. One portion of that statement reads as follows:

> Where there is no self-dealing, and an advisor is not affiliated with the brokerage firm executing the transaction, it is reasonable to presume that the commission rate paid to such a non-affiliated broker reflects the full range of and quality of the broker's service and is in the beneficiary's best interest; however, as indicated in the policy statement, where commission rates reflect services furnished to the managed account in addition to the cost of execution, managers must stand ready to demonstrate that such expenditures were *bona fide*. The determinative factor is whether the transaction represents the best qualitative execution for the beneficiary.

As we interpret that excerpt, it can be translated fairly easily to a bank trust department context. Accordingly, we have instructed our examiners to follow it, substituting "bank" for "advisor", of course. It would appear that the bank could buy services, such as research, from brokers consistently with those principles, as long as the service was not illusory, and was for the benefit of the accounts for whom the transactions were executed, and were not for the bank. We shall presume that a commission rate paid, if consistent with quotations for that day, is proper and in the account's best interest, but other circumstances might destroy that presumption.

An example of where such a presumption would be destroyed might be in a fully discretionary account where a bank followed directions from the settlor as to choice of brokers. If, on the same day, a purchase for one account of a particular security were made through a broker so designated, and a combined purchase for several other accounts of the same security were made through another broker at a negotiated fee which was more favorable, it would appear that we should be concerned. You may think of other examples.

In February I also mentioned that an amendment of Regulation 9, to provide that "no director, officer, or employee of a National bank shall recommend or initiate any purchase or sale of securities for a trust department on the basis of inside information," was under consideration. That was recommended by the Hunt Commission. We have not adopted such an amendment, although, of course, that does not mean that banks are free to make such purchases or sales. No one would question that securities laws apply to banks in that case. However, to put a specific legal requirement on Regulation 9 would be contrary to our regulatory *modus operandi*. The Regulation generally requires that bank trust departments be operated in accordance with law, Regulation 9, and sound fiduciary principles. That is broad enough to encompass all applicable law, and putting specific provisions in the Regulation would only complicate the process. The question would always come up, once we started putting in specific prohibitions, what about the practices omitted? Instead of a regulation, we would soon have a vast catalogue that would be unnecessarily complex and still not necessarily comprehensive. Accordingly, we have issued no regulations on that point.

Speaking of the Hunt Commission, I am occasionally reminded that it did recommend that banks file annual reports on their trust holdings. Most recently I came across another bill, H.R. 16246, which would require quarterly disclosures of certain trust department holdings with the FDIC. It was introduced by Chairman Patman. We think that such reports would be unnecessary, and only productive of increased bureaucratic impediments to business. As I said in New York, we would, if such a requirement were enacted, do what we could to modify our procedures so as to make the reports as useful and non-duplicative as possible.

To sum up, I think that we are in an era when, increasingly, we are going to have to deal with substantive justice and cease to rely upon formalistic distinctions in all areas of our thinking. For just as you cannot cure a conflict of interest by spinning-off a trust department to an affiliated entity, neither can you remove a wrong to a beneficiary by saying that because of some technicality you owe him no duty. I just don't think it will work out that way. Do not say to me "read me the statute" or "cite me the decision" which forbids it. The day that I have that statute or decision may be one day too late for the banking industry.

Statement of Robert Bloom, Chief Counsel, Office of the Comptroller of the Currency, Before the Subcommittee on Commerce and Finance of the House Interstate and Foreign Commerce Committee, On H.R. 14567 and 14826 and S. 3876, Sept. 8, 1972

The Office of the Comptroller of the Currency welcomes this opportunity to present its views on these three bills which are designed to provide Federal authority to achieve standardization and automation of

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the securities transfer process in order to prevent future back-office crises.

We believe that this object is one with which the Congress should deal promptly.

The means to be established by these bills to accomplish their common end, while similar in many respects, contain certain differences. These differences are of importance to the banking agencies. H.R. 14567 is sponsored by the SEC and supported by the Administration. H.R. 14567 would give the Securities and Exchange Commission authority to establish rules and regulations concerning minimum standards for the performance of transfer functions, measures, and personnel standards for safe handling and custody of securities and funds, and operational compatibility of the transfer agent with other persons involved in the securities handling process.

The enforcement of these rules, with reference to transfer agents which are banks, would be placed in the bank regulatory agencies. Substantive rules would be proposed by the Commission only after prior consultation with the bank regulatory agencies. All transfer agents would be required to register. However, bank transfer agents would register with the bank regulatory agencies and a notice supplied to the SEC, all other transfer agents would register with the Commission.

H.R. 14567, by utilizing the existing banking agencies to participate in and administer the provisions of this Act as they are applied to banks, is an excellent means of approaching the problem, in our opinion. The bank supervisory agencies are fully capable of administering the provisions of this Act and are willing to do so.

Accordingly, if the responsibility for applying the provisions of this bill to banks were given to another agency, such as the SEC, the result would be an additional and unnecessary expense and overlapping and bureaucratic duplication.

