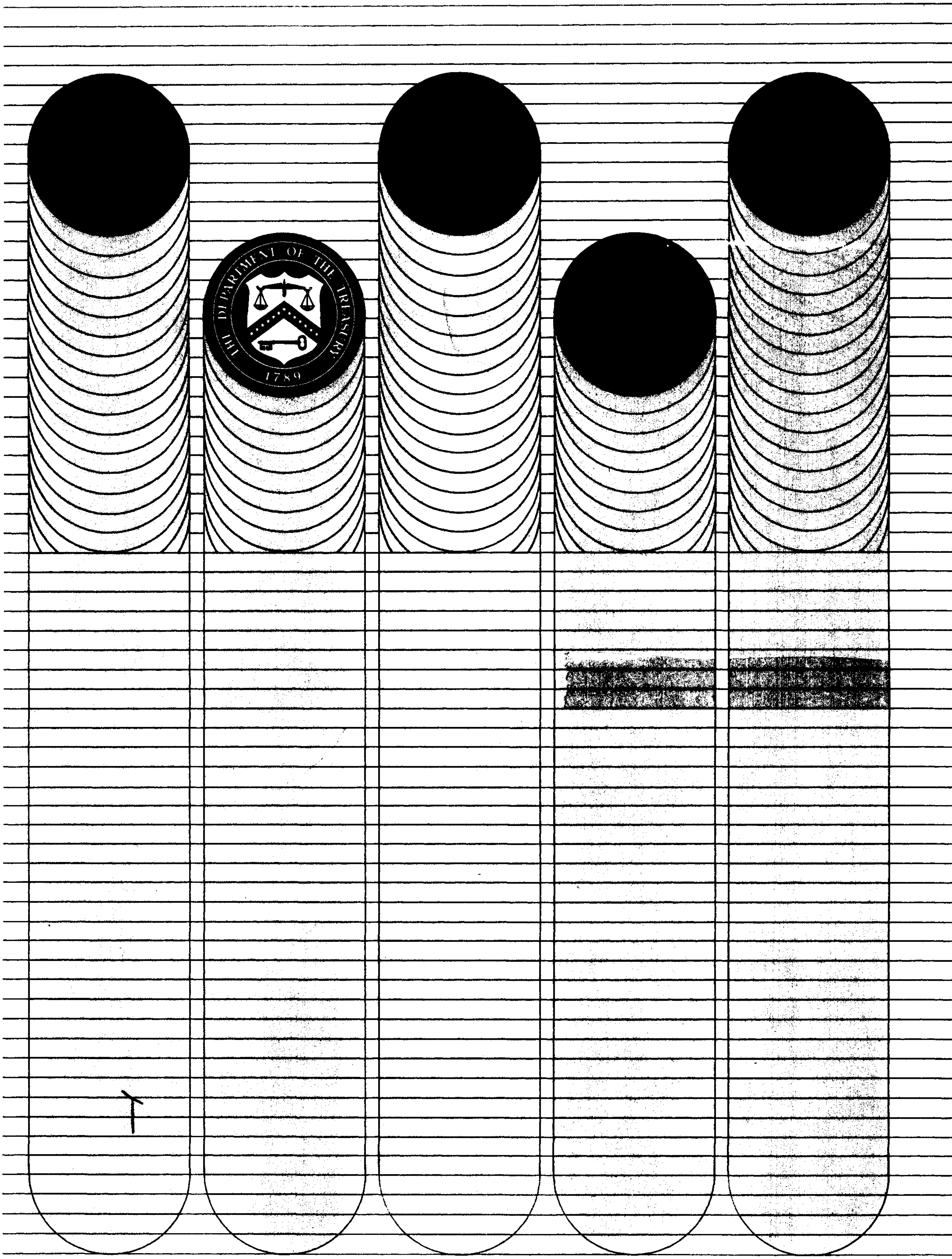

THE DEPARTMENT OF THE TREASURY
1789

# Annual Report 1969

## Comptroller of the Currency

The Administrator of National Banks

William B. Camp

Comptroller of the Currency

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402 - Price $2.75

# Letter of Transmittal

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

SIRS: Pursuant to the provisions of Section 333 of the United States Revised Statutes, I am pleased to submit the 1969 *Annual Report of the Comptroller of the Currency.*

Respectfully,

WILLIAM B. CAMP,
*Comptroller of the Currency.*

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

# Contents

# Statistical Tables

# I. *Condition of the National Banking System*

The year 1969 was characterized by a continuing intensive demand for funds. With deposit rate ceilings below rates on competitive instruments, National banks had to resort to a variety of alternative sources of funds in an attempt to meet the loan demand of their customers.

The changes in balance sheet accounts during 1969 reflected the tightness of the markets for funds. In sharp contrast to 1968, which saw a 13.8 percent increase in total time and savings deposits, those deposits declined 6.4 percent during 1969. The 4.8 percent increase in demand deposits during 1969 did not quite offset the decrease in time and savings deposits; the total deposits of National banks at year-end 1969 stood at $256.4 billion, compared to the $257.9 billion figure of a year before.

Certain nondeposit liabilities, including Eurodollar borrowings, other borrowings, and Federal funds purchased, increased substantially. Funds from these sources, combined with a sizable net sale of investment securities, allowed National banks to add 10.9 percent to their gross volume of outstanding loans. Total gross securities held declined 8.8 percent during 1969.

The combined effect of the indicated shifts was to slow the rate of asset growth of National banks from 12.6 percent, in 1968, to 5.9 percent, during 1969. At year-end, total assets of the National Banking System had reached $314.0 billion. On the same date, total capital of the system aggregated $23.3 billion, having increased 8.0 percent during 1969.

TABLE 1

*Assets, liabilities, and capital accounts of National banks, 1968 and 1969*

[Dollar amounts in millions]

| | *Dec. 31, 1968, 4,716 banks* | | *Dec. 31, 1969, 4,669 banks* | | *Change, 1968–69* | |
|---|---|---|---|---|---|---|
| | *Amount* | *Percent distribution* | *Amount* | *Percent distribution* | *Amount* | *Percent* |
| ASSETS | | | | | | |
| Cash and due from banks | $50, 953 | 17. 18 | $54, 727 | 17. 43 | 3, 774 | 7. 41 |
| U.S. Treasury securities | 35, 300 | 11. 90 | 29, 589 | 9. 42 | −5, 711 | −16. 18 |
| Securities of other U.S. Government agencies and corporations | 5, 160 | 1. 74 | 4, 640 | 1. 48 | −520 | −10. 08 |
| Obligations of States and political subdivisions | 34, 704 | 11. 70 | 34, 526 | 10. 99 | −178 | −. 51 |
| Other securities | 1, 707 | . 58 | 1, 362 | . 43 | −345 | −20. 21 |
| *Total securities* | 76, 871 | 25. 92 | 70, 117 | 22. 32 | −6, 754 | −8. 79 |
| Federal funds sold and securities purchased under agreements to resell | 4, 397 | 1. 48 | 5, 809 | 1. 85 | 1, 412 | 32. 11 |
| Direct lease financing | 542 | . 18 | 696 | . 22 | 154 | 28. 41 |
| Loans | 154, 862 | 52. 21 | 171, 702 | 54. 67 | 16, 840 | 10. 87 |
| Fixed assets | 4, 363 | 1. 47 | 5, 280 | 1. 68 | 917 | 21. 02 |
| Customers' liability on acceptances outstanding | 1, 275 | . 43 | 1, 838 | . 59 | 563 | 44. 16 |
| Other assets | 3, 331 | 1. 13 | 3, 879 | 1. 24 | 548 | 16. 45 |
| *Total assets* | 296, 594 | 100. 00 | 314, 048 | 100. 00 | 17, 454 | 5. 88 |

TABLE—Continued

*Assets, liabilities, and capital accounts of National banks, 1968 and 1969*

[Dollar amounts in millions]

| | *Dec. 31, 1968, 4,716 banks* | | *Dec. 31, 1969, 4,669 banks* | | *Change, 1968–69* | |
|---|---|---|---|---|---|---|
| | *Amount* | *Percent distribution* | *Amount* | *Percent distribution* | *Amount* | *Percent* |
| LIABILITIES | | | | | | |
| Demand deposits of individuals, partnerships, and corporations | $101, 765 | 34. 31 | $105, 961 | 33. 74 | $4, 196 | 4. 12 |
| Time and savings deposits of individuals, partnerships, and corporations | 107, 716 | 36. 32 | 103, 238 | 32. 87 | −4, 478 | −4. 16 |
| Deposits of U.S. Government | 3, 288 | 1. 11 | 3, 175 | 1. 01 | −113 | −3. 44 |
| Deposits of States and political subdivisions | 22, 082 | 7. 44 | 19, 569 | 6. 23 | −2, 513 | −11. 38 |
| Deposits of foreign governments and official institutions, central banks, and international institutions | 3, 196 | 1. 08 | 2, 138 | . 69 | −1, 058 | −33. 10 |
| Deposits of commercial banks | 15, 303 | 5. 16 | 16, 649 | 5. 30 | 1, 346 | 8. 80 |
| Certified and officers' checks, etc | 4, 534 | 1. 53 | 5, 696 | 1. 81 | 1, 162 | 25. 63 |
| *Total deposits* | 257, 884 | 86. 95 | 256, 426 | 81. 65 | −1, 458 | −. 57 |
| *Demand deposits* | 134, 629 | 45. 39 | 141, 092 | 44. 93 | 6, 463 | 4. 80 |
| *Time and savings deposits* | 123, 255 | 41. 56 | 115, 334 | 36. 72 | −7, 921 | −6. 43 |
| Federal funds purchased and securities sold under agreements to repurchase | 5, 234 | 1. 77 | 9, 947 | 3. 17 | 4, 713 | 90. 05 |
| Liabilities for borrowed money | 689 | . 23 | 2, 284 | . 73 | 1, 595 | 231. 49 |
| Acceptances executed by or for account of reporting banks and outstanding | 1, 290 | . 43 | 1, 880 | . 60 | 590 | 45. 74 |
| Other liabilities | 9, 973 | 3. 36 | 16, 472 | 5. 24 | 6, 499 | 65. 17 |
| *Total liabilities* | 275, 070 | 92. 74 | 287, 009 | 91. 39 | 11, 939 | 4. 34 |
| Minority interest in consolidated subsidiaries | — | — | — | — | — | — |
| RESERVES ON LOANS AND SECURITIES | | | | | | |
| Reserves on loans | — | — | 3, 698 | 1. 17 | 3, 698 | — |
| Reserves on securities | — | — | 87 | . 03 | 87 | — |
| CAPITAL ACCOUNTS | | | | | | |
| Capital notes and debentures | 1, 256 | . 42 | 1, 120 | . 36 | −136 | −10. 83 |
| Preferred stock | 58 | . 02 | 62 | . 02 | 4 | 6. 90 |
| Common stock | 5, 694 | 1. 92 | 6, 166 | 1. 96 | 472 | 8. 28 |
| Surplus | 9, 747 | 3. 29 | 10, 488 | 3. 34 | 741 | 7. 60 |
| Undivided profits | 4, 051 | 1. 37 | 4, 707 | 1. 50 | 656 | 16. 19 |
| Reserves | 718 | . 24 | 711 | . 23 | −7 | −. 97 |
| *Total capital accounts* | 21, 524 | 7. 26 | 23, 254 | 7. 40 | 1, 730 | 8. 04 |
| *Total liabilities and capital accounts* | 296, 594 | 100. 00 | 314, 048 | 100. 00 | 17, 454 | 5. 88 |

NOTES: The 1968 data reflect unconsolidated, bank-only data. The 1969 data reflect consolidation of all majority-owned bank premises subsidiaries and all significant domestic majority-owned subsidiaries, with the exception that Edge Act subsidiaries are excluded. The consolidation requirement necessitates creation of the new acccount "Minority interest in consolidated subsidiaries."

A second change is that the 1968 securities and loans totals are net after deduction of related reserves, while the 1969 totals are gross. The offsets for the 1969 data are the new headings "Reserves on loans" and "Reserves on securities," found between the liability and capital accounts.

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

# II. *Income and Expenses of National Banks*

The total operating income of National banks reached $18.2 billion in 1969, a gain of 21.5 percent over 1968. The reported total operating expense of $14.3 billion for 1969 is not fully comparable with 1968's figure of $11.5 billion, because the later figure includes a provision for loan losses of $296 million. Adjusted for that change, total operating expenses in 1969 increased 21.7 percent over the prior year. When the same adjustment is made in 1969's "income before income taxes and securities gains or losses" of $3.9 billion, the figure exceeds 1968's "net current operating earnings" by 20.7 percent.

Gross loan income spurted by 22.2 percent, to $12.5 billion. Loan income accounted for 68.6 percent of operating income in 1969, compared with 68.2 percent in 1968. The share of operating revenue accounted for by interest on securities fell from 20.3 percent in 1968 to 17.4 percent in 1969, reflecting the relative shift from securities.

Interest paid on time and savings deposits accounted for a smaller share of total operating expenses in 1969 than in 1968; the figures were 42.2 percent and 46.1 percent, respectively. The shift from savings deposits to costlier time deposits resulted, however, in an absolute increase in interest expense of 13.8 percent, despite the decline in total time and savings deposits.

The 1969 results also reflect a reporting change which required applicable taxes to be presented on a current basis. As a result, net income after taxes for 1969 cannot be precisely compared with that of prior years. The respective totals reported for 1968 and 1969 were $1.9 billion and $2.5 billion.

TABLE 2

*Income and expenses of National banks,* year ended Dec. 31, 1969*

[Dollar amounts in millions]

| | *Amount* | *Percent distribution* |
|---|---|---|
| Number of banks | 4, 669 | ............. |
| Operating income: | | |
| Interest and fees on loans | $12, 492. 6 | 68. 55 |
| Income on Federal funds sold and securities purchased under agreements to resell | 473. 2 | 2. 60 |
| Interest and dividends on investments: | | |
| U.S. Treasury securities | 1, 524. 7 | 8. 37 |
| Securities of other U.S. Government agencies and corporations | 264. 2 | 1. 45 |
| Obligations of States and political subdivisions | 1, 302. 2 | 7. 15 |
| Other securities | 81. 6 | . 45 |
| Trust department income | 562. 4 | 3. 09 |
| Service charges on deposit accounts | 659. 1 | 3. 62 |
| Other service charges, collection and exchange charges, commissions, and fees | 426. 8 | 2. 34 |
| Other operating income | 434. 5 | 2. 38 |
| *Total operating income* | 18, 221. 2 | 100. 00 |
| Operating expense: | | |
| Salaries and wages of officers and employees | 3, 402. 6 | 23. 78 |
| Pensions and other employee benefits | 530. 0 | 3. 71 |
| Interest on deposits | 6, 036. 2 | 42. 19 |
| Expense of Federal funds purchased and securities sold under agreements to repurchase | 777. 1 | 5. 43 |
| Interest on borrowed money | 255. 8 | 1. 79 |
| Interest on capital notes and debentures | 56. 3 | . 39 |
| Occupancy expense of bank premises, net | 618. 8 | 4. 33 |
| Furniture and equipment, depreciation, rental costs, servicing, etc | 467. 4 | 3. 27 |
| Provision for loan losses (or actual net loan losses) | 296. 2 | 2. 07 |
| Other operating expenses | 1, 865. 6 | 13. 04 |
| *Total operating expense* | 14, 306. 0 | 100. 00 |
| Income before income taxes and securities losses | 3, 915. 2 | ............. |
| Applicable income taxes | 1, 259. 1 | ............. |
| Income before securities losses | 2, 656. 1 | ............. |
| Net securities losses (after tax effect) | 125. 7 | ............. |
| Net income before extraordinary items | 2, 530. 3 | ............. |
| Extraordinary charges or credits | 4. 0 | ............. |
| Minority interest in consolidated subsidiaries | — | ............. |
| Net income | 2, 534. 3 | ............. |
| Cash dividends declared: | | |
| On common stock | 1, 063. 7 | ............. |
| On preferred stock | 4. 4 | ............. |
| *Total cash dividends declared* | 1, 068. 1 | ............. |
| Ratio to income before income taxes and securities losses: | | |
| Applicable income taxes | ............. | 32. 16 |
| Net securities losses | ............. | 3. 21 |
| Extraordinary charges or credits | ............. | . 10 |
| Ratio to total operating income: | | |
| Salaries and wages | ............. | 18. 67 |
| Interest on deposits | ............. | 33. 13 |
| All other operating expenses | ............. | 26. 71 |
| *Total operating expenses* | ............. | 78. 51 |
| Net income | ............. | 13. 91 |

NOTE: The information in this table is not directly comparable to that for 1968, due to a change in report format. Dashes indicate amounts of less than $500,000.

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

# III. *Structural Changes in the National Banking System*

There were 4,669 National banks in operation at the end of 1969, compared to 4,716 a year earlier. Of these, 1,590 banks operated 11,552 branches. The remaining 3,079 banks were unit banks, leading to a total of 16,221 offices of National banks. Total branches of National banks increased by 752, or 7.0 percent, during 1969.

The 752 net new branches in the National Banking System represented the sum of 579 *de novo* branches opened during the year plus 299 branches entering the system via merger or conversion, less 126 branches closed during the year. Of the 579 *de novo* branches, only 174, or 30.0 percent, were in cities with populations of 50,000 or more. Three hundred twenty-eight, or 56.6 percent, were located in communities having fewer than 25,000 people.

Thirty-three applications for charters to form new operating National banks were given preliminary approval, and 16 charters were issued for newly-organized banks. In addition, 61 charters were issued as steps toward corporate reorganization, primarily the formation of one-bank holding companies. In 15 cases, charters were issued pursuant to the conversion of State banks to National banks.

In mergers, consolidations, or purchases involving two or more operating banks, 80 transactions were consummated in which the resulting bank was a National bank. This compares with 67 in 1968, and 84 in 1967. In addition, during 1969, there were 59 mergers carried out pursuant to corporate reorganization and involving only one operating bank.