Indeed, it is our belief that H.R. 14567 does not go as far as it might in this direction. The bank supervisory agencies presently oversee the operation of all aspects of banking activities, including their performance as transfer agents. That is done primarily through the regular examination of those banks by on-the-spot examinations.

In this, the methods of the banking agencies differ from that of the SEC, which relies primarily upon reports which are filed with the Commission in Washington and subject to scrutiny there. Both systems are effective. However, it would appear that no case is made for requiring banks to be subjected to both systems of supervision, as this bill would accomplish through requiring banks to file registration statements. The statements would serve no supervisory purpose and can only be justified on the basis of providing evenhandedness of treatment between bank and nonbank transfer agents—an evenhandedness which cannot exist in reality, because of the dissimilar supervisory frameworks of these institutions.

In addition, because the great majority of transfer agents in this country are banks, it would appear that a better solution would be for the standards of performance for transfer agents to be established by the SEC and the banking agencies jointly.

We do not believe that such a system would be unworkable, as some witnesses have asserted. All of the agencies involved are responsible governmental entities and realize their primary responsibility is to serve the public. We do not believe that there would be any difficulty in achieving agreement on the measures necessary for the protection of the public.

By contrast, H.R. 14826 makes no reference to the bank regulatory agencies. For the reasons outlined above, therefore, we do not believe that it offers the best solution, and recommend that it not be enacted.

The principal difference between H.R. 14567 and S. 3876, in our opinion, is with respect to the extension of Federal supervision to clearing agencies and depositories. H.R. 14567 provides for both substantive rule making and enforcement over all clearing agencies in the SEC. S. 3876 divides the responsibilities between SEC and banking agencies with respect to trust companies that are clearing agencies. The latter approach definitely appears to us to be the proper division of responsibility.

In connection with clearing agencies and depositories, we should like to point out a technical omission in all three bills. Under existing law, a National bank is not permitted to *purchase* or own a minority stock interest in any corporation with certain statutory exceptions. Also under present law, National banks and State member banks are not permitted to own minority stock interest in any corporation, with certain statutory exceptions.

Since it is, we believe, contemplated by all parties that in the future, corporations will be set up to serve as clearing houses for depositories, which might be owned jointly by the participating brokers and banks, there is an intention to permit banks to own the necessary stock in such corporations for the purpose of having a voice in the management of the corporation, if in nothing else, in the election of directors. We believe that State laws are in the process of being amended to permit State banks to have ownership in clearing agencies and depositories. But, in order for National banks to participate in that manner, whatever bill is enacted, we believe, should have a provision specifically empowering National banks and then through a certain carry-through provisions which will also apply to State member banks automatically, to own the stock, whether all of it or a minority interest, if the clearing agency is to be owned jointly with others.

We have suggested a form of amendment to the National Bank Act which would accomplish that purpose. We recommend that whichever bill is finally enacted have that provision in it.

Remarks of David C. Motter, Deputy Comptroller of the Currency (Economics), at the Third Annual CPA—Bankers Seminar, Houston, Tex., Nov. 15, 1972

"The Business of Banking in the 1970's"

I would like to give attention to three general topics; the dimensions of the business of banking, new proposals relating to the regulation of banks and other financial institutions, notably the Hunt report, and the area often referred to as social responsibility of business.

In my view, determining the dimensions of the business of banking was the most crucial issue facing the industry in the 1960's, and will continue to be the dominant issue throughout the 1970's. Bankers have every reason to be proud of the dynamic response their industry has made, and continues to make, to the burgeoning and evermore sophisticated demands by the public for financial services. Reflecting that dynamic responsiveness, the product and service mix of the banking industry today differs significantly from that in 1960. Although it would, indeed, be rash to try to project the 1980 mix, it is quite safe to predict that the changes from the current offering will be as great as those which have occurred in the earlier decade.

Bank entry into non-traditional areas has not been accomplished without overcoming obstacles and opposition. The principal obstacles have been, and are, statutory and regulatory barriers, some of which stemmed from Depression and post-Depression anxieties. Most of the opposition has come from non-banking firms that saw the expansion of banks into their areas of operation as a competitive threat.

We are proud of the role the Comptroller of the Currency has played in encouraging banks to meet the new financial needs of the public as they arise, and to expand activities in non-traditional areas when it appears that greater bank participation would be in the public interest. The Office has engaged in a comprehensive review of its entire body of regulation, with the express purpose of weeding out those regulatory restrictions that were not required by statute and were not needed to maintain the liquidity, solvency, and continuity of the National Banking System. That review continues.

In ascertaining whether a proposed new activity can properly be carried out by banks, the Office applies a three-fold test. Is bank participation legal under the relevant statutes? Will bank participation have no adverse effect on bank soundness? Will bank participation be in the public interest, in the sense of greater consumer choice in the relevant product market? When the answers to all three questions are affirmative, our Office lifts existing regulatory barriers to bank participation.

The list of activities into which banks first entered in recent years, or in which their role has greatly expanded, is long and growing; direct lease financing, travel services, specified insurance activities, data processing, factoring, revenue bond underwriting, and commingled trust funds, among others. You will recognize that bank participation in a number of those sparked litigation brought by non-bank firms already engaged in the activity.