## TABLE 3

*National banks and banking offices, by States, Dec. 31, 1969*

| | National banks | | | Number of branches | Number of offices |
|---|---|---|---|---|---|
| | Total | Unit | With branches | | |
| United States | 4, 669 | 3, 079 | 1, 590 | 11, 552 | 16, 221 |
| Alabama | 88 | 48 | 40 | 173 | 261 |
| Alaska | 5 | 0 | 5 | 47 | 52 |
| Arizona | 4 | 2 | 2 | 199 | 203 |
| Arkansas | 68 | 35 | 33 | 78 | 146 |
| California | 68 | 12 | 56 | 2, 293 | 2, 361 |
| Colorado | 120 | 118 | 2 | 2 | 122 |
| Connecticut | 27 | 6 | 21 | 205 | 232 |
| Delaware | 5 | 3 | 2 | 3 | 8 |
| District of Columbia | 11 | 1 | 10 | 64 | 75 |
| Florida | 209 | 209 | 0 | 0 | 209 |
| Georgia | 60 | 30 | 30 | 155 | 215 |
| Hawaii | 1 | 0 | 1 | 7 | 8 |
| Idaho | 8 | 2 | 6 | 106 | 114 |
| Illinois | 418 | 374 | 44 | 44 | 462 |
| Indiana | 122 | 51 | 71 | 318 | 440 |
| Iowa | 100 | 61 | 39 | 51 | 151 |
| Kansas | 172 | 145 | 27 | 27 | 199 |
| Kentucky | 80 | 36 | 44 | 135 | 215 |
| Louisiana | 49 | 15 | 34 | 167 | 216 |
| Maine | 21 | 4 | 17 | 91 | 112 |
| Maryland | 47 | 14 | 33 | 239 | 286 |
| Massachusetts | 86 | 21 | 65 | 406 | 492 |
| Michigan | 98 | 27 | 71 | 533 | 631 |
| Minnesota | 197 | 195 | 2 | 6 | 203 |
| Mississippi | 38 | 7 | 31 | 127 | 165 |
| Missouri | 97 | 77 | 20 | 20 | 117 |
| Montana | 48 | 47 | 1 | 1 | 49 |
| Nebraska | 126 | 105 | 21 | 22 | 148 |
| Nevada | 4 | 1 | 3 | 56 | 60 |
| New Hampshire | 50 | 27 | 23 | 45 | 95 |
| New Jersey | 137 | 28 | 109 | 602 | 739 |
| New Mexico | 33 | 9 | 24 | 67 | 100 |
| New York | 173 | 72 | 101 | 1, 163 | 1, 336 |
| North Carolina | 23 | 4 | 19 | 495 | 518 |
| North Dakota | 42 | 33 | 9 | 9 | 51 |
| Ohio | 217 | 75 | 142 | 692 | 909 |
| Oklahoma | 218 | 181 | 37 | 37 | 255 |
| Oregon | 11 | 4 | 7 | 240 | 251 |
| Pennsylvania | 315 | 160 | 155 | 979 | 1, 294 |
| Rhode Island | 5 | 0 | 5 | 88 | 93 |
| South Carolina | 20 | 4 | 16 | 222 | 242 |
| South Dakota | 33 | 24 | 9 | 55 | 88 |
| Tennessee | 77 | 17 | 60 | 262 | 339 |
| Texas | 529 | 529 | 0 | 0 | 529 |
| Utah | 10 | 6 | 4 | 61 | 71 |
| Vermont | 26 | 12 | 14 | 45 | 71 |
| Virginia | 103 | 27 | 76 | 438 | 541 |
| Washington | 27 | 11 | 16 | 414 | 441 |
| West Virginia | 81 | 81 | 0 | 0 | 81 |
| Wisconsin | 121 | 89 | 32 | 57 | 178 |
| Wyoming | 40 | 40 | 0 | 0 | 40 |
| Virgin Islands | 1 | 0 | 1 | 6 | 7 |
| District of Columbia—all* | 14 | 1 | 13 | 97 | 111 |

* 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 1969*

| | Received† | Approved | Rejected | Abandoned | Pending Dec. 31, 1969 | Charters issued |
|---|---|---|---|---|---|---|
| United States | 104 | 33 | 24 | 2 | 45 | 16 |
| Alabama | 1 | 0 | 0 | 0 | 1 | 0 |
| Alaska | 0 | 0 | 0 | 0 | 0 | 0 |
| Arizona | 0 | 0 | 0 | 0 | 0 | 0 |
| Arkansas | 1 | 0 | 0 | 0 | 1 | 0 |
| California | 1 | 0 | 0 | 0 | 1 | 0 |
| Colorado | 8 | 4 | 2 | 0 | 2 | 2 |
| Connecticut | 0 | 0 | 0 | 0 | 0 | 0 |
| Delaware | 0 | 0 | 0 | 0 | 0 | 0 |
| District of Columbia | 0 | 0 | 0 | 0 | 0 | 0 |
| Florida | 20 | 8 | 3 | 1 | 8 | 5 |
| Georgia | 1 | 1 | 0 | 0 | 0 | 0 |
| Hawaii | 0 | 0 | 0 | 0 | 0 | 0 |
| Idaho | 0 | 0 | 0 | 0 | 0 | 0 |
| Illinois | 5 | 1 | 0 | 0 | 4 | 1 |
| Indiana | 1 | 0 | 0 | 0 | 1 | 0 |
| Iowa | 0 | 0 | 0 | 0 | 0 | 0 |
| Kansas | 0 | 0 | 0 | 0 | 0 | 0 |
| Kentucky | 0 | 0 | 0 | 0 | 0 | 0 |
| Louisiana | 3 | 0 | 2 | 0 | 1 | 0 |
| Maine | 0 | 0 | 0 | 0 | 0 | 0 |
| Maryland | 0 | 0 | 0 | 0 | 0 | 0 |
| Massachusetts | 1 | 0 | 1 | 0 | 0 | 0 |
| Michigan | 5 | 1 | 1 | 0 | 3 | 0 |
| Minnesota | 2 | 2 | 0 | 0 | 0 | 1 |
| Mississippi | 2 | 1 | 1 | 0 | 0 | 0 |
| Missouri | 3 | 1 | 0 | 0 | 2 | 0 |
| Montana | 0 | 0 | 0 | 0 | 0 | 0 |
| Nebraska | 1 | 0 | 1 | 0 | 0 | 0 |
| Nevada | 0 | 0 | 0 | 0 | 0 | 0 |
| New Hampshire | 0 | 0 | 0 | 0 | 0 | 0 |
| New Jersey | 11 | 2 | 1 | 0 | 8 | 1 |
| New Mexico | 0 | 0 | 0 | 0 | 0 | 0 |
| New York | 3 | 0 | 1 | 0 | 2 | 0 |
| North Carolina | 1 | 0 | 0 | 0 | 1 | 0 |
| North Dakota | 0 | 0 | 0 | 0 | 0 | 0 |
| Ohio | 0 | 0 | 0 | 0 | 0 | 0 |
| Oklahoma | 0 | 0 | 0 | 0 | 0 | 0 |
| Oregon | 0 | 0 | 0 | 0 | 0 | 0 |
| Pennsylvania | 0 | 0 | 0 | 0 | 0 | 0 |
| Rhode Island | 0 | 0 | 0 | 0 | 0 | 0 |
| South Carolina | 0 | 0 | 0 | 0 | 0 | 0 |
| South Dakota | 0 | 0 | 0 | 0 | 0 | 0 |
| Tennessee | 1 | 0 | 0 | 0 | 1 | 0 |
| Texas | 21 | 7 | 7 | 1 | 6 | 2 |
| Utah | 1 | 0 | 1 | 0 | 0 | 0 |
| Vermont | 0 | 0 | 0 | 0 | 0 | 0 |
| Virginia | 4 | 1 | 2 | 0 | 1 | 0 |
| Washington | 3 | 0 | 1 | 0 | 2 | 1 |
| West Virginia | 2 | 2 | 0 | 0 | 0 | 2 |
| Wisconsin | 2 | 2 | 0 | 0 | 0 | 1 |
| Wyoming | 0 | 0 | 0 | 0 | 0 | 0 |

*Excludes conversions and corporate reorganizations.
†Includes 26 applications pending as of Dec. 31, 1968.

## Table 5

*Applications for National bank charters to be issued pursuant to corporate reorganizations, and charters issued, by States, calendar 1969*

| | *Received** | *Approved* | *Rejected* | *Abandoned* | *Pending Dec. 31, 1969* | *Charters issued* |
|---|---|---|---|---|---|---|
| United States | 55 | 54 | 0 | 0 | 1 | 61 |
| Alabama | 0 | 0 | 0 | 0 | 0 | 0 |
| Alaska | 0 | 0 | 0 | 0 | 0 | 0 |
| Arizona | 0 | 0 | 0 | 0 | 0 | 0 |
| Arkansas | 0 | 0 | 0 | 0 | 0 | 0 |
| California | 4 | 4 | 0 | 0 | 0 | 5 |
| Colorado | 0 | 0 | 0 | 0 | 0 | 0 |
| Connecticut | 0 | 0 | 0 | 0 | 0 | 1 |
| Delaware | 0 | 0 | 0 | 0 | 0 | 0 |
| District of Columbia | 0 | 0 | 0 | 0 | 0 | 0 |
| Florida | 0 | 0 | 0 | 0 | 0 | 0 |
| Georgia | 0 | 0 | 0 | 0 | 0 | 2 |
| Hawaii | 0 | 0 | 0 | 0 | 0 | 0 |
| Idaho | 0 | 0 | 0 | 0 | 0 | 0 |
| Illinois | 3 | 3 | 0 | 0 | 0 | 4 |
| Indiana | 1 | 1 | 0 | 0 | 0 | 2 |
| Iowa | 2 | 2 | 0 | 0 | 0 | 2 |
| Kansas | 3 | 3 | 0 | 0 | 0 | 2 |
| Kentucky | 0 | 0 | 0 | 0 | 0 | 0 |
| Louisiana | 0 | 0 | 0 | 0 | 0 | 0 |
| Maine | 0 | 0 | 0 | 0 | 0 | 1 |
| Maryland | 0 | 0 | 0 | 0 | 0 | 1 |
| Massachusetts | 1 | 1 | 0 | 0 | 0 | 3 |
| Michigan | 0 | 0 | 0 | 0 | 0 | 0 |
| Minnesota | 0 | 0 | 0 | 0 | 0 | 0 |
| Mississippi | 0 | 0 | 0 | 0 | 0 | 0 |
| Missouri | 5 | 5 | 0 | 0 | 0 | 3 |
| Montana | 0 | 0 | 0 | 0 | 0 | 0 |
| Nebraska | 0 | 0 | 0 | 0 | 0 | 1 |
| Nevada | 0 | 0 | 0 | 0 | 0 | 0 |
| New Hampshire | 0 | 0 | 0 | 0 | 0 | 0 |
| New Jersey | 3 | 3 | 0 | 0 | 0 | 1 |
| New Mexico | 0 | 0 | 0 | 0 | 0 | 0 |
| New York | 7 | 7 | 0 | 0 | 0 | 6 |
| North Carolina | 1 | 1 | 0 | 0 | 0 | 1 |
| North Dakota | 0 | 0 | 0 | 0 | 0 | 0 |
| Ohio | 4 | 3 | 0 | 0 | 1 | 3 |
| Oklahoma | 4 | 4 | 0 | 0 | 0 | 5 |
| Oregon | 0 | 0 | 0 | 0 | 0 | 0 |
| Pennsylvania | 6 | 6 | 0 | 0 | 0 | 6 |
| Rhode Island | 2 | 2 | 0 | 0 | 0 | 1 |
| South Carolina | 1 | 1 | 0 | 0 | 0 | 2 |
| South Dakota | 0 | 0 | 0 | 0 | 0 | 0 |
| Tennessee | 0 | 0 | 0 | 0 | 0 | 1 |
| Texas | 6 | 6 | 0 | 0 | 0 | 5 |
| Utah | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wyoming | 0 | 0 | 0 | 0 | 0 | 0 |

*Includes 13 applications pending as of Dec. 31, 1968.

Table 6

*Applications for conversion to National bank charters, and charters issued, by States, calendar 1969*

| | *Received** | *Approved* | *Rejected* | *Abandoned* | *Pending Dec. 31, 1969* | *Charters issued* |
|---|---|---|---|---|---|---|
| United States | 22 | 13 | 1 | 4 | 4 | 15 |
| Alabama | 1 | 0 | 0 | 0 | 1 | 0 |
| Alaska | 0 | 0 | 0 | 0 | 0 | 0 |
| Arizona | 1 | 1 | 0 | 0 | 0 | 1 |
| Arkansas | 0 | 0 | 0 | 0 | 0 | 0 |
| California | 0 | 0 | 0 | 0 | 0 | 0 |
| Colorado | 0 | 0 | 0 | 0 | 0 | 0 |
| Connecticut | 0 | 0 | 0 | 0 | 0 | 0 |
| Delaware | 0 | 0 | 0 | 0 | 0 | 0 |
| District of Columbia | 0 | 0 | 0 | 0 | 0 | 1 |
| Florida | 1 | 0 | 0 | 1 | 0 | 0 |
| Georgia | 2 | 2 | 0 | 0 | 0 | 1 |
| Hawaii | 0 | 0 | 0 | 0 | 0 | 0 |
| Idaho | 0 | 0 | 0 | 0 | 0 | 0 |
| Illinois | 0 | 0 | 0 | 0 | 0 | 0 |
| Indiana | 2 | 1 | 0 | 0 | 1 | 0 |
| Iowa | 0 | 0 | 0 | 0 | 0 | 0 |
| Kansas | 1 | 1 | 0 | 0 | 0 | 1 |
| 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 | 0 | 0 | 0 | 1 | 0 |
| Minnesota | 2 | 1 | 0 | 1 | 0 | 2 |
| Mississippi | 1 | 0 | 1 | 0 | 0 | 0 |
| Missouri | 0 | 0 | 0 | 0 | 0 | 0 |
| Montana | 2 | 0 | 0 | 1 | 1 | 0 |
| Nebraska | 0 | 0 | 0 | 0 | 0 | 0 |
| Nevada | 0 | 0 | 0 | 0 | 0 | 0 |
| New Hampshire | 1 | 1 | 0 | 0 | 0 | 1 |
| New Jersey | 1 | 1 | 0 | 0 | 0 | 1 |
| New Mexico | 0 | 0 | 0 | 0 | 0 | 0 |
| New York | 1 | 1 | 0 | 0 | 0 | 1 |
| North Carolina | 0 | 0 | 0 | 0 | 0 | 0 |
| North Dakota | 0 | 0 | 0 | 0 | 0 | 0 |
| Ohio | 1 | 1 | 0 | 0 | 0 | 1 |
| Oklahoma | 1 | 1 | 0 | 0 | 0 | 1 |
| Oregon | 0 | 0 | 0 | 0 | 0 | 0 |
| Pennsylvania | 0 | 0 | 0 | 0 | 0 | 0 |
| Rhode Island | 0 | 0 | 0 | 0 | 0 | 0 |
| South Carolina | 0 | 0 | 0 | 0 | 0 | 0 |
| South Dakota | 0 | 0 | 0 | 0 | 0 | 0 |
| Tennessee | 0 | 0 | 0 | 0 | 0 | 0 |
| Texas | 0 | 0 | 0 | 0 | 0 | 0 |
| Utah | 0 | 0 | 0 | 0 | 0 | 0 |
| Vermont | 0 | 0 | 0 | 0 | 0 | 0 |
| Virginia | 0 | 0 | 0 | 0 | 0 | 0 |
| Washington | 1 | 0 | 0 | 1 | 0 | 0 |
| West Virginia | 1 | 1 | 0 | 0 | 0 | 1 |
| Wisconsin | 1 | 1 | 0 | 0 | 0 | 3 |
| Wyoming | 0 | 0 | 0 | 0 | 0 | 0 |

* Includes 4 applications pending as of Dec. 31, 1968.

## Table 7

*Branches of National banks, calendar 1969*

| | Branches in operation Dec. 31, 1968 | De novo branches opened for business Jan. 1–Dec. 31, 1969 | Branches acquired through merger or conversion Jan. 1–Dec. 31, 1969 | Existing branches discontinued or consolidated Jan. 1–Dec. 31, 1969 | Branches in operation Dec. 31, 1969 |
|---|---|---|---|---|---|
| United States | 10, 800 | 579 | 299 | 126 | 11, 552 |
| Alabama | 165 | 7 | 1 | 0 | 173 |
| Alaska | 41 | 3 | 3 | 0 | 47 |
| Arizona | 186 | 14 | 0 | 1 | 199 |
| Arkansas | 76 | 3 | 0 | 1 | 78 |
| California | 2, 218 | 70 | 12 | 7 | 2, 293 |
| Colorado | 0 | 2 | 0 | 0 | 2 |
| Connecticut | 191 | 14 | 5 | 5 | 205 |
| Delaware | 4 | 0 | 0 | 1 | 3 |
| District of Columbia | 59 | 2 | 4 | 1 | 64 |
| Florida | 0 | 0 | 0 | 0 | 0 |
| Georgia | 147 | 10 | 0 | 2 | 155 |
| Hawaii | 41 | 1 | 0 | 35 | 7 |
| Idaho | 103 | 5 | 0 | 2 | 106 |
| Illinois | 25 | 19 | 0 | 0 | 44 |
| Indiana | 305 | 13 | 1 | 1 | 318 |
| Iowa | 50 | 3 | 0 | 2 | 51 |
| Kansas | 27 | 1 | 0 | 1 | 27 |
| Kentucky | 127 | 8 | 1 | 1 | 135 |
| Louisiana | 156 | 12 | 0 | 1 | 167 |
| Maine | 87 | 5 | 0 | 1 | 91 |
| Maryland | 227 | 11 | 1 | 0 | 239 |
| Massachusetts | 388 | 17 | 1 | 0 | 406 |
| Michigan | 511 | 23 | 4 | 5 | 533 |
| Minnesota | 6 | 0 | 0 | 0 | 6 |
| Mississippi | 117 | 8 | 5 | 3 | 127 |
| Missouri | 20 | 0 | 0 | 0 | 20 |
| Montana | 1 | 0 | 0 | 0 | 1 |
| Nebraska | 20 | 3 | 0 | 1 | 22 |
| Nevada | 55 | 1 | 0 | 0 | 56 |
| New Hampshire | 33 | 7 | 5 | 0 | 45 |
| New Jersey | 518 | 46 | 39 | 1 | 602 |
| New Mexico | 60 | 7 | 0 | 0 | 67 |
| New York | 1, 108 | 43 | 17 | 5 | 1, 163 |
| North Carolina | [r] 327 | 35 | 137 | 4 | 495 |
| North Dakota | 9 | 0 | 0 | 0 | 9 |
| Ohio | 644 | 43 | 7 | 2 | 692 |
| Oklahoma | 36 | 1 | 0 | 0 | 37 |
| Oregon | 236 | 4 | 0 | 0 | 240 |
| Pennsylvania | 939 | 50 | 10 | 20 | 979 |
| Rhode Island | 58 | 2 | 28 | 0 | 88 |
| South Carolina | 214 | 10 | 4 | 6 | 222 |
| South Dakota | 52 | 1 | 2 | 0 | 55 |
| Tennessee | 247 | 15 | 0 | 0 | 262 |
| Texas | 0 | 0 | 0 | 0 | 0 |
| Utah | 57 | 3 | 1 | 0 | 61 |
| Vermont | 41 | 3 | 1 | 0 | 45 |
| Virginia | 423 | 27 | 4 | 16 | 438 |
| Washington | 392 | 18 | 5 | 1 | 414 |
| West Virginia | 0 | 0 | 0 | 0 | 0 |
| Wisconsin | 48 | 8 | 1 | 0 | 57 |
| Wyoming | 0 | 0 | 0 | 0 | 0 |
| Virgin Islands | 5 | 1 | 0 | 0 | 6 |
| District of Columbia—all* | 96 | 2 | 0 | 1 | 97 |

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

[r] Revised.

## Table 8

*De novo branch applications of National banks, by States, calendar 1969*

| | *Received** | *Approved* | *Rejected* | *Abandoned* | *Pending Dec. 31, 1969* |
|---|---|---|---|---|---|
| United States | 1,391 | 831 | 200 | 94 | 266 |
| Alabama | 18 | 10 | 3 | 1 | 4 |
| Alaska | 10 | 3 | 1 | 0 | 6 |
| Arizona | 27 | 22 | 2 | 0 | 3 |
| Arkansas | 5 | 4 | 1 | 0 | 0 |
| California | 212 | 116 | 49 | 17 | 30 |
| Colorado | 7 | 4 | 0 | 0 | 3 |
| Connecticut | 21 | 11 | 2 | 1 | 7 |
| Delaware | 1 | 1 | 0 | 0 | 0 |
| District of Columbia | 8 | 3 | 1 | 1 | 3 |
| Florida | 0 | 0 | 0 | 0 | 0 |
| Georgia | 17 | 15 | 0 | 0 | 2 |
| Hawaii | 3 | 3 | 0 | 0 | 0 |
| Idaho | 8 | 4 | 2 | 0 | 2 |
| Illinois | 14 | 11 | 1 | 0 | 2 |
| Indiana | 26 | 18 | 4 | 1 | 3 |
| Iowa | 5 | 4 | 1 | 0 | 0 |
| Kansas | 3 | 3 | 0 | 0 | 0 |
| Kentucky | 11 | 9 | 0 | 1 | 1 |
| Louisiana | 13 | 11 | 0 | 0 | 2 |
| Maine | 10 | 7 | 1 | 0 | 2 |
| Maryland | 41 | 21 | 2 | 4 | 14 |
| Massachusetts | 24 | 17 | 0 | 1 | 6 |
| Michigan | 74 | 38 | 26 | 1 | 9 |
| Minnesota | 0 | 0 | 0 | 0 | 0 |
| Mississippi | 23 | 13 | 4 | 2 | 4 |
| Missouri | 2 | 1 | 0 | 1 | 0 |
| Montana | 0 | 0 | 0 | 0 | 0 |
| Nebraska | 3 | 2 | 0 | 0 | 1 |
| Nevada | 6 | 5 | 0 | 1 | 0 |
| New Hampshire | 9 | 7 | 1 | 0 | 1 |
| New Jersey | 208 | 111 | 40 | 39 | 18 |
| New Mexico | 10 | 5 | 0 | 0 | 5 |
| New York | 141 | 62 | 14 | 12 | 53 |
| North Carolina | 77 | 50 | 5 | 3 | 19 |
| North Dakota | 0 | 0 | 0 | 0 | 0 |
| Ohio | 52 | 42 | 3 | 2 | 5 |
| Oklahoma | 5 | 4 | 0 | 0 | 1 |
| Oregon | 19 | 13 | 2 | 0 | 4 |
| Pennsylvania | 94 | 68 | 10 | 0 | 16 |
| Rhode Island | 5 | 3 | 0 | 0 | 2 |
| South Carolina | 16 | 15 | 0 | 0 | 1 |
| South Dakota | 2 | 2 | 0 | 0 | 0 |
| Tennessee | 35 | 25 | 4 | 2 | 4 |
| Texas | 0 | 0 | 0 | 0 | 0 |
| Utah | 8 | 2 | 1 | 1 | 4 |
| Vermont | 5 | 4 | 0 | 0 | 1 |
| Virginia | 60 | 32 | 7 | 2 | 19 |
| Washington | 44 | 26 | 11 | 1 | 6 |
| West Virginia | 0 | 0 | 0 | 0 | 0 |
| Wisconsin | 8 | 3 | 2 | 0 | 3 |
| Wyoming | 0 | 0 | 0 | 0 | 0 |
| Virgin Islands | 1 | 1 | 0 | 0 | 0 |
| District of Columbia—all† | 9 | 4 | 1 | 1 | 3 |

*Includes 261 applications pending as of Dec. 31, 1968.
†Includes National and non-National banks in the District of Columbia, all of which are supervised by the Comptroller of the Currency.

## Table 9

*De novo branches of National banks opened for business, by community size and by size of bank, calendar 1969*

| *Population of cities* | *Branches* |
|---|---|
| Less than 5,000 | 131 |
| 5,000 to 24,999 | 197 |
| 25,000 to 49,999 | 77 |
| 50,000 to 99,999 | 50 |
| 100,000 to 249,999 | 41 |
| 250,000 to 499,999 | 26 |
| 500,000 to 1,000,000 | 24 |
| Over 1,000,000 | 33 |
| **Total** | 579 |

| *Total resources of banks (millions of dollars)* | *Branches* |
|---|---|
| Less than 10.0 | 60 |
| 10.0 to 24.9 | 95 |
| 25.0 to 49.9 | 59 |
| 50.0 to 99.9 | 67 |
| 100.0 to 999.9 | 181 |
| Over 1,000.0 | 117 |
| **Total** | 579 |

## Table 10

*Mergers,* calendar 1969*

| | *Transactions involving two or more operating banks* | *Other, pursuant to corporate reorganizations* |
|---|---|---|
| Applications carried over from 1968 | 22 | 12 |
| Applications received 1969 | 84 | 58 |
| Disposition of applications 1969: | | |
| Approved† | 88 | 66 |
| Abandoned | 4 | |
| Applications pending December 1969 | 15 | 3 |
| Transactions completed 1969: | | |
| Mergers | 58 | 57 |
| Consolidations | 7 | 2 |
| Purchase of assets | 15 | 0 |
| Total completed | 80 | 59 |

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

| | *Charter or purchasing bank* | *Merging, consolidating, or selling bank* | *Combined* |
|---|---|---|---|
| Capital stock | $565, 061, 989 | $46, 153, 559 | $612, 384, 611 |
| Capital accounts | 1, 961, 390, 191 | 150, 524, 413 | 2, 094, 421, 432 |

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

†Includes 3 applications approved but withdrawn due to litigation.

‡Includes only those transactions involving 2 or more operating banks.

# IV. *Bank Examinations and Related Activities*

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

This year was the most active in the history of the Comptroller's Office. During the year ending December 31, 1969, the Office examined 6,647 banks, 14,621 branches and facilities, 1,746 trust departments and branches, and 194 affiliates. Three hundred and eighty-nine special examinations and visitations were made, investigations were conducted in connection with applications for 63 new charters and 1,021 *de novo* branches, and 18 State banks were examined in connection with conversions to National banks.

Commercial examinations are made primarily to determine if a bank is solvent and operating within the framework of applicable banking laws. 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 examination work. The examination encompasses every phase of banking activity. The result is an evaluation of asset soundness, liquidity, internal and external controls, earnings, capitalization, and management.

In 1969, new examination procedures were effected in response to new public laws, notably the Bank Protection Act and the "Truth in Lending" Act. Changes in banking techniques required modifications of the commercial report of examination. The report of condition, income report, and form of financial statements required by Part 18 of the Comptroller's Regulations, were revised to provide uniform accounting and reporting to the three bank supervisory agencies for all banks in the dual banking system. For the first time in history, call reports, income reports, and financial statements were prepared on a year-end consolidated basis. The commercial report of examination includes figures of the head office and domestic and foreign branches. The fully consolidated section includes these figures plus data on domestic and foreign subsidiaries.

Efforts were continued to improve the quality and efficiency of examinations. The Office is in process of preparing programmed instructions for training new recruits, and monitored on-the-job training is provided for new assistant examiners. This training and instruction is supplemented by AIB and other appropriate bank schools. A comprehensive Examiner's Handbook covering all areas of bank examination and examiner's conduct was published in 1969 for internal use.

The first advanced school for newly-commissioned examiners was held in 1969, and added significantly to our educational program. Well qualified instructors taught courses covering all facets of commercial bank examinations, with special emphasis on the analysis of loans and investment securities. Considerable time was also devoted to courses on appraisal of asset quality, diversification of risk, liquidity, capital adequacy, earnings, future prospects and bank management.

An EDP Committee and three subcommittees were formed in 1969, to write standardized examination procedures, set minimum standards of output, and revise our EDP examination report forms. These committees will communicate with banks, Federal supervisory agencies, and the National Association of Supervisors of State Banks (NASSB) in developing examination policies and procedures for EDP facilities.

In 1969, the Comptroller's Office was placed under an employment ceiling as part of the government's efforts to hold back Federal employment and expenditures in the war against inflation. This required a reduction of personnel by attrition and curtailment of employment until a designated level was reached. This level is substantially below the estimated number of examiners needed to comply with statutory examination requirements for the 1970–71 examination cycle.

# V. *Litigation*

There was a sharp rise during calendar 1969 in the number of cases filed challenging administrative actions or rulings of the Comptroller. Twenty-four cases were filed, more than were filed in 1967 and 1968 combined. There were 29 cases pending on January 1, 1969; 14 cases were terminated during the year; and 31 cases were pending at the end of calendar 1969. Of the 14 cases terminated, in only one was the Comptroller's ruling overturned by the courts. The more significant cases involved the following subjects:

## *A. Incidental Powers Cases*

Three cases brought by competitors of National banks, alleging that the activities of particular National banks exceeded the authority contained in the incidental powers clause of the National Bank Act, 12 U.S.C. § 24 (Seventh), were decided by the Courts of Appeals. The only issue reached in each of these decisions was the standing, or the capacity of the bank's competitor to maintain the litigation. In two identical cases, challenging the right of a National bank to offer data processing services to other banks and bank customers as permitted by the Comptroller, the Courts of Appeals disagreed on the standing of data processing service bureaus to bring the actions. In *ADAPSO* v. *Camp,* 406 F. 2d 837, the Eighth Circuit Court of Appeals ruled that the action could not be maintained; while, in *The Wingate Corp.* v. *Industrial National Bank of Rhode Island,* 408 F. 2d 1147, the First Circuit Court of Appeals found that data processing service bureaus were permitted to bring such actions because of the Bank Service Corporation Act of 1962. In the same opinion, however, the First Circuit denied standing to travel agents who contended, contrary to the Comptroller's ruling, that National banks lacked the incidental power to operate a travel agency; but who could show no Congressional intent in the incidental powers clause, or any other statute, to protect travel agents from competition. *Arnold Tours, Inc.* v. *Camp,* 408 F. 2d 1147. All three cases were pending before the Supreme Court at the end of the year, and the *ADAPSO* case had been argued and was awaiting decision.

## *B. Other Banking Powers*

1. *Collective Investment Funds.*——The Court of Appeals for the District of Columbia Circuit upheld the authority of a National bank possessing trust powers to operate a commingled managing agency account. *Camp* v. *Investment Company Institute,* D.C. Cir. No. 21,662. The case involved a common agency fund established by First National City Bank of New York with the specific approval of the Comptroller, the Securities and Exchange Commission, and the Board of Governors of the Federal Reserve Board. Two judges of the Court expressed "reservation amounting to virtual disbelief" in the standing of the plaintiff mutual fund industry to bring this action. Chief Judge Bazelon noted that the commingled managing agency account was "a descendent of the individual managing agency account and the common trust fund, fitting within the traditional authority of banks to manage other people's money in a fiduciary capacity." All three judges concurred in finding that the approval given by each of the Federal agencies involved was within its respective statutory authority. The Investment Company Institute and the National Association of Securities Dealers each petitioned the Supreme Court for review, but, as of the end of the calendar year, the Supreme Court had not determined whether it would hear the case.

2. *Acting as Insurance Agent.*——The Solicitor General determined not to seek *certiorari* from the decision of the Court of Appeals in *Camp* v. *Georgia Association of Independent Insurance Agents,* 399 F. 2d 1010 (5th Cir. 1968), and that decision thus became final.

3. *Receiving Interest on Credit Card Transactions.*——The State of Idaho brought two actions against the Comptroller and two National banks headquartered in Boise, Idaho. *Idaho* v. *First Security Bank, N.A. and Camp,* Civil No. 1–69–83; *Idaho* v. *The Idaho First National Bank and Camp,* Civil No. 1–69–101. The State contends that each of the Na-

tional banks involved charge, on certain credit card transactions, an interest rate higher than that which State banks could charge on similar transactions. The Comptroller is made a defendant because he has interpreted Section 30 of the National Bank Act, 12 U.S.C. § 85, to permit National banks to charge the same interest rate as any competing State institution, e.g., a small loan company, could charge on similar loans. No proceedings other than the filing of the complaints occurred during 1969.

## C. New Banks

1. *Cases Brought by Competitors.*——Three cases were filed against the Comptroller's Office by existing banks who alleged that the Comptroller's chartering of a new competing National bank was unlawful. In *Oceanside Bank* v. *Camp,* S.D. Fla., Civil No. 69–533, the complaint alleged that the new bank, because of its affiliation with existing banks through common stock ownership, created a monopoly of the greater Pompano Beach banking market in violation of the antitrust laws. The action against the Comptroller was dismissed because the plaintiff competing bank lacked standing, and because the action constituted an unconsented suit against the United States. The other two cases, *Sterling National Bank of Davie* v. *Camp,* S.D. Fla., Civil No. 69–654; and *Humble State Bank* v. *Camp,* S.D. Texas, Civil No. 69–H–1209, were pending at the end of the year on motions by the Comptroller to dismiss for lack of standing, or, in the alternative, to grant judgment for the Comptroller because the record developed by the Comptroller's Office in processing the applications showed the Comptroller's decision to be rational and lawful.

2. *Cases Brought by Applicants.*——At the end of 1969, three actions were pending by organizers of proposed National banks challenging the refusal of the Comptroller to charter applied-for banks. *Olsen* v. *Camp,* E.D. Mich., Civil No. 31804; *Klanke* v. *Camp,* S.D. Texas, Civil No. 69–H–1033; and *Pitts* v. *Camp,* D. S.C., Civil No. 69–979. In the *Olsen* case the Comptroller asked the court to dismiss the complaint, contending that the National Bank Act gives the Comptroller exclusive and unreviewable discretion to reject a National bank charter application. The district court ruled against the Comptroller on that issue, but, at the end of the year, was considering the Comptroller's motion for reconsideration or, in the alternative, for an appeal on this issue to the court of appeals. There were no proceedings, other than the filing of the complaints, in the other two cases during 1969.

The Comptroller, in his capacity as a director of the Federal Deposit Insurance Corporation, was also named a defendant in a suit in Michigan, alleging that the FDIC had improperly failed to grant insurance to a newly-chartered State bank. *Blackwood* v. *FDIC,* E.D. Mich., Civil No. 32998. The FDIC approved the application for insurance after the litigation was filed, and the suit was dismissed. Of incidental note, a bank affiliated with the applicants in the *Olsen* and *Blackwood* cases brought a similar action against the Board of Governors of the Federal Reserve Board, alleging that the Board had improperly denied a branch application, and this action was still pending at the end of the year. *State Bank of Michigan* v. *Board of Governors,* W.D. Mich., Civil No. 6053.

These five actions are believed to be the first ever brought against the Comptroller's Office, the FDIC, or the Federal Reserve Board by rejected applicants for new banks or branches.

## D. Main Office Relocations

Five cases were pending against the Comptroller at the end of 1969 involving the Comptroller's approval of the relocation of a National bank's main office. In *Marion National Bank* v. *Camp,* 7th Cir., Nos. 17078 and 17114, the Court of Appeals held that the Comptroller could not approve simultaneous applications by a State-chartered bank to convert to a National association, to relocate its main office to the county seat, 12 miles away, and to retain a branch at the site of its former main office. The Court of Appeals opinion apparently did permit the conversion and relocation of the bank, if the branch application were withdrawn. A contrary result was reached in *The Ramapo Bank* v. *Camp,* D. N.J., No. 18,022, where the court upheld the Comptroller's approval of a National bank's simultaneous applications to relocate its main office to a different town, 2.3 miles away, and to retain its former main office as a branch. The *Ramapo* case was appealed, and, at year-end, was awaiting decision by the Third Circuit Court of Appeals. Three other similar actions were filed in New Jersey in 1969, and were still pending at year-end.

## E. Branches

The Supreme Court, in *Camp* v. *Dickinson,* O. T. 1969, No. 34, ruled that an armored car, used by a National bank in Florida to pick up and deliver funds from customers of the bank, and an off-premises night depository, each constituted a "branch," as that term is defined in the National Bank Act, 12 U.S.C. § 36(f). The Court rejected the argument advanced by the National Association of Supervisors of State Banks, in an amicus curiae brief, that State law defined what was a branch of a National bank, but held that the armored car and receptacle were branches because "deposits" were received, within the meaning of 12 U.S.C. § 36(f). The opinion has created some confusion as to whether similar armored car operations would be branches in States where armored cars may be operated by State banks.

In *First Citizens Bank & Trust Co.* v. *Camp,* 409 F. 2d 1086 (4th Cir.), the Court of Appeals upheld the Comptroller's approval of branches of two National banks based solely upon court review of the record developed by the Comptroller's Office in processing the two applications. The Court of Appeals reaffirmed its earlier determination in *First National Bank of Smithfield* v. *Saxon,* 352 F. 2d 267 (4th Cir. 1966), that the Comptroller need not conduct a formal adversary hearing, but overruled its holding that the Comptroller need not, in approving a branch of a National bank, make the same findings, concerning need for the new branch, that the State Bank Commissioner would have to make in approving a branch of a State-chartered bank. The decision in a similar case involving this issue, *Industrial State Bank and Trust Co.* v. *Camp,* 284 F. Supp. 900 (W.D. Mich., 1967), became moot when the contested branch application was withdrawn, and the Court of Appeals directed that the lower court decision be vacated.

In *Ohio Bank & Savings Co.* v. *Tri-County National Bank,* 411 F. 2d 801 (6th Cir.), another branch approval by the Comptroller was upheld solely upon review of the record of the proceedings before the Comptroller. The court held that the Comptroller had correctly interpreted the Ohio statute to permit the bank involved to branch in three different counties. The Comptroller's interpretation of State statutes, similarly, was upheld in *Leuthold* v. *Camp,* 405 F. 2d 499 (9th Cir.), and in *Oakland National Bank* v. *Camp,* E.D. Mich., Civil No. 32133. In the *Oakland* case the court held that a branch bank might be established just across the boundary of a city in which the branch would have been prohibited.

A new branch statute became effective in New Jersey on July 17, 1969, and on that day the Comptroller approved 48 applications for branches by National banks in New Jersey, and disapproved 18 such applications. Three of these approvals resulted in lawsuits by competing or potentially competing banks challenging the Comptroller's action as arbitrary or otherwise unlawful. *Montclair National Bank & Trust Co.* v. *Camp,* D. N.J., Civil No. 1004–69; *Pompton Valley Bank* v. *Camp,* D. N.J., Civil No. 1049–69; *Springfield State Bank* v. *National State Bank of Elizabeth,* D. N.J., No. 846–69. All three cases were still pending, with no decision, on December 31, 1969.

## *F. Merger Cases*

In 1969, the Comptroller was a party to five merger cases. Three of these cases were litigated to judgment and the district court, in each case, upheld the Comptroller and found the merger to be lawful. One of the other two cases is presently being prepared for trial, and the last was settled by consent decree.

One of the three cases won in the trial court has been terminated, with no appeal by the Antitrust Division. In another, the Justice Department has noticed an appeal and filed its jurisdictional statement. In the third, time for appeal has not yet run, and the merger has been stayed pending decision by the Justice Department.

On June 27, 1969, *U.S.* v. *The First National Bank of Jackson,* 301 F. Supp. 1161 (S.D. Miss. 1969) was decided in favor of the Comptroller and the banks. This was a potential competition case involving the acquisition of a small rural bank by the larger First National Bank of Jackson. In its opinion upholding the merger, the court found, in essence, that the area of the acquired bank was overbanked so First National of Jackson was not a likely potential *de novo* entrant, and thus there could be no adverse effect on potential compeion. The court further found that the entrance by merger of the Jackson bank would meet the convenience and needs of the area of the acquired bank and the State of Mississippi as well, clearly outweighing any assumed anticompetitive effects. In a judgment entered the same day, the court dissolved and lifted the automatic injunction and the merger was consummated. The decision was not appealed.

*United States* v. *The First National Bank of Maryland* (Civ. No. 19801 D. Md. 1969) was a second potential competition case involving a large Baltimore-based bank acquiring a leading bank in a suburban county. The district court found, among other things, that it was not economically feasible for the Baltimore bank to branch *de novo* into the county, and that such a branch might subject First National to lawsuits brought by any of the other three similarly-named county banks, under a Maryland statute prohibiting confusion of names, and that the entry of the Baltimore bank would not raise barriers to the entry of any other banks. The banks were not potential competitors, and, therefore, the merger did not have the anticompetitive effects proscribed by § 7 of the Clayton Act. The court further found that even assuming the existence of the anticompetitive effects alleged by plaintiff, such effects were clearly outweighed by the merger in meeting the convenience and needs of the community. The banks have consented to the continuance of the automatic stay during the 60-day appeal period. The Department of Justice has not yet made a decision on an appeal.

In *U.S.* v. *Phillipsburg National Bank and Trust Co.*, Civil No. 56–68 (N.D. N.J. 1969), the court found that, even though the merging banks were across the street from one another, they were so small that the merger had little, if any, anticompetitive effect. The court pointed out that the merger would allow for the hiring of competent management personnel and provide much needed trust services and a higher lending limit, thus meeting the convenience and needs of the community, and clearly outweighing any anticompetitive effects. In entering judgment in favor of the defendants and intervenor, the court limited the automatic injunction to 40 days pending appeal. The Department of Justice has filed notice of appeal.

On December 26, 1969, a consent judgment, agreed to by the Department of Justice and the banks, was entered in *U.S.* v. *Deposit Guaranty National Bank*, S.D. Miss. Civil No. 4311. The judgment allowed the merger, but required defendant Deposit Guaranty, for the next 10 years, to obtain permission from the Attorney General before acquiring any additional Mississippi banks.

## G. Miscellaneous Litigation

Protracted litigation brought by the creditors of the San Francisco National Bank, declared insolvent by the Comptroller on January 22, 1965, was finally settled by order of the United States District Court on January 13, 1969. In another case involving a receivership, the court held that it lacked jurisdiction to review the Comptroller's finding of insolvency of a National bank and subsequent appointment of a receiver. *State National Bank of Lovelady* v. *Kennedy*, E.D. Texas, Civil No. 4999. In a somewhat analogous case, the courts refused to overturn the Comptroller's appointment of a conservator of a National bank and the conservator's subsequent sale of the bank's assets. *In the Matter of the Conservatorship of the Wellsville National Bank*, 409 F. 2d 223 (3d Cir.).

The procedures for approving bank mergers were challenged in two cases brought by dissenting shareholders of the acquired bank. The court, in *Cooke* v. *Camp*, W.D. N. C., Civil No. 1063, dismissed a complaint alleging that the Comptroller had failed to grant plaintiff a hearing, and had failed properly to investigate the proposed management of the merged bank. The courts also rejected, in *Rogers* v. *First National Bank of St. George*, 410 F. 2d 519 (4th Cir.), a complaint alleging irregularities in the shareholder vote, certified to the Comptroller as approving the merger by the necessary majority.