In those cases, even the plantiffs seldom had the effrontery to claim that bank entry and participation had an adverse effect on the customers in the relevant market. After all, bank participation led to additional sources of supply and added competition, often creating downward pressure on existing prices. In general, the thrust of the suits was anti-competitive; most simply stated, the briefs of the plaintiffs held that bank competition was inappropriate, improper, illegal, and unfair.

To a considerable degree, the one-bank holding company movement of 1968–70 represented an attempt by banks and bankers to strengthen banking's hand in suits of that type, by shifting the form of corporate organization. You all recall the prolonged Congressional hearings of 1969 and 1970, finally culminating in the December 1970 amendments to the Bank Holding Company Act.

With hindsight, it seems fair to say that the position of the banking industry on the question of the dimensions of the banking business was never properly dramatized during the Congressional hearings and debate. At least, large elements of the Congress and the public never grasped or understood it. Rhetoric about holding company expansion was allowed to obscure the basic issue: would bank participation in activities A, B, C, et al. be in the public interest? It should have been possible to contrast more sharply the pro-competitive stance of the banking industry with the anti-competitive stance of the opponents of bank expansion.

After all, when firms embark on a new activity, they represent additional competitors in the relevant market. Other things being equal, the effect of the additional competition is to put downward pressure on existing prices. That effect, within limits, will thus redound to the benefit of the users of the services in question. Banks now participate in mortgage servicing, direct lease financing, broadened trust services, sales finance operations, and other financially-related activities.

Because the true stance of the banking industry was masked, muffled, and misunderstood, the outcome in 1970, and to the present, was almost serendipitous. To the good fortune of both the public and the banking industry, Congress in its December 1970 amendments to the Bank Holding Company Act refused to pinpoint a specific negative "laundry list" of activities. The wisdom of that decision is evident when we note that, in the absence of restrictive statutes or regulations, changes in the product mix of financial institutions often occur with breathtaking speed. The 1970 Bank Holding Company Act amendments provided a flexible statutory base for further expansion by banking organizations into financially-related activities.

The Federal Reserve Board's Regulation Y has, in effect, placed a regulatory umbrella over most of the newer activities upon which banks had embarked during the preceeding decade. The Board has not yet demonstrated a strong bent for opening the way to additional activities; however, the momentum and the logic of the situation are such that one may realistically hope that it will happen over time. Up to now, the absence of geographic restrictions on the expansion of holding companies into non-traditional activities has been the most significant aspect of the 1970 legislation and its implementation.

In our Office, we view the 1970 legislation and Regulation Y as one element in the vindication of the Comptroller's earlier pioneering positions—often lonely positions. Another vindication may be found in portions of the Hunt Commission report, to which I would now like to turn.

If one can give an overall characterization to that report, it favors elimination of many archaic restrictions on all types of financial institutions and the creation of a climate in which those institutions are freer to compete with each other and with other firms. With regard to specific activities, for example, the report recommended that commercial banks be allowed to create commingled agency accounts, to underwrite revenue bonds, and to engage in whatever activities are "approved for bank holding companies by the Board of Governors under the Bank Holding Company Act." The Commission report also supports certain bank operating powers that have been in contention in recent years, including the right to issue subordinated debt instruments of all maturities and an expanded use of the so-called "working capital" acceptances.

An Administration task force is developing a set of recommendations based on the Hunt report. No Administration position has yet been announced; therefore, nothing about that eventual position should be inferred from my remarks. Recently a Treasury official indicated that a list of recommendations based on the Hunt report may be released in early April, followed by submission of draft legislation in June.

Regardless of its eventual disposition, I think the Hunt report has considerable inherent interest for students of banking. The report's recommendations are built on the assumption that elimination of most competitive restrictions in the financial sector will be in the public interest. As noted before, the financial sector of our economy, and the banking industry in particular, are still burdened with a heavy overlay of statutes and regulations stemming from the economic debacle of the 1930's. The effect of many of those statutory and regulatory restrictions is to hamper severely the ability of entrepreneurs to meet developing financial needs of the public responsively and rapidly. Much of the body of law and regulation rests on a holdover of fear of the collapse of financial organizations and, indeed, of the whole financial system.

Quite rightly and understandably, the legacy from a period when about half of our commercial banks permanently closed their doors has remained strong. I do not at all mean to downgrade the necessity of safeguarding the liquidity and solvency of our banking system. We should keep in mind, however, that, qualitatively, we have a different type of system in the 1970's than we had in the 1930's.

The touchstone of competition has been rather consistently applied in the Hunt report. In most of its recommendations, one or more of the following are involved: freeing existing participants in a market from certain restrictions on their activities; allowing the entry of new participants into a market; or the creation of rules of the game which place all participants on a more nearly equal footing.