# VI. *Fiduciary Activities of National Banks*

During 1969, National bank trust departments continued the significant growth which has been characteristic of recent years, recording increases in both amounts of assets held, and numbers of accounts administered. Asset holdings became increasingly complex, reflecting, in part, a movement toward more growth-oriented accounts, in response to customer demand. A number of National banks decided to apply for permission to open trust departments. During the year, 52 National banks made application for fiduciary powers, and 34 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 from 1919 to 1932.

The Trust Division took several steps designed to keep pace with these trends and to improve the Office's performance of its responsibilities in that area. The Manual of Instructions for Representatives in Trusts was revised to update instructions and references, and to incorporate new standards and procedures. This included additional instructions on the examination of smaller trust departments, which simplify reporting procedures. Revised procedures for the examination of employee benefit trusts administered by National banks were also included to permit continued careful scrutiny of these accounts, even though numbers and asset totals continue to climb. Statistics will be gathered from these examination figures, and useful information from them may be published periodically. It is appropriate that this Office should provide leadership in the field of employee benefit trusts because it supervises trust departments with more such accounts, holding more assets, than any other banking agency.

In October, a week-long workshop was conducted in Washington for the senior trust examiners from each Region; 34 attended. The primary purpose was to provide instruction in investment analysis, a field where, because of the appearance of non-rated securities in investment portfolios, increased capability is desirable. The implementation of the revised employee benefit reporting system was also discussed and explained. There was also an in-depth analysis of current examination problems, and a minimum standard of output for computerized departments was developed.

During 1969, three persons were promoted to the position of Representative in Trusts, the highest level of qualification for trust examiners, and 15 were advanced to the intermediate position of Associate in Trusts. Plans were made for a school for new assistants, to be held in 1970, in Washington, D.C.

As a result of continued close cooperation with the Federal Reserve Board and the FDIC, the uniform trust department annual report, first employed for 1968, was utilized by the agencies for the year 1969, with only minor modifications. Based on the responses to the previous report, the agencies jointly published a booklet, entitled *Trust Assets of Insured Commercial Banks—1968,* which provided comprehensive data on the nature and amounts of trust department holdings. It is hoped that such publications may, hereafter, be made regularly.

# VII. *International Banking and Finance*

In contrast to 1967 and 1968, 1969 was a year of cautious adjustment and consolidation for the world of international finance. The two major currency realignments of 1969 did not generate disruption like that following the devaluation of sterling in 1967.

Both the devaluation of the French franc, by 12.5 percent, effective August 11, and the revaluation of the Deutsche mark, by 9.29 percent, effective September 29, followed months of consideration and discussion. The world's financial community had come to regard the changes as inevitable and, as a result, there was no overreaction, nor was there a rush, by closely related economies, to follow suit. Perhaps the best indication of the relative stability of the exchange markets is that the free market price of gold dipped below the official price support level of $35 per ounce in late 1969.

Against this background of international monetary developments, National banks continued their overseas expansion. Seventy-four new foreign branches were opened by 27 different National banks, 21 of which were branching overseas for the first time. One branch was converted into a subsidiary. Foreign branches of National banks now total 428, and account for 93 percent of the total foreign branches of U.S. banks. On December 31, 1969, the total resources of foreign branches of National banks were $28.2 billion, compared to $16.0 billion in 1968. Nassau was the site of great branching activity in 1969. A total of 20 branches of National banks were in operation at year-end, and another 10 were pending. London is now the site of 14 branches of National banks, with 4 more pending.

During 1969, American banks continued to utilize their foreign branches as a source of Eurodollars to meet loan demands abroad, and to provide temporary additions to head-office liquidity. At the end of the year, head office "borrowings" from foreign branches of National banks totaled $8.5 billion, up from $3.5 billion the year before. This increase occurred despite restrictive revisions of regulations D and M by the Federal Reserve Board which made such funds more expensive. Checks issued by, or on behalf of, foreign branches against their accounts at their head offices were included in gross demand deposits when computing reserve requirements, in an attempt to restrict Eurodollar float. Furthermore, deposits obtained from, and assets placed with, foreign branches by their head offices, in excess of their May 1969 level, have been made subject to reserve requirements.

During the year the number of National banks operating Edge or agreement subsidiaries increased from 28 to 32. A total of 41 Edge corporations and two agreement subsidiaries were maintained. In addition, a number of regional National banks participate in a jointly-owned Edge Act subsidiary conducting an international banking business headquartered in New York City.

U.S. banks have continued to join with their counterparts around the world in establishing development and medium-term credit banks. However, they demonstrated even greater interest in establishing networks of "financieras," or personal loan and leasing companies, in given countries. A major new frontier of international banking in 1969 was the offshore mutual fund. A number of applications to invest in management companies have been approved, and various proposed links with funds are pending approval. During 1969, National banks also launched a concerted effort to penetrate the Australian market through the medium of merchant banks, finance companies, and medium-term credit institutions.

## Table 11

*Foreign branches of National banks, by region and country, Dec. 31, 1969*

| Region and country | Number | Region and country | Number |
|---|---|---|---|
| Central America | 41 | Europe—Continued | |
| El Salvador | 1 | Luxembourg | 1 |
| Guatemala | 3 | Netherlands | 7 |
| Honduras | 3 | Northern Ireland | 1 |
| Mexico | 5 | Switzerland | 5 |
| Nicaragua | 3 | | |
| Panama | 26 | Africa | 2 |
| South America | 130 | Liberia | 1 |
| | | Nigeria | 1 |
| Argentina | 38 | | |
| Bolivia | 4 | Near East | 6 |
| Brazil | 15 | | |
| Chile | 18 | Lebanon | 3 |
| Colombia | 23 | Saudi Arabia | 2 |
| Ecuador | 9 | Trucial States | 1 |
| Guyana | 1 | | |
| Paraguay | 6 | Far East | 73 |
| Peru | 8 | | |
| Uruguay | 4 | Hong Kong | 13 |
| Venezuela | 4 | India | 11 |
| | | Indonesia | 6 |
| Carribean | 56 | Japan | 12 |
| | | Korea | 3 |
| Antigua | 1 | Malaysia | 5 |
| Aruba | 1 | Pakistan | 4 |
| Bahamas | 24 | Philippines | 4 |
| Barbados | 3 | Singapore | 9 |
| Curacao | 1 | Taiwan | 2 |
| Dominican Republic | 11 | Thailand | 2 |
| Jamaica | 3 | Viet-Nam | 2 |
| Trinidad | 6 | | |
| St. Kitts & Anguilla | 3 | U.S. overseas areas and trust territories | 40 |
| Virgin Islands (British) | 3 | | |
| | | Canal Zone | 2 |
| Europe | 80 | Guam | 3 |
| | | Marshall Islands | 1 |
| Austria | 1 | Okinawa | 2 |
| Belgium | 8 | Puerto Rico | 18 |
| England | 21 | Truk Islands | 1 |
| France | 9 | Virgin Islands | 13 |
| Germany | 14 | | |
| Greece | 8 | Total | 428 |
| Ireland | 2 | | |
| Italy | 3 | Military banking facilities | 31 |

# VIII. *Administrative and Management Developments*

During 1969, the Office of the Comptroller of the Currency continued to refine administrative operations and procedures. The five divisions under the Administrative Assistant to the Comptroller worked together to achieve a sound administrative program for the Office.

The Fiscal Management Division has attempted to provide the Office with a comprehensive and timely financial management information system. By the beginning of 1969, such a program was operational. That program has sought out areas of inefficient operation in order to produce an effective and sound financial management system.

The year 1969 saw the conversion from manual to machine accounting. This was accomplished with a minimum of difficulty, and the rest of the year was spent refining machine programs and operations to obtain output as efficiently as possible. The format of reports has been revised and expanded to improve the quality of financial and budget data. Further refinements of the means of collecting and processing data were under way at the end of 1969 and are to be completed in 1970.

Several subsidiary programs in the mechanization of accounting operations were completed. The most significant of those was the inventory of capitalized nonexpendable property. Results of a complete physical inventory were reconciled with existing manual files; machine listings, showing information such as property number, description, initial cost, depreciation, etc., were obtained. These accounting controls, along with improved property management procedures, are intended to simplify property management.

One of the Fiscal Management Division's most important responsibilities is employee travel. This involves a continuous review of travel policies and regulations as well as payment of employee travel expense claims. Evaluation and refinement of the previous year's new travel regulations was the major concern in 1969, although some basic policy changes were instituted.

The Fiscal Management Division continued its intensive review and analysis of cash forecasting and cash flow in order to maximize investment income. This program, in conjunction with unusually high interest rates, has produced not only the highest dollar investment income in the history of the Comptroller's Office, but also the greatest percentage increase in any one year.

Since its inception, the Fiscal Management Division has absorbed three statutory pay increases and has reduced salary costs by approximately $60,000 by reducing its work force by nine employees through attrition.

The year 1969 was the first full year of a computerized payroll operation. That program, a joint effort of Fiscal Management, Management Services, and Personnel Division, was nationwide. The initial conversion required complex coordination, yet there were only minimal problems, and the entire operation began on schedule. That conversion has proven extremely beneficial to the Comptroller's Office. In addition to cost and manpower savings, the system provides management and supervisors with additional useful information.

The Personnel Division continued to explore new programs to provide for a more progressive personnel management program. A merit promotion program was established for non-examining personnel to insure that employees were made aware of promotion opportunities, and that selections were made from among the best qualified.

The Trainee Progress Report for Assistant National Bank Examiners was revised and the procedures streamlined. All essential information for quarterly reporting and for the 6-month progress report is now recorded on a single form and submitted to Washington for easier processing, evaluation, and storage.

A cooperative work-study program, launched early in 1969, sought to train and develop college calibre individuals for future professional positions with the Office. The program was designed to employ junior and senior college students on an alternating work and study schedule. By the end of the year the Office had 30 financial interns.

A review of administrative organization and positions was completed, resulting in new functional and organizational charts. Descriptions were developed for most positions, duties clarified, and surplus positions and workload needs identified. The documentation of positions also served to identify pay inequities, and provided a more meaningful basis for recruitment, promotions, and performance requirements. A study of clerical positions in two regions was initiated to identify those functions and positions common to all regions. The objective is to document the duties and responsibilities of standard positions and to develop appropriate grade patterns and career ladders.

Fact finding was completed and recommendations were made to provide a formal pay policy for all positions. Those recommendations have been made to provide a systematic approach to determine grade levels for all positions while retaining the flexibility to meet any management needs peculiar to the Office of the Comptroller of the Currency.

Fact finding was completed on a study of Bank Examiner positions in one region. In conjunction with the Regional Administrator, a proposed regional staffing pattern was developed to determine grade pattern and manpower requirements based on workload. The implementation of that proposal will result in a more equitable pay system for Bank Examiners, and produce more effective manpower utilization. One aspect of that study was to explore the concept of the Examiner-in-Charge in large examinations, to determine if sufficient emphasis is given to the "managerial" function.

A supervisory handbook, outlining supervisors' basic responsibilities in personnel and other administrative functions, was drafted in 1969. It emphasized the objectives, principles, and guidelines to be followed in day-to-day dealings with employees. The handbook supplements a basic training course for supervisors currently being developed.

In 1969, space management continued to be a prime activity of the Administrative Services Division. Four regional offices were relocated and commitments were made to move another three, thus completing a major relocation program initiated in 1964. Four new subregional offices were established and several others were relocated. Renovation and space reassignment in our Washington offices resulted in a more efficient utilization of space, facilities, and personnel.

The reorganization of the Administrative Services Division, begun in 1968, has been completed. New positions in the area of supply and property management have been established and filled by qualified personnel, thus increasing efficiency. A program of firm internal operating procedures and publication of directives implementing those procedures began in 1969. The program of records management and disposal progressed satisfactorily during 1969.

During 1969, the Internal Audit Division expanded its area of inquiry into financial matters, organizational entities, and operations. Professional accountants were recruited to alleviate the need for highly qualified personnel. The audit staff was individually scheduled for senior and semi-senior audit training classes presented by the Interagency Auditor Training Center.

In 1969, the Management Services Division broadened its scope of activities to include visitations to regional offices for purposes of analyzing and improving administrative procedures in the field. During those field visits, attempts were made to assess regional needs as they relate to the Washington office, and to set goals that ultimately will improve operations nationwide.

In automation, computer programmers were selected to provide greater support services to other elements of the Office. Certain manual operations, including selected call report items, foreign branch records, assessment returns, audit, and other economic and statistical reports, were computerized. At year-end, automation of other major projects was under consideration.

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

Financial operations during calendar 1969 resulted in the further strengthening of the financial stability of this Office. Total income amounted to $32.6 million, a new high and an increase of 23.5 percent over 1968. This growth in income was largely due to the $33.2 billion rise in assets of the National Banking System and the increase in the semi-annual assessment rate which became effective with the June 1969 call report. Assessment income totaled $27.9 million, which amounts to an advance of $5.2 million over the previous year.

Another income item showing substantial improvement over 1968 was interest on investments, which advanced to $1,375,000, an increase of 34.2 percent for the year. The increment in investment income came as a result of continued close scrutiny of cash requirements and, of course, the unusually high interest rates experienced during the year. Investment income contributed more than a third of the $3.8 million net income for 1969.

Income from trust examinations showed an increase of $352,000 as a result of a greater number of examinations during the year, coupled with higher fees, effective July 1969, to cover advancing costs. Branch investigation income was up by $179,000, owing to a 25 percent increase in branch applications and the establishment of a fixed fee, at midyear, for each application received.

Income from charter and merger and consolidation fees was another major source of income and amounted to $447,000. Applications for new bank charters showed a small increase over the previous year. Income derived from special examinations continued to contribute to income growth. For the most part, all other income categories revealed modest gains for the year.

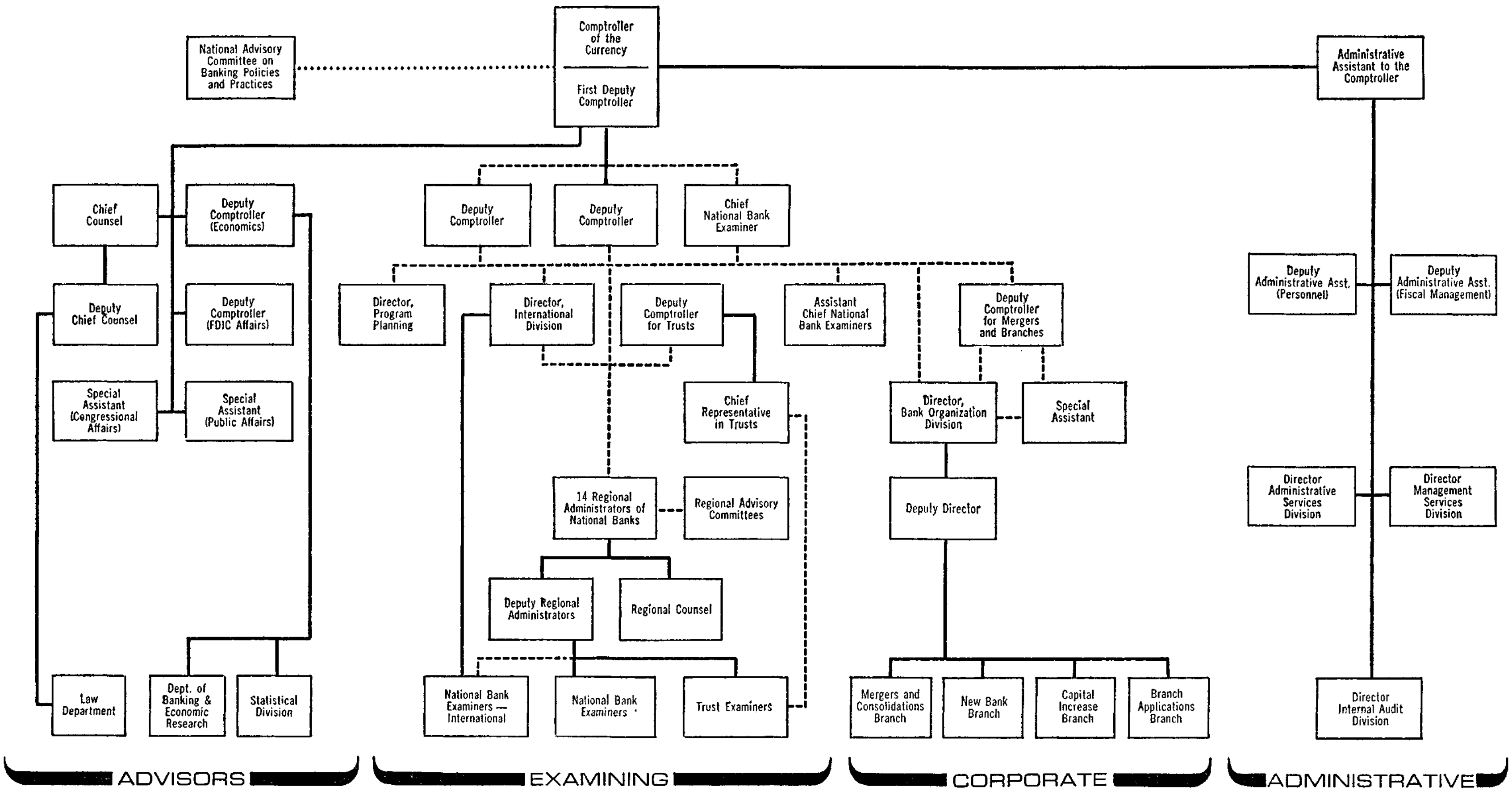
Expenses for the Office aggregated $28.8 million, a 16.9 percent increase over the $24.6 million in 1968, but a lower rate than the increase in income. This represents a reversal over the past 2 years, during which expenses increased at a higher rate than did income.

Salaries, personnel benefits, and travel expenses amounted to $27.0 million, which was 94 percent of the total expenses for the year. These expenses accounted for 93 percent of the increase in operating costs for the year. Contributing factors to this rise were: (1) a full year under the pay increase granted in 1968 and 6 months under the final increment of the Postal Revenue and Federal Salary Act of 1967, which averaged 10 percent for this Office; (2) a 3.6 percent rise in the total number of employees; and, (3) an upward adjustment of per diem and other travel allowances to adequately compensate employees for substantially higher costs of traveling.

The remaining expenses totaled $1.8 million, an increase of $285,000, consisting mainly of higher office rental costs, renovation and relocation of some regional offices, and increased printing requirements.

This equity account is in reality a reserve for contingencies. At $17.3 million, the equity represents a 6⅔ month's reserve for operating expenses, based on the level of expenses over the last 6 months of 1969. Net income in 1969 amounted to $3.8 million.

# OFFICE OF THE COMPTROLLER OF THE CURRENCY
## Chart of Organization



## Table 12

## OFFICE OF THE COMPTROLLER OF THE CURRENCY

### BALANCE SHEET

| Assets | December 31 1969 | December 31 1968 |
|---|---|---|
| Current assets: | | |
| Cash | $196, 540 | $68, 784 |
| Obligations of U.S. Government at cost (approximate market value) | 8, 419, 153 | 5, 036, 543 |
| Accounts receivable | 77, 015 | 43, 499 |
| Accrued interest | 321, 764 | 215, 758 |
| Travel advances | 375, 598 | 342, 261 |
| Prepaid expenses and other assets | 53, 494 | 31, 342 |
| Total current assets | 9, 443, 564 | 5, 738, 187 |
| Obligations of U.S. Government, at cost (approximate market value $11,976,000 and $11,691,000). | 13, 115, 282 | 12, 388, 124 |
| Fixed assets, at cost: | | |
| Furniture and fixtures | 779, 966 | 721, 106 |
| Office machinery and equipment | 389, 679 | 374, 314 |
| | 1, 169, 645 | 1, 095, 420 |
| Less accumulated depreciation | 481, 757 | 397, 648 |
| | 687, 888 | 697, 772 |
| Total assets | 23, 246, 734 | 18, 824, 083 |
| **Liabilities and Comptroller's Equity** | | |
| Current liabilities: | | |
| Accounts payable | 201, 387 | 106, 073 |
| Salary deductions and withholdings | 78, 139 | 80, 928 |
| Accrued travel and salary | 1, 393, 328 | 1, 143, 142 |
| Total current liabilities | 1, 672, 854 | 1, 330, 143 |
| Accumulated annual leave | 1, 577, 011 | 1, 358, 428 |
| Closed receivership funds | 2, 708, 387 | 2, 708, 266 |
| Total liabilities | 5, 958, 252 | 5, 396, 837 |
| Comptroller's equity | 17, 288, 482 | 13, 427, 246 |
| Total liabilities and Comptroller's equity | 23, 246, 734 | 18, 824, 083 |

## Table 13

## OFFICE OF THE COMPTROLLER OF THE CURRENCY
## STATEMENT OF REVENUE, EXPENSES AND COMPTROLLER'S EQUITY

| | Year ended December 31 | |
|---|---|---|
| | 1969 | 1968 |
| Revenue: | | |
| Semi-annual assessments | $27, 939, 249 | $22, 702, 406 |
| Examinations and investigations | 2, 525, 087 | 1, 922, 967 |
| Examination reports sold | 497, 560 | 511, 860 |
| Revenues from investments | 1, 374, 760 | 1, 024, 660 |
| Other | 288, 224 | 259, 173 |
| | 32, 624, 880 | 26, 421, 066 |
| Expenses: | | |
| Salary | 21, 133, 705 | 18, 046, 635 |
| Retirement and other contributions | 1, 568, 850 | 1, 357, 766 |
| Per diem | 2, 838, 279 | 2, 373, 267 |
| Travel | 1, 470, 600 | 1, 361, 706 |
| Rent and maintenance | 366, 699 | 300, 057 |
| Supplies | 69, 551 | 68, 214 |
| Printing, reproduction and subscriptions | 333, 246 | 262, 317 |
| Depreciation | 115, 328 | 100, 899 |
| Remodeling | 94, 375 | 27, 634 |
| Office machine repairs and rentals | 90, 246 | 102, 436 |
| Communications | 306, 600 | 235, 565 |
| Moving and shipping | 123, 334 | 77, 182 |
| Employees education and training | 135, 007 | 181, 978 |
| Other | 117, 824 | 110, 487 |
| | 28, 763, 644 | 24, 606, 143 |
| Excess revenue over expenses | 3, 861, 236 | 1, 814, 923 |
| Comptroller's equity at beginning of year | 13, 427, 246 | 11, 612, 323 |
| Comptroller's equity at end of year | 17, 288, 482 | 13, 427, 246 |

## Table 14

## OFFICE OF THE COMPTROLLER OF THE CURRENCY
## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

| | Year ended December 31 | |
|---|---|---|
| | 1969 | 1968 |
| Funds were provided by: | | |
| Excess revenue over expenses | $3, 861, 236 | $1, 814, 923 |
| Add charges not requiring current outlay of funds: | | |
| Depreciation | 115, 328 | 100, 899 |
| Net increase in accumulated annual leave | 218, 583 | 132, 800 |
| Net loss on sales of fixed assets | 12, 679 | 3, 765 |
| Net decrease in investment in long term U.S. Government obligations | | 1, 771, 609 |
| Net receipts of closed receivership funds | 121 | 3, 739 |
| Total funds provided | 4, 207, 947 | 3, 827, 735 |
| Funds were applied to: | | |
| Net increase in investment in long term U.S. Government obligations | 727, 159 | .............. |
| Purchases of furniture and fixtures | 92, 483 | 68, 834 |
| Purchases of machinery and equipment | 25, 639 | 66, 592 |
| Total funds applied | 845, 281 | 135, 426 |
| Excess of funds provided over funds applied, representing an increase in working capital | 3, 362, 666 | 3, 692, 309 |

# OPINION OF INDEPENDENT ACCOUNTANT

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

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

PRICE WATERHOUSE & CO.

WASHINGTON, D.C.
February 20, 1970

383-814—70——3

APPENDIX A

# Merger Decisions, 1969

# Merger* Decisions, 1969

## *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, involving a single operating bank**



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

## *III. Additional approvals*

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

THE FIRST AND FARMERS NATIONAL BANK OF SOMERSET, SOMERSET, KY., AND PEOPLES BANK, SCIENCE HILL, KY.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Peoples Bank, Science Hill, Ky., with | $1, 987, 511 | 1 | ........... |
| was purchased Jan. 6, 1969, by The First and Farmers National Bank of Somerset, Somerset, Ky. (3832), which had | 29, 904, 740 | 3 | ........... |
| After the purchase was effected, the receiving bank had | 31, 892, 251 | ........... | 4 |

COMPTROLLER'S DECISION

On August 26, 1968, The First and Farmers National Bank of Somerset, Somerset, Ky., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the Peoples Bank, Science Hill, Ky.

Both the buying and selling banks are located in Pulaski County which contains an estimated population of 38,400 people. Somerset, the county seat and home of the buying bank, is the largest city in the county, with a population of approximately 14,000 people. Agriculture, with tobacco the primary crop, remains the major source of income, although its importance has diminished in recent years as a result of resort development and the addition of new industry to the area. Somerset is located just 4 miles from Lake Cumberland, the largest man-made lake east of the Mississippi River. Substantial sums of money are being added to the county economy by expenditures by vacationers and resort visitors. Major employers in Somerset include: The Palm Beach Co., a clothing manufacturer, employing almost 700 people; an automobile parts manufacturing company, employing 500 people; and the General Electric Co., employing 100 people.

Science Hill, with a population of 450 people, is the home of the selling bank and is located 7 miles north of the buying bank. The economy of the area is based on agriculture with many of the residents commuting to Somerset for employment.

The First and Farmers National Bank, with IPC deposits of $21.5 million, is the dominant financial institution in Pulaski County. The bank's primary competition is derived from the $13.2 million Citizens National Bank and a $13 million savings and loan institution, both of which are located in Somerset. In addition, the $2.1 million First State Bank in Eubank provides some competition in its market area.

The selling bank, with IPC deposits of $1.6 million, was organized as a State-chartered institution in 1906. Its trade area is limited to Science Hill and the immediate environs. The bank has long been one of the primary sources of funds to local farmers and 55.6 percent of its loan portfolio constitutes agricultural loans. Although the selling bank's asset condition is considered sound, it has been unable to attract competent management in recent years. Because of this situation certain operational deficiencies have developed, particularly in the area of account posting.

To view this merger entirely in the light of statistical analysis is to ignore the reality of the banking situation in Pulaski County. There are presently only four commercial banks in the county. Competition in the Science Hill trade area is necessarily limited, both by population and by the laws of Kentucky, which prohibit expansion into Science Hill through branching, even if it were economically justified. As mentioned previously, the selling bank has encountered certain operational problems in recent years, and correction of these problems does not appear to be in prospect, except through merger with a larger institution or liquidation. The latter alternative is certainly not attractive because it deprives the residents of Science

Hill and its immediate service area of a convenient banking alternative.

It appears that neither of the other two banks in the county is capable, either in terms of financial resources or managerial depth, of acquiring the selling bank and maintaining an office in Science Hill.

Competition between the buying and selling banks has been minimal. The president and chairman of the board of the selling bank is a director of the buying bank, and the chairman of the board of the buying bank is a director of the selling bank.

It appears that any banking competition eliminated by this merger is so slight that it is clearly outweighed by the public's interest in having the problems of the Peoples Bank resolved before they worsen. The application is, therefore, approved.

DECEMBER 5, 1968.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The two merging banks would appear to be direct competitors; First and Farmers' two offices in Somerset are 7 miles south of Science Hill and there are no banks in the intervening area. The proposed merger would eliminate any competition between the merging banks.

Four commercial banks operate six offices in Pulaski County: (1) First and Farmers; (2) Peoples; (3) Citizens National Bank (total deposits, $12 million), a unit bank located in Somerset; and (4) First State Bank (total deposits, $2 million), a unit bank located 14 miles north of Somerset and 7 miles north of Science Hill.

As of June 29, 1968, First and Farmers had approximately 64 percent of deposits and about 67 percent of loans in commercial banks in Pulaski County. Peoples had about 4 percent of both county commercial bank deposits and loans. If the proposed merger is consummated, First and Farmers will have about 68 percent of the county's commercial bank deposits and about 71 percent of such loans. The merger will also entrench First and Farmers dominant position in the county and reduce the number of banking alternatives in the county from four to three.

Although Peoples' small size may limit its effectiveness as a competitor, there appears to be no reason why any problems of continued viability could not be resolved by merger with a bank smaller than First and Farmers. We therefore conclude that this merger would have an adverse effect on competition.

* * *

SOMERSET HILLS NATIONAL BANK, BASKING RIDGE, N.J., AND COUNTY BANK AND TRUST COMPANY OF SOMERSET, FRANKLIN TOWNSHIP, N.J.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| County Bank and Trust Company of Somerset, Franklin Township, N.J., with... | $25,190,763 | 4 | ............ |
| and Somerset Hills National Bank, Basking Ridge, N.J. (6960), which had....... | 26,187,310 | 3 | ............ |
| merged Jan. 10, 1969, under charter of the latter bank (6960) and title "Somerset Hills & County National Bank." The merged bank at date of merger had....... | 51,378,073 | ............ | 7 |

COMPTROLLER'S DECISION

On September 6, 1968, County Bank and Trust Company of Somerset, Franklin Township, N.J., and Somerset Hills National Bank, Basking Ridge, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of "Somerset Hills & County National Bank."

The Somerset Hills National Bank, with total assets of $24 million, operates two branches. Basking Ridge, N.J., located in the northern portion of Somerset County, is a high income residential community. New home construction in the area is in the $40,000 to $60,000 price range. There is virtually no industry in the area. The majority of the residents in the area commute to New York City and Newark, N.J., for employment. The population of the Somerset Hills National Bank service area is about 50,000.

The merging County Bank and Trust Company of Somerset, Franklin Township, N.J., has total assets of $23 million. It presently operates two branches and has approval for another branch expected to be opened prior to the effective date of the merger. Its earnings have been poor in recent years due to high occupancy and salary expenses. The financial condition of the bank makes it unable to hire capable successor management.

Franklin Township, located in the southeastern part of Somerset County, N.J., has an estimated population of 8,170 and covers a land area of 47 square miles. The township has been experiencing rapid growth with the population increasing 48 percent since 1960. Light industry has been moving into the southern part. The homes in the area are in the $25,000 to $35,000 range. Adjoining Franklin Township is the main campus of Rutgers, the State university, which is attracting industrial research laboratories to the area.

Keen competition in the area is furnished by the $26 million Franklin State Bank, Manville; the $59 million Somerset Trust Company, Bridgewater Township; the $15 million State Bank of Somerset, Hillsborough; and the $17 million First National Bank of Somerset County, Somerville. Additional competition in the southern part of Somerset County comes from two New Brunswick banks and a bank in Edison.

The merger will have little effect on competition. Since the main offices of the two banks are 21.6 miles apart, and the nearest branch of County Bank and Trust Company of Somerset is 13.9 miles from Basking Ridge, there is little present competition between the merging banks. The combined service areas of the two banks include 15 commercial banks operating a total of 75 offices. Currently, the Somerset National Bank is the ninth largest bank in the service area and the County Bank and Trust Company of Somerset is the 10th largest. The resulting bank would then become the eighth largest bank in the area.

Consummation of the merger will add strength to the management of both banks. Recruitment and training of personnel will be facilitated in the larger resulting bank and the management succession problem of the County Bank and Trust Company of Somerset will be eliminated. The resulting bank will have a larger lending capability and will be able to offer a broader range of new services for the greater convenience of the banking public in the communities it serves.

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

DECEMBER 3, 1968.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Somerset Hills National Bank ("Somerset National"), organized in 1903, operates its main office in Basking Ridge and branch offices at Bernardsville and Bernards Township. County Bank and Trust Company ("County Trust"), organized in 1907, operates its main office and a branch office at Franklin Township and two additional branch offices at Bound Brook.

Somerset National, the sole bank operating in Basking Ridge, is the third largest of eight banks operating in Somerset County. County Trust is the fourth largest of these banks. Somerset National and County Trust account for 13 percent and 8 percent, respectively of the county's IPC deposits.

The principal offices of Somerset National and County Trust are more than 21 miles from one another; their closest offices are approximately 7½ miles apart. Branches of the county's two largest banks, with total deposits of $60 million and $78 million, are located in the intervening area. Thus, while some competition may exist between the merging banks, it does not appear to be extensive.

We understand that under recent amendments to New Jersey law, neither Somerset National nor County Trust could open a *de novo* branch in a municipality in which another banking institution operates its head offices. Thus, this proposed merger would not eliminate potential competition between Somerset National and County Trust in communities where they or other banks have head offices, but would eliminate potential competition between them in other communities in Somerset County.

* * *

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Peoples Bank of Enola, Enola, Pa., with | $4,135,193 | 1 | |
| and Cumberland County National Bank and Trust Company, New Cumberland, Pa. (14542), which had | 89,979,862 | 10 | |
| merged Jan. 17, 1969, under charter and title of the latter bank (14542). The merged bank at date of merger had | 94,115,055 | | 11 |

### COMPTROLLER'S DECISION

On September 4, 1968, the Peoples Bank of Enola, Enola, Pa., and Cumberland County Bank and Trust Company, New Cumberland, Pa., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Harrisburg urban area, the area relevant to this proposal, includes eastern Cumberland County and the immediate Harrisburg area. Eastern Cumberland County, where the principal offices of the charter bank are located, is an expanding urban area known as the West Shore. Although principally residential, the area is witnessing the development of more industrial and commercial activity. This area should experience increased growth and development due to the construction of an east-west highway and a bridge crossing the Susquehanna River from Harrisburg to the West Shore area.

Enola, with a population of about 5,000, is a small community situated in the northeastern periphery of Cumberland County, along the Susquehanna River, in a relatively isolated area. Most of its residents commute to Harrisburg and other surrounding towns where they are employed.

The charter bank, with IPC deposits of $70 million, was organized in 1904, and presently operates 12 banking offices. These include 10 offices in the eastern and central parts of Cumberland County, a branch office in Dillsburg, in northern York County, which also serves parts of northern Adams County, and a branch office in New Oxford, serving the east-central portion of Adams County. The bank has followed a program of expansion in an attempt to create a regional institution capable of competing with the larger banks in nearby York and Harrisburg.

The merging bank is a single-office bank with IPC deposits of $3 million. This bank, with its limited services and lending capabilities, is unable to serve adequately the needs of its community. It is presently faced with a management succession problem due to the recent death of its only executive officer.

Other commercial banks in the Harrisburg urban area include: Dauphin Deposit Trust Company of Harrisburg, with deposits of $175 million; the Harrisburg National Bank and Trust Company, with deposits of $156 million; the Keystone Trust Company of Harrisburg, with deposits of $11 million; National Bank and Trust Company of Central Pennsylvania in York, with deposits of $211 million; and Farmers Bank and Trust Company of Hummelstown, with deposits of $15 million. The major New York, Pittsburgh, Baltimore, and Philadelphia banks solicit business in the area. The Philadelphia National Bank operates a data processing division in nearby Carlisle.

There is presently no significant competition between the participating banks to be eliminated by this merger. Although the charter bank's East Pennsboro office is about 4 miles from Enola, the difference in the size of the banks and the relative isolation of Enola preclude any significant competition between them.

The addition of $3 million in deposits to the charter bank will have no significant effect on the banking structure in the Harrisburg urban area or on the more immediately affected West Shore area. The larger banks headquartered in Harrisburg and York presently operate six branch offices in West Shore.

Consummation of this merger will redound to the public interest by permitting the charter bank to solve the problems at the merging bank and to serve effectively the present and future banking needs of the extreme northeastern corner of Cumberland County. The community of Enola is presently too small to support two banks.

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

December 17, 1968.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Peoples' sole office and six of CCNB's 12 offices are located in the eastern part of Cumberland County, across the Susquehanna River from Harrisburg.

The nearest branch office of CCNB is less than 4 miles from Peoples, with no banks in the intervening area, and six offices of CCNB are located within 8 miles of Peoples. Furthermore, CCNB's offices derived about $880,000 in deposits and about $1.6 million in loans from this area. Thus, it is clear that the proposed merger will eliminate some existing competition between CCNB and Peoples. However, within this area, one Harrisburg-based bank (total deposits: $176 million) operates four offices and two other such banks (total deposits: $156 million and $207 million) each operate one office.

* * *

THE CITIZENS AND SOUTHERN NATIONAL BANK OF SOUTH CAROLINA, CHARLESTON, S.C., AND THE PEOPLES NATIONAL BANK OF CONWAY, CONWAY, S.C.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Peoples National Bank of Conway, Conway, S.C. (10537), with | $15,525,049 | 3 | |
| and The Citizens and Southern National Bank of South Carolina, Charleston, S.C. (14425), which had | 271,978,512 | 45 | |
| merged Feb. 1, 1969, under charter and title of the latter bank (14425). The merged bank at date of merger had | 286,560,199 | | 48 |

COMPTROLLER'S DECISION

On September 30, 1968, The Peoples National Bank of Conway, Conway, S.C., with IPC deposits of $12.4 million, and The Citizens and Southern National Bank of South Carolina, Charleston, S.C., with IPC deposits of $178.7 million, applied to the Comptroller of the Currency for permission to merge under the charter and title of the latter.

The Citizens and Southern National Bank of South Carolina was organized in 1874 and obtained a National charter in 1940. Because of its aggressive and competent management, the bank has progressed to become a full-service institution, presently operating 41 offices in 11 counties throughout South Carolina. Although the charter bank competes in the 11 principal counties in South Carolina, it is headquartered in the peninsula city of Charleston. Because of its statewide market area, the charter bank faces intense competition from South Carolina National Bank, with resources of $468 million; First National Bank, with resources of $205.6 million; the State Bank and Trust Company, with resources of $114.4 million; 118 other banks, with $951 million in aggregate resources; and 73 savings and loan associations, with resources of $1.249 billion. In addition, both charter and merging bank receive a considerable amount of competition from the banks in Charlotte, N.C.

The Peoples National Bank of Conway, the merging bank, was organized in 1914 and presently operates two branches at Myrtle Beach, S.C. This bank has shown steady growth and is well capitalized through the retention of earnings. Conway is the county seat of Horry County, the economy of which was predominantly agricultural but is moving toward diversification in the form of forestry, varied industry, tourism, and recreation. The prospects for future industrial growth are promising in that a new steam electric generating plant has been constructed and the area has sufficient water to handle industrial complexes. Included in the service area of the merging bank is Myrtle Beach, where its two branches are located. The primary source of income for this area is tourism, and on a busy weekend the population will reach 150,000 from its norm of 30,000. Of the four statewide banking systems in South Carolina, one is located in the immediate area of the merging bank. The South Carolina National Bank, the State's largest bank, has two branches within 1 mile of the merging bank's branches at Myrtle Beach. In its Conway office, the merging bank competes with Conway National Bank and one of its branches. In addition to the competition derived from savings and loan associations and credit unions, the merging bank also faces competition from the banks in North Carolina, particularly during tobacco season when the merging bank's lending limits are insufficient to make the loans requested by its larger customers.

This merger will not reduce competition since there are no common borrowers or depositors in the participating banks. Furthermore, the main offices of the two banks are approximately 97 miles apart and the closest existing branches are 56 miles from each other.

Since South Carolina law permits statewide branch banking, the charter bank could, at least conceptually, branch *de novo* into this area and might, therefore, be considered a potential competitor with the merging bank. This concept is more illusory than real in view of the fact that Conway has a population of 9,500 and is already being served by the $10.2 million Conway National Bank, with two offices; and the merging bank's one active office and approved but unopened facility. These four offices provide sufficient banking services for the banking community and any additional offices would be harmful to the area in general.

The merging bank presently operates two offices in Myrtle Beach and competes primarily with three offices of $400 million South Carolina National Bank. In addition to the already existing financial institutions, the Peoples Bank of South Carolina, a State-chartered institution with total assets of $12 million, has made application to establish a branch in Myrtle Beach. This city, with a population of 10,400, is being served by five offices, and application has been made for a sixth. Once again, these facts would discourage any *de novo* entry into Myrtle Beach. Because of its basic seasonal activity, the financial needs of Myrtle Beach are such as not to require further banking offices.

The resulting bank will be in the public interest and will be able to serve the convenience and needs of the communities by offering specialized services in the loan area, trust department facilities, and data processing. In addition, the resulting bank with its larger lending limit will be able to compete more effectively, not only with the larger banks in South Carolina, but with the large banks in the bordering State of North Carolina.

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

DECEMBER 27, 1968.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Horry County and its seat at Conway have been rapidly expanding in population, industry, and buying power. Prospects for future growth are good.