In connection with time and saving deposits of commerical banks and thrift institutions, the Commission recommends the immediate abolition of ceiling rate controls for deposit and share accounts of $100,000 or more. For time and savings deposits of less than $100,000, the Commission recommends that the power of the Federal Reserve Board to impose ceilings be considered a standby power "to be exercised only when serious disintermediation is threatened" and that even the standby power be abolished 10 years after the implementation of the Commission's recommendations. Thus, the clear thrust of the Commission here is to free depository-type institutions to compete for funds in the marketplace.

On the topics of required reserves and the taxation of financial institutions, the Hunt Commission offers guidelines aimed at placing all competitors on a more nearly equal footing.

The Commission recommended uniform reserve requirements for all commercial banks and for all those savings and loan associations and mutual savings banks which offer third party payment services, "with no differences based on classification of city or size of institution."

In connection with taxes, the Commission recommended that the Congress enact "a single tax formula applicable to all depository institutions offering third party payments services." A transition period of 5 years was recommended for adjustments to that formula.

I think it is apparent that in the area of taxation and reserve requirements, it is much easier to set forth an overall goal of equality than it is to develop workable and equitable procedures to reach the goal over time. Some observers have stated that they see the so-called transitional problems as perhaps the principal barrier to the implementation of the Commission's tax and reserve recommendations.

The Commission's recommendations in the housing and mortgage area again reflect an attempt to give more importance to the functioning of free markets. It is recommended that "interest rates on FHA and VA mortgages be determined in the market place, without regard to administrative or statutory ceilings. . . ." The Commission urges a number of steps which would make the variable-rate mortgage a more readily available option to be offered by financial institutions to home buyers. The Commission also recommends that "states remove statutory ceilings on allowable interest rates on residential mortgages. . . ."

On the topic of branch banking, although the Commission would leave the branching determination to the individual states, it does recommend that "by State laws, the power of commercial banks to branch, both *de novo* and by merger, be extended to a statewide basis. . . ."

In our Office, frankly, we do believe that a regulatory authority can come closest to achieving the optimum banking structure in its jurisdiction when all structural options are open——chartering a new bank, adding branches for existing banks, merging of two or more existing banks, and forming of holding companies which can then acquire existing banks. However, we also firmly believe that the decision concerning branching should rest entirely with the individual states.

For my concluding topic, I would like to present a few ideas concerning the social responsibility of business, in general, and of banking, in particular. In doing so, I am going to draw heavily on a statement made by the Comptroller of the Currency, for two reasons: I agree fully with it, and I believe it to be one of the best statements on this subject that anyone has made.

Much of the current criticism directed at the business sector reflects a lack of knowledge and understanding of the functioning of our free enterprise system, and of the crucial contribution of that system in making our economy the richest and the most productive in the world today. In a word, I believe that the banking industry, and to some extent the business sector in general, is receiving a "bum rap" from a number of its "social activist" critics. However, I am not suggesting that anyone should rest on his laurels. There is much to be done, in both the public and private sectors, if our Nation is to fulfill the hopes and dreams of its citizens.

Certain key relationships underlie the functioning of financial institutions in our enterprise economy. Over 80 percent of bank funds stem from depositors who have every reason to believe that their funds will be carefully safeguarded. The banking industry can properly perform its principal functions only if individual institutions are operated in a way that maintains their solvency, and thus, the safety of deposits. That point appears to escape some banking critics. The banking industry is faced with the sort of massive misconception about its role that recently led to a description of a branch system's operation as "being like a regressive tax, taking money from those who can least afford to lose it and giving it to those who need it least."

Commercial banks primarily serve as an intermediary between savers and borrowers. The savers seek safety of their principal and, in the case of time deposits, a return on that principal. The credit made available to borrowers, both individuals and businesses, provides a vital lubricant in the functioning of our enterprise economy. In general, those borrowers who are able to provide reasonable assurance of their ability to repay loans will become the preferred risks. Where insufficient funds are available to meet the needs of all prospective borrowers, the interest rate mechanism serves as one allocative device.

It is clear that profits play a crucial role as a guiding force in that operation. Borrowers' anticipations of profitable operations lead them to the banker's window in the first place. The ability of the banker to make accurate assessments of the likelihood of profitable operations by prospective borrowers will, in turn, largely determine the eventual profits of the bank itself. Those for whom the term "profit" is a dirty word have failed, in my view, to study and to comprehend the dynamics of our economic history. The economic growth in this Nation over two centuries is firmly and unquestionably related to the incessant drive for profits on the part of both business enterprises and individuals.

One hears the term "social responsibility of business" very often today. In my view, it is a useful and meaningful phrase if defined within appropriate limits. However, if defined by those who fail to understand the functioning of an enterprise economy, it may be used, perhaps unwittingly, as a wedge to undermine the heart of our economic system.

I believe there are several key elements in the social responsibility of all who are engaged in the banking business. First, the banking business, indeed all businesses, must adhere strictly to the letter and the spirit of our laws. Of course, in a viable democratic society the same adherence on the part of individuals is a necessity. Second, an important element of social responsibility is the involvement by bank officers and employees in the legislative, administrative, and electoral processes. The aim of this involvement should be to improve the body of law, or to aid in its proper interpretation. Finally, to carry out its own peculiar social responsibility, the banking business must be operated in a manner consistent with the achievement of an efficient allocation of resources for the economy as a whole. Within the context of a competitive market economy, the appropriate guideline for the bank to achieve an approximation of that result, is to pursue its *long-run* profit goals.

That last requirement, in my view, is the key to a proper and consistent interpretation of true "social responsibility." Several points need to be made in connection with that requirement. Those who would remove the profit test as the basic operating guideline for businessess leave a dangerous vacuum. Banking, and all businesses, are simply called upon by those self-appointed guardians of the consumer and the public to follow those policies which those same paragons, in their wisdom, have decided are correct. Yet we know that differences of opinion, and quite divergent orderings of priorities exist within any democratic society. The safeguard of the objective test of the marketplace is lost when enterprises succumb to the pressures of those critics of business. The full consequences of such a surrender can easily be overlooked.

We can now turn to the positive aspects involved in our operating rule. Many critics of the profit motive as an operating principle fail to perceive that narrowly construed, *short-term* profit goals are often utterly inconsistent with broadly-based *long-term* profit goals. When the "long view" is taken, as it should be, I believe, we find that the interests of business enterprises and of society are much closer to convergence.

A leading banker made this statement:

> At a dinner of a group who know the financial community well, the question was raised: Can a commercial bank afford to respond to the escalating demands for more socially responsible behavior within our present, profit-oriented market system?
>
> My answer was that, given the current business environment, neither banks nor any other business enterprises can afford *not* to respond.
>
> No greater inducement needs to be offered for directing our attention and our resources as businessmen to the root problems of our society than that they exist, that they are impediments to human fulfillment, and that they obviously require correction. I hasten to point out . . . that there is both self-concern and social concern in that conclusion, for businessmen must live in, as well as work in, the community environment—with all its ills.

It is clear, as we enumerate the principal social concerns of our day, that commercial banks operating in cities and towns across the country, must be, and are, involved in the manifold efforts to alleviate these concerns. Billion-dollar banks cannot leave the polluted atmosphere of large urban centers to resettle in our wildernesses. The labor force for our banks is, and must be, drawn principally from urban areas. Bank customers and bank employees live in housing of all qualities found within our urban environment. The financing of the construction of adequate housing, and the holding of mortgages for individual homeowners, must be an important segment of the business of commercial banks. The maintenance of our competitive industrial structure by making funds available to new business entrepreneurs is also in the best interest of the banking system, individual banks, and the enterprise economy. In a phrase, the long-run profit motive allows commercial banks to identify the interests of their institutions with the broad interests of the community where the bank is located.

In conclusion, while our society has substantial problems, I believe that there are grounds for optimism. Strong efforts by men of good will can accomplish much. I am confident that the banking industry will continue to meet its crucial responsibilities conscientiously and creatively.

Remarks of Dean E. Miller, Deputy Comptroller of the Currency for Trusts, Before the Midcontinent Trust Conference of the American Bankers Association, Chicago, Ill., Nov. 16, 1972

"More of the Same"

Some of you may be familiar with the text or at least the tenor of my recent remarks before the Western Trust Conference. It was reported in the *American Banker* and elsewhere. I have received quite a number of comments on that speech, none unfavorable, but some which have raised questions indicating that what I said was not fully understood. And when the head of one of the country's largest trust departments told me "It was a good speech—I *think* I understand what you were getting at," the need to try again became apparent. Accordingly, I am going to try to restate and elaborate upon those remarks.

I suppose you might draw as a moral that if you're going to compliment Miller on his speech, do so in a way that will guarantee that you won't have to endure it again.

The initial point upon which I premised my later conclusions was the increasing responsiveness, in the last few years, on the part of the judiciary, to what I termed "activism." I did no more than point it out as a fact of our existence, purposely avoiding being specific about cases or even areas where it has occurred, for fear that any such reference might be misconstrued as implying approval or disapproval. The point I was making was that, whether you liked it or not as a practice, or whether you liked it or not in individual cases, it is a recurring phenomenon. People are going to court in increasing numbers, petitioning for judicial redress for all kinds of wrongs and purported wrongs, and, occasionally, are winning. Indeed, that is occurring more and more often; it is happening to banks, among others. It does not appear to be likely to stop in the near future. I don't think that changing a few more Supreme Court justices will alter the situation. Rather, I believe that it is a movement widely accepted among all shades of political opinion at the bar. Although attorneys and judges may think that individual cases have taken courts into areas they should not have entered, I think that, at the same time, few of them would reject the idea of resort to the court for a remedy in a similar case involving a fact situation which they felt needed justice. Nearly every member of the bar, even if he won't concede it, has his own special areas of concern in which he would not be alarmed to see a judicial remedy applied. For example, the attorney who thinks it's wrong for a judge to redraw a school district boundary may well think it appropriate for the judiciary to second guess a bank charter decision. We have occasionally seen things previously not thought to constitute actionable wrongs or to be matters subject to judicial review, come to a judicial remedy. We have seen judges issuing orders that, in previous times, might have been thought of as executive or legislative in nature. Jails have been condemned, bridge construction has been held up, and the suspensions of football players have been rescinded, to name a few such occasions. Those actions are coming simultaneously with an increasing recognition of a truism—that it is extremely difficult, if not sometimes impossible, to utilize the legislative or administrative process to make needed changes in the order of things. Before you shout "radical" or "fascist" at me, let me point out that the same statement can be made from either point of view. Last session, a minority in Congress was able to frustrate several of the President's proposals which had apparently had the support of the majority of the people. I'm sure you can think of some "vice versas" in proposals pushed by the Democratic leadership in Congress.