Citizens, the second largest of South Carolina's four statewide banks, with about 13 percent of State deposits, has no office in or near Horry County; its nearest branch is 55 miles away, with several banking offices in the intervening area. Thus, there does not appear to be any competition between the banks proposing to merge.

South Carolina law permits statewide *de novo* branch banking. Conway is served by two banks, Peoples National and Conway National Bank (total deposits: $8.5 million). The Myrtle Beach area along the coast (known as the Grand Strand), located about 25 miles east of Conway, appears to be served by three banks, Peoples National; South Carolina National Bank (total deposits: $298 million), the State's largest bank; and Farmers Bank of Loris (total deposits: $5.3 million). Two other banks, with total deposits of $2.7 million and $9.9 million, operate in Horry County, within about 20 miles of Conway.

As of June 30, 1966, Peoples National held the largest share, or about 35 percent, of county IPC demand deposits; South Carolina National Bank held the second largest share, 31 percent, of such deposits, and three banks held 85 percent. Considering recent increases in industrial development, and of buying power in Horry County, together with prospects for accelerated future growth, the area appears to present an attractive market for new banking entry. Citizens, possessing about 13 percent of South Carolina's deposits, has no branches in or near Horry County; yet that county is closer to Citizens' head office in Charleston than any other county in which the bank now maintains branches. With its resources and apparent interest in the area, Citizens appears to be the most likely potential entrant into this area, either through *de novo* branching or through merger with one of the small banks in Horry County.

Thus the proposed merger would eliminate the most likely potential entrant into banking in Horry County through merger with the county's largest independent bank. We conclude, therefore, that consummation of this merger would have a significantly adverse effect on potential competition.

* * *

## Lakewood Colorado National Bank, Lakewood, Colo., and The Rocky Mountain Bank, Lakewood, Colo.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The Rocky Mountain Bank, Lakewood, Colo., with | | 1 | |
| was purchased Feb. 5, 1969, by Lakewood Colorado National Bank, Lakewood, Colo. (15695), which had | | 1 | |
| After the purchase was effected, the receiving bank had | *$8, 668, 379 | | 1 |

*Only a portion of Rocky Mountain Bank's assets were purchased.

### COMPTROLLER'S DECISION

The Acting Comptroller of the Currency, on February 5, 1969, approved the purchase of assets and assumption of liabilities of The Rocky Mountain Bank, Lakewood, Colo., by Lakewood Colorado National Bank, Lakewood, Colo.

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

February 5, 1969.

* * *

## The First National Bank and Trust Company of Crawfordsville, Crawfordsville, Ind., and the Farmers State Bank New Market, Ind.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The Farmers State Bank, New Market, Ind., with | $1, 606, 000 | 1 | |
| was purchased Feb. 21, 1969, by The First National Bank and Trust Company of Crawfordsville, Crawfordsville, Ind. (571), which had | 22, 447, 000 | 3 | |
| After the purchase was effected, the receiving bank had | 24, 053, 000 | | 4 |

### COMPTROLLER'S DECISION

On October 23, 1968, The First National Bank and Trust Company of Crawfordsville, Crawfordsville, Ind., applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of The Farmers State Bank, New Market, Ind.

Crawfordsville, with a population of about 14,200, is the seat of Montgomery County and is located approximately 50 miles to the northwest of Indianapolis. The economy of the area is primarily agricultural, with Montgomery County ranking third highest in the State in annual farm produce sales. Industry, which is centralized around Crawfordsville, is also thriving and presently employs over 4,000 people and accounts for an area payroll of $35 million. The major employer in the area is R. R. Donnelley and Sons, Inc., a publisher, employing a current work force of about 2,400. The other major businesses in the area are Mid-Steel and Wire Co.; Raybestos Manhattan, an automotive components plant; several steel fabricating firms; and a firm producing intricate electronic metal parts.

The acquiring bank, with IPC deposits of $18 million, was originally organized in 1864 and presently operates a branch office in Wingate and one in Ladoga. The bank provides a full range of banking services for all of Montgomery County and for those parts of adjoining counties which lie within the general Crawfordsville shopping and service area. The only other bank in Crawfordsville is the Elston Bank and Trust Company, with $29 million in deposits and four branch offices, the largest bank in Montgomery County.

New Market, home of the selling bank, has a population of about 580 and is situated 6 miles to the south of Crawfordsville. There is no notable industry or manufacturing in the town and most of its residents seek employment in other towns or rely upon agriculturally associated work. The two major businesses in the area, a grain elevator company and an automobile dealer, must resort to out-of-town banks for their credit needs which cannot be met by the local selling bank. At the present time, a residential lake project is at the stage where several homes are being constructed, and a proposed $4 million high school should stimulate further residential expansion.

The Farmers State Bank, with IPC deposits of $1 million, is a single-office bank, originally organized in 1903, and is the only bank in New Market. Because of its limited resources and capabilities, it is unable to meet the needs of its community. It is presently faced with a management succession problem; all efforts to resolve it have been unsuccessful. Faced with this situation, the directors decided to either sell the bank or liquidate it.

There are four other banks besides the participants in Montgomery County, *viz.*, the Elston Bank and Trust Company of Crawfordsville, the Linden State Bank, the Farmers State Bank in New Ross, and the Farmers and Merchants State Bank in Darlington. In addition, there are three savings and loan associations, eight personal loan companies, one local insurance company, and two Federal lending agencies. Competition is also provided by the larger banks located in Indianapolis, Lafayette, and Terre Haute, Indiana, and in Danville, Ill.

Although the acquiring bank does serve to some degree the area of the selling bank, no significant competition presently exists between them. The problems at the selling bank and its limited resources restrict its ability to compete.

Consummation of the proposed transaction will redound to the public interest by permitting the acquiring bank to solve the problems at the selling bank and to serve effectively the present and future banking needs of the New Market area. It will introduce, in New Market, a bank with full banking services and better able to meet the capital requirements needed for the residential constructions underway and the larger farm operations in the area. The resulting bank will be in a stronger position to serve its broad market vis-a-vis the larger out-of-county banks.

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

January 21, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the banks are 7 miles apart, with no banks operating in the intervening area. Moreover, State Bank is located about 6 miles west of First National's Ladoga branch, and again there are no banks in the intervening area. Thus, it seems clear that there is direct competition which will be eliminated by the proposed acquisition.

Twelve banks operate 17 offices in the relevant market, an area within a radius of about 20 miles of Crawfordsville; this market has total deposits of $79.6 million. The two banks headquartered in Crawfordsville, First National, and Elston Bank and Trust Company (total deposits: $29.3 million), hold 29 percent and 37 percent respectively, of deposits in the area. The third largest bank holds 8 percent of deposits in this area.

The proposed acquisition would combine the second largest bank in the area and the ninth largest, which holds 1.8 percent of the total commercial bank deposits in the area, and would increase the combined share of such deposits held by the area's two largest banks to 68 percent.

* * *

The Citizens and Southern National Bank of South Carolina, Charleston, S.C., and The Merchants and Planters National Bank of Gaffney, Gaffney, S.C.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Merchants and Planters National Bank of Gaffney, Gaffney, S.C. (10655), with | $15, 408, 501 | 3 | |
| and The Citizens and Southern National Bank of South Carolina, Charleston, S.C. (14425), which had | 278, 991, 885 | 48 | |
| merged Feb. 24, 1969, under charter and title of the latter bank (14425). The merged bank at date of merger had | 294, 400, 386 | | 51 |

On July 2, 1968, The Citizens and Southern National Bank of South Carolina, Charleston, S.C., with IPC deposits of $149.8 million, and The Merchants and Planters National Bank of Gaffney, Gaffney, S.C., with IPC deposits of $6.6 million, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former. A hearing on this application was held in Atlanta, Ga., on October 29, 1968.

Gaffney, located in the northwest sector of South Carolina, had a 1960 population of 10,435, which has increased slightly to a present estimate of 12,531. Annexation has been primarily responsible for the population increase. Textiles account for approximately 60 percent of the area's industrial development and defense work provides an important source of area income. Cherokee County, in which Gaffney is located and whose north border is the State of North Carolina, had a 1960 population of 35,205 and is presently estimated at 36,300. The county, however, has not grown as rapidly as other counties in the area.

The merging bank, chartered in 1914, has its main office and two branches in Gaffney, while the charter bank's home office is located in Charleston, S.C., 200 miles to the southeast. Citizens and Southern's nearest branch office to Gaffney is located in Spartanburg, Spartanburg County, some 20 miles to the west. In addition to the merging bank, the area is also served by the $5.2 million Bank of Gaffney; a branch of the $205.6 million First National Bank of South Carolina located at Cowpens, 9 miles to the west; the $2.5 million Blacksburg State Bank at Blacksburg, 10 miles to the northeast; and the $2.3 million Chesnee State Bank, Chesnee, S.C., 14 miles to the northwest. Commercial bank competition in the area is also derived from offices of the large and aggressive North Carolina banks located in Charlotte, Kings Mountain, Gastonia, and Shelby some 50, 21, 30, and 18 miles, respectively, from Gaffney.

Like many of its counterparts throughout the Nation, the merging bank is in dire need of top management. At present the bank is headed by a 64-year-old president who is anxious to retire since he has been with the bank for 46 years, and has been its chief executive officer since 1942. The testimony at the hearing clearly established that the merging bank is strictly a one-man bank. The executive vice president and cashier are past normal retirement age. Attempts to recruit younger management have been unsuccessful and there is no one within the bank capable of accepting the reins of the presidency. The merging bank did not install a pension plan until 1962, which has hindered their recruiting efforts and compelled the older officers to continue work. An inadequate salary scale and unattractive banking facilities have also hindered the recruiting of successor management.

The merging bank offers no trust services and grants no home improvement loans, medical loans, or educational loans, even though Limestone College is located in Gaffney and there have been a number of applications for educational loans by students. The deposit growth rate of the merging bank during the past 5 years has been only 32.1 percent compared to 57.67 percent for the Bank of Gaffney, 63.17 percent for the Chesnee State Bank, and 87.5 percent for the Blacksburg State Bank. The fact that the loan-to-deposit ratio of the merging bank is only 36.6 percent is a strong indication that it is not fully servicing its area. A review of the merging bank's loan portfolio reveals that it is heavy in mortgage lending, with a minimum volume of commercial and industrial loans. Its credit files are inadequate and hand posting of savings ledgers is still currently used.

Since at present no competition exists between the charter and merging banks, none will be eliminated by this proposal.

Entry into Gaffney by *de novo* branching has been considered and rejected by the management of Citizens and Southern as not being feasible because of the lack of area growth. Contributing to this decision has been the application for a branch in Gaffney, filed by the very aggressive $58 million Southern Bank and Trust Company, Greenville, S.C., on September 3, 1968, and its approval on November 6, 1968. With the entry of Southern Bank and Trust Company's branch, the population per banking office in Gaffney will be decreased to 2,506, and 5,186 per banking office in the county, compared with 5,812 per banking office in the State.

The present lending limit of the merging bank is $150,000, which has caused a number of local accounts to go outside of the area for credit. The lending limit of the resultant bank will be $1,850,000, which should aid the large local businesses in acquiring their credit needs locally, thereby contributing to the convenience and needs of the community to be served.

The testimony at the hearing demonstrated that the charter bank's entry, by merger, into other communities of the State has resulted not only in a sharp increase in banking competition, but also in additional banking services being made available to the townspeople, with a concomitant decrease in loan rates and service charges. After the merger, payroll and general computer services, as well as full trust services, will be offered in Gaffney for the first time. It is expected that with the approval of this application competition in Cherokee County and the surrounding area will be increased and intensified.

In view of the record before this office and applying the statutory criteria, we find that the benefits to the convenience and needs of the community clearly outweigh any anticompetitive effects that may exist. Accordingly, the application to merge, being in the public interest, is approved.

JANUARY 22, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Citizens has about 13 percent of the State's total deposits and is the second largest of the four statewide commercial banking systems in South Carolina.

Gaffney (population 19,000), the seat of Cherokee County (population 36,000), is located in the northwest sector of South Carolina, where the State's industry is concentrated. Textiles account for approximately 60 percent of industrial development in this area, with defense establishments also providing an important source of income. The economy of the Gaffney area alone is dominated by three textile mills.

The nearest office of Citizens to Gaffney is 20 miles to the west in Spartanburg County, and a branch of the First National Bank of South Carolina, the State's third largest bank, is located in the intervening area. Although Citizens has several very large accounts which originate from the Gaffney area, there does not appear to be any substantial competition between the banks.

South Carolina law permits statewide *de novo* branch banking. Gaffney is now served by two banks, Merchants and Bank of Gaffney (total deposits: $5.7 million). The county is also served by one other bank, Blacksburg State Bank (total deposits: $2 million), located 9 miles northeast of Gaffney. As of June 30, 1966, Merchants held 67 percent of county IPC demand deposits, Bank of Gaffney held 21 percent, and Blacksburg State Bank held 12 percent. Given its present population, the large textile manufacturers located there, and its prospects for future growth, Gaffney would appear to be an attractive market for new banking entry. Citizens, the second largest bank in the State, with about 13 percent of the State's deposits, already has branches throughout this area of the State, including the counties contiguous to Cherokee County on the east and west. With its resources and apparent interest in this area, Citizens appears to be one of the most likely potential entrants into this area through *de novo* branching or through merger with one of the two smaller banks located there.

The acquisition of Merchants, by far the largest bank in this growing area, by Citizens would further entrench Merchants in its dominant position and eliminate one of its most likely potential competitors. We conclude, therefore, that consummation of this merger would have a significantly adverse effect on potential competition.

* * *

ROYAL NATIONAL BANK OF NEW YORK, NEW YORK, N.Y., AND UNITED BANK AND TRUST COMPANY, NEW YORK, N.Y.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| United Bank and Trust Company, New York, N.Y., with | $10,969,090 | 1 | |
| and Royal National Bank of New York, New York, N.Y. (15029), which had | 255,798,381 | 10 | |
| merged Feb. 28, 1969, under charter and title of the latter bank (15029). The merged bank at date of merger had | 266,767,471 | | 11 |

COMPTROLLER'S DECISION

On November 19, 1968, the Royal National Bank of New York, New York, N.Y., with IPC deposits of $186 million, and the United Bank and Trust Company, New York, N.Y., with IPC deposits of $7 million, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The Royal National Bank of New York, New York, N.Y., was organized in 1925, and converted to a National charter in 1962. This bank now maintains 10 offices in New York City, of which four are located in Manhattan, four in the Bronx, one in Queens, and one in Brooklyn. The bank's service area is densely populated, with a population of approximately 8 million, and enjoys a diversified economy which includes industrial, financial, advertising, and commercial activity. The charter bank encounters intense competition from other commercial banks, including some of the largest banks in the Nation, and ranks 14th in terms of total resources of the 20 commercial banks located in New York City.

The United Bank and Trust Company, New York, N.Y., was organized in 1929 as an industrial bank, and acquired a commercial bank charter in 1968. The merging bank operates one office in Brooklyn, which has a population of approximately 2.5 million. The bank's service area is predominately a residential area with considerable retail activity and some heavy industry. Although the merging bank draws most of its business from its immediate service area, it has not proved to be an effective competitor. It is the smallest commercial bank in New York City.

The nearest offices of the participating banks are located about 2.6 miles apart in Brooklyn. There is no actual or potential competition between the two banks, which have a substantial common ownership. If this application is approved, it is anticipated that the merging bank will be able to compete more effectively with the offices of the much larger commercial and savings banks located in the area.

When the merger is consummated, service to the public in the merging bank's service area will be improved through the increased lending limit of the resulting bank, and the availability of the computer facilities, corporate trust, and international banking services of the charter bank.

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

JANUARY 29, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The only office of United and the only Brooklyn office of Royal are located within a few miles from each other near the East River, with numerous banks operating in the intervening areas; both offices of the merging banks are surrounded by branch offices of much larger banks. Thus, competition between the banks probably is not substantial.

On the other hand, it seems likely that Royal, the 15th largest bank headquartered in New York City, would expand by *de novo* branching into the Williamsburg area, if prevented from acquiring United. Royal's application states that it "is desirous of expanding its services in the borough of Brooklyn where it now maintains only one office." Thus, it appears that this merger will eliminate potential competition between these two banks. However, after this merger there will still be numerous other large potential *de novo* entrants into this area.

* * *

THE FIRST NATIONAL BANK OF ERIE, ERIE, PA., AND FIRST NATIONAL BANK OF MEADVILLE, MEADVILLE, PA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| First National Bank of Meadville, Meadville, Pa. (4938), with | $40, 007, 811 | 4 | |
| and The First National Bank of Erie, Erie, Pa. (12), which had | 145, 880, 855 | 10 | |
| consolidated Feb. 28, 1969, under charter of the latter bank (12) and title "The First National Bank of Pennsylvania." The consolidated bank at date of consolidation had | 185, 888, 666 | | 14 |

COMPTROLLER'S DECISION

On October 18, 1968, the First National Bank of Meadville, Meadville, Pa., with IPC deposits of $30 million, and The First National Bank of Erie, Erie, Pa., with IPC deposits of $112 million, applied to the Comptroller of the Currency for permission to consolidate under the charter of the latter and with the title "First National Bank of Pennsylvania," with its main office in Meadville.

The city of Erie, with a population of 138,000 and currently enjoying urban redevelopment and revitalization, is located in Erie County, physically the far northwestern projection of Pennsylvania. The State's third largest city and one of the largest inland seaports in the world, Erie's position on both Lake Erie and the

St. Lawrence Seaway is unique within Pennsylvania and has attracted diverse industries which recently have been prospering and expanding. The county's recent population growth, though lower than the national trend, has exceeded the statewide rate to some degree. The local economic market has, in the past, been somewhat limited by Erie County's geographical borders: Lake Erie on the north; the nearby State lines of Ohio on the west, and New York on the east; and, the southern border along Crawford County.

In the last decade, the county's economic growth has been at a greater rate than other metropolitan areas of the State, and there is presently a need for concomitant banking growth. The local banks, which are presently too small to serve all the needs of local industries now in operation and those soon to be in operation, can expand only to the south which is still largely undeveloped industrially. Nevertheless, banking competition within the Erie market can be characterized as lively. The charter bank, which has been in continuous existence as a National bank since its organization in 1863, under Charter Number 12, is the largest of eight banks headquartered in the county, holding 30.8 percent of the total deposits of the eight. However, it does not dominate the local banking market. The next largest bank is within approximately three percentage points in total deposits, and the third and fourth largest are relatively close in size. In addition to the four remaining banks headquartered in the county, a nonresident bank, the Pennsylvania Bank and Trust Company, with IPC deposits of $64 million, has two of its eight branches within the county. Competition from savings and loan institutions, which have $139 million in resources in Erie County, is intense, while commercial banks in Pittsburgh and other cities compete aggressively in the Erie County banking market. Through August of 1968, Pennsylvania banks outside the county made mortgage loans within the county, equivalent to 125 percent of those of the charter bank.

Meadville, approximately 40 miles south of the city of Erie, is in Crawford County, contiguous to, and south of, Erie County. The Meadville bank maintains its head office and a drive-in facility in Meadville and an additional branch and drive-in facility in neighboring Venango County. The combined population of this essentially rural two-county area is 145,000, and the economy of the area is primarily agricultural, although it is fairly well supported by a mixture of some industry and commerce. Improved highways and a degree of population growth in Crawford County, approximately twice the statewide rate, are beginning to attract industry, with consequent commercial development and economic acceleration. The manufacturing growth rate has exceeded the statewide growth rate in recent years, and new major facilities are scheduled to begin operation in the near term. Of the nine banks headquartered in Crawford and Venango counties, the Meadville bank is relatively small, ranking fourth. Its three largest banking competitors each have over $100 million in resources. Additionally, as with the banks in Erie County, the banks in Crawford and Venango counties experience intensive competition from banks outside the area, as well as from savings and loan associations and other nonbanking financial institutions.

There is no competition between the applicant banks. Historically and geographically their markets have been separate, and their closest offices are 24 miles apart. Of the 31 banking offices operated by the four Erie banks, only one is located outside Erie County, making it clear that little overlap in the respective service areas of the applicant banks has occurred. Additionally, no likelihood exists that the banks would become competitors in the future. The Meadville bank has limited resources available for expansion, especially into Erie County where larger banks with a greater range of services are well established. The charter bank has no plans to open costly *de novo* branches in Crawford and Venango counties, where the scattered population and relatively low average level of deposits in all banks there discourage new entrants by making *de novo* branching not economically feasible. Aside from the unfavorable economic climate, the conflict of names between these two banks would militate against approval of an application by First National Bank of Erie to establish a branch in the service area of First National Bank of Meadville.