One example of a judicial remedy becoming popular for the very reason of lack of administrative or legislative solution, is the class action. Its popularity is undoubtedly related to the increased judicial responsiveness to activism. In theory at least, it presents a useful device to effect the correction of a wrong in a manner benefitting all who have been wronged, thus giving the judicial decision an effect approximating that of a statute or an administrative rule. Further, it accomplishes that end in a forum most bound to rules of fairness in procedure, and "openness" of the record.

Once again, I am making these observations without attempted implication as to the rightness of that remedy in any given context, or even as a general proposition. Rather, I am pointing out the features of the class action which render it desirable to a broad spectrum of persons and thus make it unlikely that, given our present legislative and administrative structure, its use will abate. Indeed, there are even legislative proposals for creating express rights to bring class actions in some areas.

I could continue to "flesh in" my premise about judicial responsiveness, but only at the ever-increasing risk of diverting your attention to areas I wish to avoid, and of being misunderstood as implying approval or disapproval. I think I have made the point that the condition is present and likely to continue. Now let me proceed to a consideration of what that means to you as trustmen, and to me.

First, it would seem likely that banks will be sued more often—indeed, won't everyone?—and further, that they will be sued more often because of activities in their trust department. That is not to say that I think such suits are warranted. Most of those I have seen have not been, and I don't think that conditions in, or activities of, National bank trust departments are such as to lead to the conclusion that lawsuits are likely. Rather, my conviction stems primarily, as I have said, from the observation that everyone these days, including banks, are more likely to become the target of litigation—some of which is based on novel theories. The possibility of such litigation is very real and should be anticipated.

This, I suppose, takes me to the real heart of my message—how I think you should anticipate that possibility. Evidence indicates that, in the more recent past, you, your management, and your counsel have not always been too good at anticipating. Viewed with the omniscience of hindsight, the advantage which every litigant will have over you, it seems almost incredible now that some common practices, would grow up and become accepted apparently simply because everyone did them, without any anticipation that, one day, some fairly clear principles of securities or antitrust laws might be applied to them. If that is speaking too generally, two examples are the allocation of brokerage in return for deposits, and the potential problems resulting from a bank's possession of credit files regarding companies whose securities were held by it in trust accounts. In those and similar cases, I think your counsels were, in part, deceived as to the weight given the fact that bankers were not in fact acting like predators. No one foresaw the day when numbers of critics would say, in effect:

> You have the potential here to commit great abuses; therefore, you must be committing them and hiding the fact behind your traditional veil of confidentiality, with the assistance of the bank regulatory authorities.

It was not foreseen that the fact that you are honorable and trustworthy persons, and that is a fact, would not be apparent to critics, or that a time would arrive when critics would readily assume, for whatever purpose, that you were scoundrels who could not be trusted to continue such practices in a responsible manner.

That time has come. With it has come a climate where practices which can and will be reasoned to violate sets of rules formulated with other persons, industries and their ethical standards and ways of doing business in mind, if we are to assume that bankers will do everything, in a manner contrary to the public interest, not specifically prohibited. The best example of such rules are many of the securities laws and regulations.

Of course, the emergence of that attitude has had a much broader effect than simply the increased applicability of the securities or antitrust laws. It runs to all possible means for finding banks at fault. I am reminded of an exchange I had with a man critical of banks, and particularly, of bank trust departments. I made a passing reference to a conflict of interest situation in a bank's trust department. The response was immediate, and delivered in a manner similar, I suppose, to Bobby Fischer saying "checkmate." "So you admit there is a conflict of interest." I patiently, but with some irritation, proceeded to explain that, indeed, there were conflicts between a bank and its trust department, and that that was what trust deparment supervision has been all about, lo these many years. But, the point is that that state of mind is prevalent among bank critics, and must be considered, along with the fact that, of all bodies of law, that which most concerns you, the law of trusts, which is largely judge-made law, is most susceptible to change. In the event that a person brings an action before a modern-day judge, complaining that a particular bank trust department has committed a breach of trust, there is little expectation that the judge will say: "But there is no Federal or State statute forbidding it." The judge can find the law in the sky above him, or wherever it is that the legal romanticists say the common law originates from. If he can relate that discovery to some accepted principles of fiduciary law, in a logical manner, his decision will probably be upheld.