Because the banking structure in western Pennsylvania has evolved into two separate and distinct banking regions, with Allegheny County as the focus of the southwestern region, and Crawford County as the logical core of the northwestern region, comprised of Erie, Crawford, Mercer, Venango, and Warren counties, assessment of the proposed consolidation in light of its regional aspects is appropriate. A superior highway network is being developed in this five-county area, and, as industrialization develops, Crawford County will assume greater importance as a commercial and transportation center for the region. Its present banking resources are inadequate to meet the demands of a resurgent and expanding economy. Currently, local banks must rely on participations in many cases. In others, potential customers utilize the greater resources and services of larger banks situated outside northwestern Pennsylvania. The addition of the proposed consolidated bank to this region will stimulate competition within the region and increase the banking services available to a growing economy.

Consummation of this proposal will clearly be in the public interest from many aspects. In addition to the foregoing, the residents of the Crawford-Venango area will acquire access to the greater size and capacity of the consolidated bank, which will bring a full-service trust department, electronic data processing services, the ability to satisfy the local demands for larger loans, and a full panoply of other sophisticated banking services to its present and potential customers in that area. As previously stated, a new bank more able to compete with the large banks already there will be located in the center of a region that is expected to expand rapidly in the near future—a bank with the management and progressive outlook needed to assist in developing the potential that exists in the northwestern Pennsylvania economy. Under State law, the resulting bank would also be able to later expand its operation into five contiguous counties as industrial needs develop there.

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

JANUARY 22, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The main offices of the banks are 38 miles apart and their closest offices are about 24 miles apart; with several banking offices in the intervening area. Thus there does not appear to be significant existing competition between the banks.

As of June 30, 1966, Meadville Bank held the third largest share, or 19.5 percent, of IPC deposits in Crawford County as a whole. In Meadville, itself, Meadville Bank is the second largest bank (out of three) in terms of total deposits but the largest in terms of local operations, with about 38 percent of IPC deposits held in Meadville. As of June 30, 1966, Meadville Bank also had the second largest share, or about 30 percent, of IPC deposits held by the five banks operating in western and central Crawford County, and two banks held about 62 percent of IPC deposits.

Pennsylvania law would permit Erie Bank to establish *de novo* branches in Crawford County. Erie Bank, with about 31.5 percent of Erie County commercial bank deposits, is the largest bank in Erie County, and the largest bank legally eligible to branch into this county. Thus Erie Bank appears to be the most likely potential entrant into Meadville and the western part of Crawford County, which appear to be concentrated banking markets. This merger with the county's third largest bank would eliminate this potential competition. For these reasons, we believe that this merger will have a significantly adverse effect on competition.

* * *

NATIONAL VALLEY BANK AND TRUST COMPANY, CHAMBERSBURG, PA., AND THE FARMERS BANK OF MERCERSBURG, MERCERSBURG, PA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Farmers Bank of Mercersburg, Mercersburg, Pa., with | $4, 612, 759 | 1 | |
| and National Valley Bank and Trust Company, Chambersburg, Pa. (593), which had | 58, 334, 103 | 11 | |
| merged Mar. 1, 1969, under charter and title of the latter bank (593). The merged bank at date of merger had | 62, 946, 862 | | 12 |

COMPTROLLER'S DECISION

On October 11, 1968, the National Valley Bank and Trust Company, Chambersburg, Pa., and The Farmers Bank of Mercersburg, Mercersburg, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The charter bank, with IPC deposits of $46.1 million, was established in 1809. Today the bank operates 11 offices serving the Chambersburg market area. Growth since 1948, when the bank was a unit operation having $10 million in total assets, has been particularly good and is expected to continue into the foreseeable future.

Chambersburg, home of the charter bank and county seat of Franklin County, has an estimated population of 18,000 and a trading area population of 50,000. It lies in the south-central sector of the State, approximately 22 miles north of Hagerstown, Md., and 50 miles southwest of Harrisburg. Although the area surrounding Chambersburg is primarily rural, a number of manufacturing and industrial plants are relocating or establishing new facilities in the area. In addition, two Federal installations, employing slightly more than 16,000, are located here. Banking competition for the charter bank within Chambersburg comes from the $20 million Chambersburg Trust Company and the $30 million Farmers and Merchants Trust Company, and from outside Chambersburg from the $30 million First National Bank in Waynesboro. A number of much larger regional institutions located in York, Harrisburg, and Hagerstown also compete. Savings and loan associations, personal finance companies, insurance companies, small loan companies, and direct lending agencies of the Federal Government also operate in the area.

The Farmers Bank of Mercersburg, with IPC deposits of $3.9 million, is a unit bank which began business in 1874. Although this bank has operated satisfactorily in the past, the increased demand for large loans coupled with the merging bank's size make future prospects dim.

Mercersburg, the home of the merging bank, is located 18 miles southwest of Chambersburg. It has a population of 1,800 and a trade area population of 5,000. The economy of this area is essentially agricultural. However, a tannery is located in Mercersburg, as is Mercersburg Academy. Fairchild-Hiller and Mack Truck, in Hagerstown, and Letterkenny Army Depot, near Chambersburg, provide employment for some of the town's residents. The larger First National Bank of Mercersburg provides direct local competition, while much larger regional banks in Hagerstown, Md., Harrisburg, and York compete for business in the general area.

The communities in which both banks operate will benefit from the larger lending limit of the resulting bank. Present customers of the merging bank will have readily available a full range of banking services, including the facilities of a $32 million trust department, not heretofore available in Mercersburg.

The merger will have little effect on present competition between the merging banks, which is minimal. At the same time, the merger will be a step forward in helping to create a strong regional bank, better equipped to meet the financial needs of a growing economy and the competition supplied by larger banks in Hagerstown, Md., Harrisburg, and York.

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

JANUARY 22, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

National Valley Bank, and Farmers Bank are both located in Franklin County, an area with a growth rate more than double that of the Commonwealth of Pennsylvania as a whole.

The closest offices of the merging banks are 4 miles apart and there would appear to be substantial competition between them which would be eliminated by the merger. Mercersburg now has two banks: Farmers and First National Bank of Mercersburg (total deposits: $6 million). Although the application claims that Mercersburg is already overbanked, it also states that National Valley Bank will consider applying for a *de novo* office in the Mercersburg area if its application is not approved. Thus the merger will also eliminate the potential for increased competition between these banks in the future.

Franklin County is presently served by 11 banks with 30 banking offices. National Valley Bank has the largest share, or about 28 percent, of IPC demand deposits in the county, three banks have about 59 percent of such deposits. If this merger is consummated, National Valley will hold about 32 percent, and three banks will hold about 63 percent, of such deposits. In our view, this merger would have an adverse effect on competition.

* * *

FIRST NATIONAL BANK AND TRUST COMPANY, ONTARIO, CALIF., AND INLAND VALLEY BANK, HEMET, CALIF.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Inland Valley Bank, Hemet, Calif., with | $6, 505, 653 | 2 | |
| and First National Bank and Trust Company, Ontario, Calif. (6268), which had | 67, 092, 206 | 11 | |
| merged Mar. 10, 1969, under charter and title of the latter bank (6268). The merged bank at date of merger had | 73, 597, 859 | | 13 |

COMPTROLLER'S DECISION

On December 2, 1968, the First National Bank and Trust Company, Ontario, Calif., and the Inland Valley Bank, Hemet, 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.

The First National Bank and Trust Company, the charter bank, serves a population of 229,000 located in the western portions of San Bernardino and Riverside counties. The economy is diverse, consisting of light and heavy industry, agriculture, and residential development. Prospects for continued growth are excellent.

The charter bank, with IPC deposits of $52 million, operates 10 branches in its service area. Its lending limit is adequate for most local needs and its resources are sufficient to permit it to offer a relatively full complement of modern banking services.

Inland Valley Bank, with IPC deposits of $5.1 million, serves the Hemet Valley area, 53 miles southeast of Ontario, where the charter bank's main office is located. This bank operates no branches although its proposal to establish a branch 1 mile west of Hemet, its home office location, has been approved.

The merging bank finds its lending limit inadequate to fulfill the needs of the large and growing agricultural, industrial, and commercial accounts in the Hemet Valley. The expected economic growth, the development of retirement facilities, and the consolidation of agricultural units have forced local bank users to seek outside banking sources offering larger lines of credit and more extensive service.

The proposed merger would bring the Hemet Valley area an additional full-service bank with sufficient resources to meet local credit needs. It would replace a small institution, having only limited capacity to serve the public, with a branch bank capable of competing with branches of the large statewide systems operating in the area.

The competitive effect of the merger will not be adverse. The applicant banks do not compete with each other at all; their closest offices are 28 miles apart. Neither bank dominates the banking structure in its own area: The charter bank holds only 12 percent of the deposits and 11 percent of the loans in its area, and Inland Valley holds 10 percent of the deposits and 13 percent of the loans in its area.

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

FEBRUARY 5, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the merging banks are about 53 miles apart. Their nearest offices are about 28 miles apart, with numerous banking alternatives in the intervening area. Thus, it does not appear that this merger will eliminate any significant existing competition.

California law permits statewide *de novo* branching. Therefore, FNB could be permitted to branch *de novo* into Hemet. However, Hemet (population 5,416) is now served by four banks, and a fifth, Bank of America, has an application pending to open an office there.

* * *

## Southern California First National Bank, San Diego, Calif., and Orange County Bank, San Juan Capistrano, Calif.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Orange County Bank, San Juan Capistrano, Calif., with | $10,329,181 | 3 | |
| was purchased Mar. 13, 1969, by Southern California First National Bank, San Diego, Calif. (3050), which had | 594,500,249 | 46 | |
| After the purchase was effected, the receiving bank had | 603,463,615 | | 49 |

### COMPTROLLER'S DECISION

On November 13, 1968, Southern California First National Bank, San Diego, Calif., applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of Orange County Bank, San Juan Capistrano, Calif.

Southern California First National Bank, with IPC deposits of $422.2 million, was chartered in 1883 as the First National Bank of San Diego. Operated as a unit bank until 1927, it has since pursued a policy of aggressive expansion. Today it operates 34 branches in San Diego County, four in Orange County, and five in Los Angeles County, and has approval for two additional branches to be located in Los Angeles County, one in Orange County, and one in San Diego County.

The market area covered by the purchasing bank includes all of San Diego County, which has a population of about 1.3 million, half of whom reside in the city of San Diego. It also covers Orange County and Los Angeles County. The economy of this area is stable and highly diversified in agriculture, industry, foreign and domestic finance and trade, and many other commercial and service activities.

Numerous commercial banking offices compete in the purchasing bank's service area including offices of California's largest banks. In 1967, San Diego County was served by 153 banking offices, while, in Orange County, 155 branches of 25 different banks operated. Of the latter total, 114 offices were operated by The Bank of America, Security Pacific National, United California Bank, and Crocker-Citizens National Bank. Savings and loan associations, insurance companies, credit unions, commercial credit companies, personal loan companies, and lending agencies of the Federal Government also operate in the area.

The selling Orange County Bank, with IPC deposits of $8 million, opened for business in 1961. It presently operates a branch in Costa Mesa, 45 miles northwest of its head office, and one in Dana Point, about 7 miles south of its head office. The bank has not experienced growth commensurate with the growth of the area which it serves.

The primary market area served by the Orange County Bank, which is located 65 miles northwest of San Diego, encompasses San Juan Capistrano, Dana Point, and portions of Newport Beach and San Clemente, as well as surrounding county territory. The economy of this area is the same as Orange County generally, and can best be characterized as dynamic. Orange County has experienced phenomenal residential, commercial, and industrial growth since 1950. Since that time, the population of the county has increased from 216,000 to a present 1,300,000, and the emphasis has shifted from a predominantly agricultural economy to one which is diversified in industry, manufacturing, services, and tourism. Competing with the selling bank in its service area are 18 commercial banks, numerous savings and loan associations, and a number of other financial institutions, including credit unions, sales finance companies, personal loan companies, mortgage companies, factors, and lending agencies of the Federal Government. The largest commercial banks in the area are the United California Bank, operating 26 offices which account for 37.6 percent of the area's total deposits; Bank of America, operating 63 branches in the area, which hold 24.1 percent of the area's total deposits; and Security Pacific National Bank, operating 39 branches which account for 12.2 percent of the area's total deposits. The selling bank and its three offices hold total deposits of $8.1 million, which are 0.3 percent of the area's total.

Benefits of the combination to the community, particularly to the clientele of the Orange County Bank, will be the availability of a larger bank which can accommodate virtually all legitimate credit requests. Trust services will be available, as well as the more extended ancillary services which the combined bank can offer.

Because of the distance between the offices of the two banks there are only insignificant amounts of competition between them which will be eliminated. The small size of the selling bank in relation to the purchasing bank will result in little competitive change in the banking structure in the San Diego and Los Angeles service areas. In Orange County the combined bank will enhance competition by introducing the expanding services of the purchasing bank as an alternative to the largest banks operating there.

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

FEBRUARY 6, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Although the head offices of the applicant banks are 52 miles apart, their nearest offices are only 5 miles apart in Orange County; there are no banks in the intervening area. Thus, it appears that the proposed acquisition will result in the elimination of some direct competition.

Moreover, the proposed acquisition will also result in the elimination of the potential for increased competition, particularly in Orange County. Southern California Bank plans to open a *de novo* branch in San Clemente, about 10 miles from a branch of Orange County Bank; the amount of direct competition between the two will be limited because four branches of some of the biggest California banks operate in the intervening area. Nevertheless, the opening of this branch does demonstrate Southern California Bank's interest and willingness to expand its Orange County operations through *de novo* branching.

As of June 30, 1966, 22 banks operated in Orange County. As of that date, the two banks that are now the Orange County branches of Southern California Bank held slightly over 1 percent of the county IPC demand deposits and Orange County Bank held slightly over one-half of 1 percent of such deposits. However, Orange County clearly overstates the market that will be effected by this merger.

* * *

THE HAZLETON NATIONAL BANK, HAZLETON, PA., AND THE FIRST NATIONAL BANK OF NUREMBERG, NUREMBERG, PA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The First National Bank of Nuremberg, Nuremberg, Pa. (12563), with | $2, 667, 097 | 1 | |
| and The Hazleton National Bank, Hazleton, Pa. (4204), which had | 50, 367, 934 | 5 | |
| merged Mar. 17, 1969, under charter and title of the latter bank (4204). The merged bank at date of merger had | 53, 035, 031 | | 6 |

COMPTROLLER'S DECISION

On August 28, 1968, The Hazleton National Bank, Hazleton, Luzerne County, Pa., and The First National Bank of Nuremberg, Nuremberg, Schuylkill County, Pa., 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 charter bank, with IPC deposits of $40 million, is located in Hazleton, Pa., a city of about 35,000 people. Hazleton was formerly a center for the mining and production of anthracite coal. With the decline of the coal industry in the 1940's and 1950's, the growth and economic stability of Hazleton was adversely affected as people and businesses left the area and unemployment rose to 16 percent. In the mid-1950's, through a progressive program, new business and capital investment were attracted, and the population increased to reflect the new industrial growth. The management of the bank, being young and extremely capable, is largely responsible for the bank's favorable growth and the excellent prospects for the future.

The single-office merging bank, with IPC deposits of $2 million, is situated in Nuremberg, Pa., a town of some 1,000 people, located about 15 miles southwest of Hazleton in Schuylkill County, Pa. The area is predominantly agricultural, and the bank, while trying to meet these needs, has been slow in its growth because the agricultural economy has been very sluggish. The bank has only one full-time officer and his sickness or death would leave no responsible leadership.

The area presently served by the merging banks includes portions of Schuylkill and Luzerne counties. The applicant bank serves the city of Hazleton and an area 5 to 10 miles beyond the city limits. The merging bank is entirely a "local" bank limited to Nuremberg and the surrounding farm population. The respective areas are completely different with the applicant's service area being highly industrialized with such diversified businesses as plastics, electronics, clothing, and needle companies. The merging bank's trade area, almost solely agricultural, is presently at an economic standstill; on the completion of two major interstate highways, increased growth is imminent and expected. The two banks are noncompetitive. Each is located in separate areas some 15 miles apart.

This merger will not unduly concentrate area banking assets in the resultant bank. It will increase the resources of Hazleton National Bank to $49.1 million, far short of several other competitors: Northeastern Pennsylvania National Bank and Trust Company, Hazleton, Pa., with $268.6 million total resources; the First National Bank of Wilkes-Barre, Pa., with $138.5 million in assets; and Pennsylvania National Bank and Trust Company, Pottsville, Pa., with assets of $107.9 million. This merger will insure a more progressive bank to serve the needs of Nuremberg. It will offer increased lending limits, introduce a highly capable and aggressive management, and extend more diversified banking services to its customers.

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

JANUARY 22, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Hazleton and Nuremberg are located in the anthracite coal region of northeastern Pennsylvania. The economy of Hazleton (population approximately 32,000) was hit hard when the mining of anthracite coal declined in the early fifties. Since that period, industry of a diversified nature has developed in the Hazleton area and the economy is growing again. Nuremberg (population about 1,000) is located 15 miles southwest of Hazleton. There are five commercial banks with 11 offices in Hazleton, while Bank of Nuremberg is the only bank in Nuremberg.

The offices of Hazleton National nearest to Bank of Nuremberg are in Hazleton about 15 miles away. Competition between the two banks would be slight. Nuremberg's services appear to be limited to customers in the Nuremberg area. Some Nuremberg residents work in Hazleton and may do business with Hazleton banks, including Hazleton National.

Pennsylvania law would permit each bank to branch into the areas where the other operates offices. However, in view of the Bank of Nuremberg's limited size, it seems quite unlikely that it would branch *de novo* into Hazleton or other areas in Luzerne County. Also, Bank of Nuremberg's modest competitive position in Schuylkill County (as shown by the fact that it accounted for only about 1 percent of the county's commercial bank deposits) would reduce the significance of Hazleton National's entry into Schuylkill County by merger rather than *de novo* branching, even if the latter form of entry were likely. For these reasons, we believe that the proposed merger would have very little significant effect on potential competition.

* * *

PEOPLES FIRST NATIONAL BANK AND TRUST COMPANY, HAZLETON, PA., AND THE BANK OF LEHIGHTON, LEHIGHTON, PA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Bank of Lehighton, Lehighton, Pa., with | $7, 217, 437 | 1 | |
| and Peoples First National Bank and Trust Company, Hazleton, Pa. (3893), which had | 53, 077, 293 | 5 | |
| merged Mar. 31, 1969, under charter and title of the latter bank (3893). The merged bank at date of merger had | 60, 342, 001 | | 6 |

COMPTROLLER'S DECISION

On September 23, 1968, the Peoples First National Bank and Trust Company, Hazleton, Pa., and The Bank of Lehighton, Lehighton, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

Peoples First National Bank and Trust Company, the charter bank, with IPC deposits of approximately $44 million, was chartered in 1888. In addition to its main office in Hazleton, it operates four branch offices, two in Hazleton, one in Conyngham, and one in Freeland.

The Bank of Lehighton, the merging bank, with IPC deposits of approximately $5.2 million, was organized in 1949. This bank operates no branch offices.

The charter bank serves an area, comprised of southern Luzerne County and northern Carbon and Schuylkill counties, with a population of approximately 88,000. The area is highly diversified economically, with industries engaged in fabricating light metals, processing and fabricating synthetic materials, and manufacturing electrical fixtures, house and cargo trailers, and paper packaging. There is also anthracite coal mining and processing in this area.

The merging bank serves Lehighton and the surrounding area of Carbon County, a population of approximately 14,500. The area is primarily a residential sector with most of the labor force being employed in the Allentown-Easton-Bethlehem labor market, 30 miles to the southeast. The mountainous areas immediately to the north and east of Lehighton have historically been a tourist attraction and, with the development of modern highway networks connecting this area with metropolitan New York and Philadelphia, the demand for recreational facilities has increased. A number of out-of-area individuals are constructing year-round residences in this sector of Carbon County with the intention of retiring there.