What kind of a decision should a bank expect in such a novel case? It will most likely be one reflecting the realities of the situation, particularly those necessary to effect a just result. One must not forget, as some counsel apparently have, that in a question of breach of fiduciary duty, a judge, particularly in today's climate, is not going to be swayed by formalities, as well he might in a tax case. Rather, he will be looking to the duty owed the beneficiary by the fiduciary. In determining what that duty is, he will not, I believe, stop at what the governing instrument creating the relationship might say about the duties of the trustee or other fiduciary. Neither will he stop at some of the State statutes with similar purposes. He will find another consideration to be possibly just as relevant—what do the fiduciaries call themselves, and how do they hold themselves out to the beneficiaries? Of paramount importance, however, will be the question, "What is the purpose of the trust?" All the other considerations devolve from the answer to that question. All powers given, indeed, every word in the governing instrument will be read with that in mind.

The problem for you is compounded by the fact that some have difficulty in ascertaining or remembering the purpose of a given trust. That is an occasional failing of settlors. Some appear to not be able to master the legal results that ensue when they take some of their assets and establish a trust. They continue to view the assets as being essentially theirs, and subject to their control. If the trust is an amendable or revocable personal trust, that may not be so important, certainly it will not be if the settlor revokes and remakes the trust when he changes his mind. In a personal trust, which is irrevocable, or in an employee benefit trust, which in practical effect may be irrevocable, we have a different situation, however. Here we now have a group of beneficiaries who may have vested rights, in any event, they have *expectations* which the settlor has created. In the case of employee benefit trusts, those expectations may be more important than whether rights are vested or not. Such a situation assumes a nature of contract, almost, in that reliance upon them tends to keep employees from leaving.

When a settlor thus creates certain expectations in a group of beneficiaries, his power to disappoint those expectations becomes somewhat limited. He may, thereafter, utilize whatever powers he has retained only in a manner consistent with the purposes for which the trust is established. If he has named another person to act as trustee of the trust, that restriction applies to both him and the trustee, for both are fiduciaries.

In such circumstances, I have quite often seen attorneys confuse the fiduciaries' powers with the purposes for which the account was established. They have not comprehended the principle that all powers given in a governing instrument and all excuses which are given the fiduciaries are limited by the purpose of the trust. They may be relied upon only when they serve the purposes of the trust—they are being given improper weight if they are relied upon to support or exculpate acts contrary to the legitimate expectations of the beneficiaries. Unless, and until, that is understood and made the basis of decisions by fiduciaries, there will exist a very logical and foreseeable base for a judge's application of the most basic rules of the law of trusts to resolve a beneficiary's complaint against a bank.

How, then, should a bank trustee protect itself? It must recognize that some fundamental changes must be made in approach and outlook. The business of the settlor and that of his trusts must be kept completely separated. I have heard the argument that a fiduciary should be permitted to invest in small related businesses in its locality, or in its real estate, or in its own stock, or its directors' concerns—always assuming that specific authorization exists for such investments—because, as a businessman, he is most familiar with those investments, and forcing him to invest elsewhere requires that he go into areas with which he is less familiar. The person who makes that argument is really saying that the trustee isn't properly qualified. This is an age in which a fiduciary, only competent to invest trust funds in investments involving a conflict of interest, must be viewed as unqualified for his trust. That is not just limited to banks, except perhaps, for revocable personal trusts, it is true of all settlors whose trusts have others as beneficiaries: the rich man who has created a trust for his children; the doctor whose H.R. 10 plan includes his nurses; the company, be it a manufacturing concern or a bank, whose management in one form or other runs its employee benefit plans. In one way or another, that truth is going to become recognized law. Some of the ways it could come to pass, would not be very pleasant for you.

When a bank is involved, the principle is especially relevant, and its ramifications are extremely widespread. The position of a bank vis-a-vis its employee benefit trusts for its own employees should be obvious. There can be no double standard of investment——one for trusts where the beneficiaries are bank employees, and one for other accounts. Employees of the bank are not that dissimilar, legally, to other beneficiaries. The bar to mixing the bank's business with that of its trusts must be just as high. With a bank it doesn't stop there; a bank is a professional fiduciary, holding itself out to the public as having special skills in investments, and having long experience with sound fiduciary principles. Thus, when it shares fiduciary responsibility with a settlor, as it always does when the bank is named as trustee and the settlor has some fiduciary responsibilities, it can't stand by and watch its fellow fiduciary violate that principle. In every case I have seen where a bank has done so, that fellow fiduciary was a customer on the commercial side of the bank. Make no mistake about it, a bank's decision not to interfere with a departure from the principle of not mixing one's business with that of one's trust, because the other fiduciary involved is a customer of the bank, is, for the bank, in turn, to mix its banking business with its fiduciary business. And make no mistake either as to the seriousness of such a decision.

At this point, you might summarize what I have said in this way. You should anticipate future developments in the law, both statutory and common, with regard to trust department practices. In so doing, you should not give too much weight to precedents that are more technical than inherently sound, or to the fact that the practice hasn't been challenged to date——in other words, to the absence of precedents. You should be particularly alert to avoid investment practices or management decisions that do not reflect a complete divorce of considerations of the commercial side of the bank from those of the trust side. An area of particular concern is in trusts where the settlor, be it your own management or a good customer, does not realize that the trust it has created is no longer its property. "O.K., Miller", you say, "we'll do that. So what else is new?" I very humbly would suggest that you do a little more. Not only must you continue to educate your management to the realities of the 70's, and to strengthen your procedures accordingly, I think that it would not be inappropriate to do a little more to speed up the laggards among you. That is not, as some of you might reply, a matter which is solely my job as a trust department supervisor. You have an interest in that area I would think more vital than mine. A particularly bad apple that comes to light can lead to repressive countermeasures which could make your continuing in the trust business very difficult——perhaps impossible. I realize that it would be difficult, if not impossible, for you either individually or collectively to set up some sort of self-policing procedure, but I don't think that it would be difficult for you to support, or even sponsor legislation putting limits on the permissible investments of a trust in settlor-oriented media. Don't tell me it's impossible, I've seen too many direction trust exculpatory statutes enacted by State legislatures at the urging of bankers, to swallow that. Instead of directing your lobbying efforts toward accomplishing means of gaining exculpation for participating in a basically undesirable practice, why not push for a uniform prohibition? And in the case of Federal pension legislation, instead of attempting to limit or qualify the prohibitions upon employer-oriented media and delegation of fiduciary duty, why not attempt to strengthen them? Perhaps you should weigh more closely whether you lose more by fighting prohibitions and limitations that affect all fiduciaries, risking that one of those fiduciaries will go off the deep end, taking all of you with him, than you would through promoting the limitations on a meaningful scale, to be applied universally without discrimination as to the type of fiduciary. I personally think that decision should be made after deeper reflection than has been the case to date. Please note that that is purely a personal observation and suggestion. We won't know what it is really worth for several years. But, if at that future date, I am in the I-told-you-so position, it won't be a very happy occasion for you, or me, or the public, I am afraid.

Now let me turn my attention to one or two little housekeeping items, so to speak. As you are aware, I am sure, last year we published for comment some proposed changes in Regulation 9. Those proposals have been pending for some time while we analyzed the many comments. Now we have concluded our study of a part of the proposals and have put them into effect. Let me describe the changes very briefly.

Most of the changes, indeed reflecting the proposals, involve incorporation into regulatory language of interpretations of the existing language. The first changes I will deal with are in that category.

The definitions of 'fiduciary powers" and "trust department" have been amended to correspond to rulings we have given as to permissible activities of National banks. Under the new language, it is clearer that no matter where, or by whom, a bank's fiduciary powers are being exercised, that location or person is considered to be the trust department of the bank for the purposes of Regulation 9.

Section 9.7 has been amended to make clear that it does not provide an authority for a bank to utilize personnel of other departments to perform fiduciary functions, and vice versa, where law prohibits such usage.

Section 9.12 has been amended to recognize that a bank may buy an asset from a trust account where requested to do so by the Comptroller. Among other things, this should end the response we have received from some legal purists when we have criticized a transaction and requested that the bank purchase an asset at no loss to the account: "But that would violate Regulation 9."

Section 9.13 has been amended to permit the use of a central certificate service.

Changes have been made in the requirements of the contents of a collective investment fund plan to require a general statement of the investment policy of the bank with respect to the fund, and to require that valuations, in usual circumstances, should be made within 10 business days.

9.18(b) (2) has been rewritten to reflect more clearly the requirements of the alternative means of obtaining tax exemption for collective investment funds for tax-exempt trusts.

9.18(c) (2) has been amended to incorporate the joint investment rule, presently found in the "Opinions" section of the Manual, into the Regulation. Note that that amendment deals with permanent investment and does not concern our variable amount note ruling, which is a temporary investment device.

9.18(c) (3) and 9.18(c) (4) have been rewritten to make more clear the qualifications to use of those paragraphs by banks.

In addition, a requirement has been incorporated that annual reports be filed with the Comptroller within 90 days of the end of the fund's fiscal year.

Some of the changes made to 9.2 (a) and (c) and 9.11(d), reflect changes in form numbers or titles.

Section 9.18(a) (3) has been deleted and the definition of "managing agent" revised to reflect that authority no longer exists for that type of fund. I repeat that in so doing we are not conceding that it is required by the holding in *Investment Company Institute* v. *Camp*.

Now, for a substantive change, the provisions of Section 9.18(b) (5) relating to promoting and advertising a collective investment fund have been amended to provide a distinction between traditional common trust funds and pooled employee benefit trusts. Stricter standards are imposed upon the former.

Not adopted, but still under consideration, are the remainder of the proposals, including those concerning best execution of security purchases and sales, the application of the common trust fund 10 percent limitations where exceeded because of withdrawals or market appreciation, and requiring that requests for admissions and withdrawals be accepted up to the valuation date.

We appreciate your assistance in our endeavors and hope that between us we can continue to improve the quality of trust services available to the public.

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