The charter bank is the fourth ranked of eight banks competing in its service area. The largest bank, American Bank and Trust Company of Pennsylvania, Reading, Pa., with total deposits of $329 million, operates a branch in McAdoo, 4 miles from Hazleton. The second largest bank, Northeastern Pennsylvania National Bank, Scranton, Pa., with total deposits of $236 million, operates two offices in Hazleton. The third largest bank, The First National Bank of Wilkes-Barre, with total deposits of $117 million, operates branch offices in Drum and Conyngham. Due to the size of the merging bank, this merger will not have any significant effect on the competitive position of the charter bank within its present service area. In fact, it will place the locally based charter bank in a better position to compete against the larger out-of-area based banks.

There are eight banks operating in the service area of the merging bank, which ranks seventh in size. Five of the seven competitors have total deposits of over $10 million. This merger will not significantly affect the competitive position of these banks except to introduce a new, vigorous, and aggressive competitor into the area.

Competition between the subject banks is nonexistent. This is due to geographic barriers between the two areas which makes customer crossover unlikely since other banking alternatives are more readily available. These same barriers make it economically unfeasible for either of the subject banks to branch *de novo* into the other's market area.

The resulting bank, with its increased lending capacity, will be better equipped to meet the financial needs of the industrial community of Hazleton and at the same time provide the funds for the residential and recreational expansion and development of the Lehighton area. Trust services, heretofore not provided by the merging bank, will be available, along with the benefits of an electronic data processing system currently in use 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.

JANUARY 30, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

There appears to be little competition between the merging banks, which are 20 miles apart. Peoples and Lehighton Bank are separated by mountainous terrain which apparently tends to limit customer mobility. There are also several banks in the intervening area, as well as in the town of Lehighton, which compete with Lehighton Bank.

Pennsylvania law would permit each bank to branch into the areas where the other operates offices. However, in view of the Lehighton Bank's limited size, it seems quite unlikely that it would branch *de novo* into Hazleton or other areas in Luzerne County. Also, Lehighton Bank's modest competitive position in Carbon County (as shown by the fact that it accounted for only about 7.5 percent of the county's commercial bank deposits) would reduce the significance of People's entry into the Carbon County by merger rather than *de novo* branching, even if the latter form of entry were likely. For these reasons, we believe that the proposed merger would have very little significant effect on potential competition.

* * *

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

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The First National Bank of Utica, Utica, Ohio (7596), with | $6, 991, 140 | 1 | |
| and The First National Bank of Newark, Newark, Ohio (858), which had | 39, 643, 928 | 4 | |
| merged Mar. 31, 1969, under charter and title of the latter bank (858). The merged bank at date of merger had | 46, 539, 404 | | 5 |

COMPTROLLER'S DECISION

On December 13, 1968, The First National Bank of Utica, Utica, Ohio, and The First National Bank of Newark, Newark, Ohio, 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 Bank of Newark, with IPC deposits of $29.2 million, was chartered in 1865. It operates three branches, one each in the municipalities of Newark, Heath, and Buckeye Lake. Newark, the county seat of Licking County, is located in the geographic center of the State, about 33 miles east of Columbus, Ohio. It has a reported population of 47,000 inhabitants, with 67,000 located in the trade area. The economy of the Newark area is largely dependent upon manufacturing and trucking.

The merging First National Bank of Utica, a unit bank with IPC deposits of $5.8 million, was organized in 1871 as a private bank and converted to a National bank status in 1905, under its present name. Utica is located 13 miles north of Newark near the Licking County line. Its population approximates 2,000 while 4,500 additional residents are served in the trade area. The economy of this area is largely agricultural although the village has one firm with 292 employees.

There are presently 10 banks operating in Licking County. In addition to the charter bank, the $65 million Park National Bank of Newark, operating five branches, and the $42 million Newark Trust Company, operating three branches, compete in Newark. The $7 million merging bank has direct competition in Utica from the single-office, $4 million, Utica Savings Bank. Many other banks in the central Ohio area, including the largest Columbus banks, solicit business from Licking County.

Competition will not be adversely affected by this merger as there is presently little competition between the merging banks. Because of Licking County's position in the central Ohio area, as one of the 20 counties for which Columbus is the focal point, bank competition will be only slightly affected as a result of this merger. In Newark, and in Licking County, the charter bank's position as third will not change. In Utica, bank competition should be stimulated through the introduction of additional services which can be offered by the resulting bank.

Consummation of this merger should assure continuity of management, thereby eliminating the management succession problem present in the merging bank. In addition, this merger will make available to the customers of the merging bank larger loans, electronic data processing, and generally a more aggressive banking institution.

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

FEBRUARY 18, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The First National Bank of Newark, organized in 1865, is a subsidiary of BancOhio Corporation, Columbus, Ohio, a registered bank holding company. It operates its main office and a branch in Newark, and two branches outside of Newark in Licking County, Ohio.

The closest offices of the merging banks are 13 miles apart, with no banks in the intervening area. Although

Newark Bank originates only $117,000 in IPC deposits and $106,000 in loans from the Utica area, Utica Bank originates $290,000 in IPC deposits and $235,000 in loans from the Newark area. Thus, it appears that Utica Bank is a competitive alternative for residents of the Newark area. This competition would be eliminated by this merger.

Ohio law permits *de novo* branching in the county in which the bank's head office is located. Thus, either bank could branch into the other's service area. However, it would not appear likely that Newark Bank would branch *de novo* into Utica (population 2,000), which already has two banks and a small population. Newark (population 47,000) is now served by Newark Bank and two other banks, with total deposits of $65 million and $42 million, respectively. Utica Bank, which has not opened a branch office in almost 100 years, does not appear to be a likely potential entrant into Newark.

There are presently 10 banks operating in Licking County, of which Newark Bank, with 21 percent of county commercial bank deposits, ranks third. The three largest banks, all headquartered in Newark, hold 82 percent of such deposits. Utica Bank, the eighth largest bank in the county has 2 percent of such deposits. Thus, if this merger is consummated, Newark Bank will remain the third largest bank in the county, with 23 percent of county commercial bank deposits, and the three largest banks will hold 84 percent of such deposits.

* * *

THE SOUTHERN MICHIGAN NATIONAL BANK OF COLDWATER, COLDWATER, MICH., AND THE FIRST STATE BANK OF TEKONSHA, TEKONSHA, MICH.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The First State Bank of Tekonsha, Tekonsha, Mich., with | $1, 931, 491 | 1 | |
| and The Southern Michigan National Bank of Coldwater, Coldwater, Mich. (1924), which had | 30, 035, 497 | 3 | |
| merged Mar. 31, 1969, under charter and title of the latter bank (1924). The merged bank at date of merger had | 31, 966, 988 | | 4 |

COMPTROLLER'S DECISION

On November 22, 1968, The First State Bank of Tekonsha, Tekonsha, Mich., and The Southern Michigan National Bank of Coldwater, Coldwater, Mich., 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 Southern Michigan National Bank of Coldwater, with IPC deposits of $23.5 million, was organized in 1872. In addition to its main office, it operates a branch in Union City and a "drive-through" branch located on its main office premises.

Coldwater, Mich., is located in the south central part of lower Michigan, about 12 miles north of the Indiana State line. The population of the city is 8,800 while that of the trade area is about 35,000. The economy of the area is predominantly agricultural with industry contributing significantly. The numerous lakes in the area result in tourism playing a role. An urban renewal project is of special interest in Coldwater.

Principal commercial banking competition comes from the Branch County Bank of Coldwater, which has total deposits of $20.2 million. Additional banking competition derives from the Coldwater Township office of the First National Bank of Quincy; the Peoples State Bank, Branson, Mich.; and the First National Bank, Freemont, Ind. Savings and loan associations, small loan companies, insurance companies, credit unions, and direct lending agencies of the Federal Government also operate in the area.

The merging First State Bank of Tekonsha, with IPC deposits of $1.5 million, was organized in 1877 and operates no branches. Earnings of this bank have not been particularly good because its lending limit has not been adequate to meet the needs of larger borrowers. This bank not only faces a serious management succession problem but must also refurbish its antiquated quarters.

Tekonsha, 12 miles from Coldwater, has a population of only 744 and a trade area population of 5,000. Agricultural activity includes dairying and livestock feeding. Industrial activity is negligible. Growth in this community has been slow, and population figures have remained steady.

The First National Bank is the only bank in Tekonsha. Competition comes from the banks located in Battle Creek, Marshall, Jackson, and Litchfield, all of which are much larger than the merging bank.

The merger will benefit the community of Tekonsha by introducing younger and more capable management of the charter bank, a larger lending limit, more aggressive loaning policies, and improved and expanded service.

There is otherwise only insignificant amounts of competition between the participating banks. The merger will have no effect on competition in Tekonsha since there is no other bank in town. The entry of the charter bank with its greater capabilities and more aggressive approach should offer increased competition to the larger banks from Battle Creek, Marshall, and Jackson who canvass the area from the north and east.

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

FEBRUARY 14, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The geographic area to be served by the resulting bank is all of Branch County (1960 population, 35,000), plus the southern part of Calhoun County, a predominantly agricultural region located near the Michigan-Indiana border. The area, served by three superhighways, is experiencing steady growth in industry, trade, and population.

State Bank is 11 miles north of Southern Bank's main office and about 6 miles east of Southern Bank's branch at Union City; there are no intervening banks in this area, although there are two other banks (total deposits, $19 million and $12 million, respectively) operating in Coldwater. Southern Bank derives about 100 loans, totaling over $300,000 and about 175 deposit accounts, totaling over $265,000, from the Tekonsha area. State Bank derives about 17 loans, totaling over $45,000 and about 70 deposit accounts, totaling over $115,000, from the Coldwater area. Thus, it seems clear that there is substantial competition between the merging banks which would be eliminated by the merger.

As of June 30, 1966, nine banks operated within about a 20-mile radius of Coldwater, in Michigan. As of that date, Southern Bank held the largest share, or 33 percent, of total deposits held by these bank offices, which share would be increased to 35 percent after the merger.

* * *

## ALASKA NATIONAL BANK OF FAIRBANKS, FAIRBANKS, ALASKA, AND MINERS AND MERCHANTS BANK OF ALASKA, NOME, ALASKA

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Miners and Merchants Bank of Alaska, Nome, Alaska, with | $4, 901, 927 | 3 | |
| and Alaska National Bank of Fairbanks, Fairbanks, Alaska (14747), which had | 29, 607, 689 | 6 | |
| merged Apr. 1, 1969, under charter and title of the latter bank (14747). The merged bank at date of merger had | 34, 509, 617 | | 9 |

COMPTROLLER'S DECISION

On November 4, 1968, the Miners and Merchants Bank of Alaska, Nome, Alaska, and the Alaska National Bank of Fairbanks, Fairbanks, Alaska, 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 Alaska National Bank of Fairbanks, with IPC deposits of $20.2 million, was organized as a State bank in 1940 and converted to a National Association in 1955. It operates six branches, including two in Fairbanks; one in Oak Junction, 19.7 miles southeast of Fairbanks; one in Delta Junction, 100 miles southeast; one in Nevano, 60 miles southwest; and a facility operation on Eielson Air Force Base, 25 miles southeast.

Fairbanks, Alaska's second largest city, has a population of 20,000 and serves a trade area of 160,000 square miles in interior Alaska. This area has a population of 72,000, of which 24,000 are located at three military bases. National defense and Government spending are the mainstays of the local economy, providing 52 percent of local wages. The University of Alaska, located in Fairbanks, and tourism, in an increasing degree, contribute to the economy. It is expected that the petroleum industry will play a major role in the Fairbanks economy in the future.

The charter bank is the largest of three competing commercial banks in Fairbanks. Its \$29.5 million in total deposits compares with \$27.2 million in total deposits held by the First National Bank of Fairbanks and \$9.5 million held by the Fairbanks branch of the Alaska State Bank, Anchorage, which, with total deposits of \$31.4 million, ranks as Alaska's third largest bank. Other financial institutions include a mutual savings bank, two savings and loan associations, insurance companies, credit unions, sales finance companies, personal loan companies, and direct lending agencies of the Federal Government.

The merging Miners & Merchants Bank, with IPC deposits of \$2.4 million, was chartered in 1904. It currently operates two branches and ranks 12th in size among Alaska's 13 commercial banks. It has had difficulty in attracting management because of its remote location and the severe climatic condition.

Nome, home-office city of the merging bank, is 540 miles west of Fairbanks, while Kotzebue and Barrow, where the bank's branches are located, lie north of the Arctic Circle, 447 air miles northwest, and 550 miles north, respectively. The population of Nome and its environs is about 5,000, while 1,800 reside in the Kotzebue area, and about 2,000 in Barrow. This portion of Alaska encompasses 167,000 square miles and contains an estimated 14,000 inhabitants. The economy is largely dependent on defense and Government spending, which accounts for about 48 percent of the payrolls in Nome. Most of the area, particularly the Kotzebue and Barrow regions, is undeveloped and inhabited by Eskimos and Indians who, untrained and unable to locate jobs, live in poverty. There are large untapped oil reserves and other resources which provide hope for the future. The merging bank is the only financial institution which serves these areas.

Consummation of this merger will provide the merging bank with greater depth of management. In addition, present customers of the merging bank will have available a wider range of banking services, including trust services, than those now offered by the merging bank. Also, the individual lending limit of \$30,000 per individual borrower will be increased to \$160,000. The merged institution will be a stronger institution, more capable of meeting the needs of the Alaskan economy in the areas which it serves.

Competition will not be adversely affected by the merger. The two merging banks, which are quite far apart, do not compete. The merging institution has no competitors in the areas it serves. The charter bank, although presently the largest bank operating in Fairbanks, will not increase its lead significantly. Statewide, the resulting bank will become third largest, a gain from fifth position now occupied by the charter bank. However, it will hold less than 9 percent of Alaska's commercial bank deposits and less than 8 percent of the loans. Finally, it will be better able to compete with the first and second largest banks in the State.

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

JANUARY 29, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Nome (population 2,500) located on the Seward Peninsula in the western part of the State, is the principal town in an area in excess of 167,000 square miles in size, which extends to the Arctic Ocean and has a population of about 14,000 persons; Miners and Merchants' three offices are the only banking facilities in this area.

The nearest offices of the merging banks are about 450 miles apart. Thus, there would appear to be no substantial existing competition between the merging banks.

Under Alaska law, statewide *de novo* branching is permitted and thus Alaska National could legally branch *de novo* into the area served by Miners and Merchants. However, considering the distances involved, as well as the fact that the area can probably not support more than one commercial bank because of its small and scattered population, we do not believe that this merger will have a substantially adverse effect on competition.

* * *

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| National City Bank in Chicago, Chicago, Ill. (14562), with | $27,721,000 | 1 | |
| was purchased Apr. 1, 1969, by The Manufacturers National Bank of Chicago, Chicago, Ill. (14245), which had | 81,633,000 | 1 | |
| After the purchase was effected, the receiving bank had | 94,545,000 | | 1 |

COMPTROLLER'S DECISION

On November 29, 1968, The Manufacturers National Bank of Chicago, Chicago, Ill., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the National City Bank in Chicago, Chicago, Ill.

Both the buying and selling banks are located in the city of Chicago which contains an estimated population of 3,480,000 people. Chicago is considered the economic, transportation, and trading capital of the midwestern United States. The city and surrounding metropolitan area enjoy the benefits of a diversified economy with no single activity dominating the economic scene. In addition to its many other attributes, Chicago can boast the world's largest railroad center, busiest airport, and a trucking industry whose services are more widespread than any other city's.

National City, the selling bank, with IPC deposits of $22 million, is approximately 2 miles west of Chicago's financial district in an area known as the Near West Side Community, much of which is devoted to industrial use. In fact, the only residential construction in the area since the 1920's has been six public housing projects. Development plans presently contemplated by the city of Chicago for this area would leave the bank's office with no adjacent access streets. The Near West Side Community showed a 20 percent decrease in population between 1950 and 1960, and it is currently estimated that the rate of decline in population is even greater.

National City, founded in 1946, ranks 64th, in terms of total deposits, of the 89 commercial banks located in Chicago. Since its inception it has been actively engaged in the commercial lending field, with little emphasis on mortgage lending. Because of economic conditions in the area, the bank's deposits increased only $2 million between year-end 1963 and September 1968, and earnings declined in both 1966 and 1967, reaching a 5-year low in 1967.

Manufacturers National Bank, with IPC deposits of $74.3 million, is located approximately 4 miles northwest of Chicago's financial district, and approximately 1.5 miles to the north of the selling bank. The bank is located in the area known as West Town Community. The area has shown much greater economic stability than the Near West Side Community and residential development has commenced only a few blocks from the bank's office. It was estimated by the Chicago Association of Commerce and Industry that median income, in 1966, in West Town was $7,210, compared to Near West's median income of only $4,860. Although a substantial portion of the area is devoted to industrial use, the structures are generally in much better condition than those in Near West Town.

Manufacturers National, which was founded in 1934, presently ranks as the 28th largest bank in the city, in terms of total deposits. Historically, the bank has been characterized by a high degree of time deposits, and the loan portfolio is concentrated in the area of real estate mortgages.

Because of the varied deposit and loan portfolios of the two banks they are not considered substantial competitors for either retail or wholesale business. The banks, over the years, have placed emphasis on different aspects of bank lending, with Manufacturers National concentrating on residential mortgages, and National City concentrating on commercial lending. Loans secured by real estate accounted for 68 percent of Manufacturers total loan portfolio, while 67 percent of National City's loan portfolio was made up of commercial and industrial loans.

In August 1968, the North Ogden Management Corporation acquired 80 percent of the outstanding shares of Manufacturers. Shareholders controlling this corporation individually own, or control, 62 percent of the outstanding shares of National City Bank through a one-bank holding company, the National City Bancorporation, Inc. Such common ownership tends to mitigate any actual or potential competition between the two institutions.

The resulting bank would have combined deposits aggregating only one-half of 1 percent of total Chicago bank deposits. Management of the resulting bank, strengthened by the addition of officers from National City Bank, should operate more aggressively in developing new business and expanding commercial lending activities in response to the credit needs of retail, wholesale, and manufacturing firms in the Chicago area. The larger lending limit of the resulting bank should help to attract new customers by providing service heretofore unavailable to its merchant customers in the area, who have generally had to look elsewhere for their commercial financing needs.

Based on the facts presented, the convenience and needs of the community to be served clearly outweigh whatever insubstantial adverse effects on competition this acquisition may hold. The application is, therefore, approved.

FEBRUARY 6, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Chicago's Near West Side community, where National City is located, is situated approximately in mid-Cook County, adjacent to Chicago's Loop area on the east and to the West Town community, in which Manufacturers Bank is located, on the north.

The merging banks are less than 1.5 miles apart, with no banks directly in the intervening area, although there are two banks just east of the merging banks. Thus, although these banks appear to derive their loan and deposits from separate geographical areas, they are sufficiently close to be considered competitive alternatives to each other. To this extent, this proposed merger will eliminate competition.

However, although this merger would eliminate a competitive alternative for the people living in the Near West Side and West Town communities, within 2.5 miles of National City and 4 miles of Manufacturers Bank, is the Loop area, with Chicago's largest banks, including four with total deposits of over $1 billion.

* * *

CLINTON NATIONAL BANK AND TRUST COMPANY, ST. JOHNS, MICH., AND THE UNION STATE BANK OF LAINGSBURG, LAINGSBURG, MICH.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Union State Bank of Laingsburg, Laingsburg, Mich., with | $1,714,959 | 1 | |
| and Clinton National Bank and Trust Company, St. Johns, Mich. (3378), which had | 37,043,532 | 10 | |
| merged Apr. 24, 1969, under charter and title of the latter bank (3378). The merged bank at date of merger had | 38,758,492 | | 11 |

COMPTROLLER'S DECISION

On January 12, 1969, the Clinton National Bank and Trust Company, St. Johns, Clinton County, Mich., and The Union State Bank of Laingsburg, Laingsburg, Mich., 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 charter bank, Clinton National Bank and Trust Company, with IPC deposits of $27.8 million, is located in St. Johns, Mich., a city of approximately 6,000 people. St. Johns is the primary shopping center for agriculturally inclined Clinton County, of which it is the county seat. While the county's economic dependence upon agriculture is now declining due to fewer and larger farms and the availability of jobs in nearby cities, the charter bank, through its 10 offices, effectively competes in its trade area. Growth of the bank has been substantial in the last 10 years; deposits since 1959 have increased sixfold and loans eightfold. The service history and competitive ability of the bank indicates good future prospects.

The single-office merging bank, with IPC deposits of $1.3 million, is located in Laingsburg, a town of approximately 1,100 people, 18 miles southeast of St. Johns. The area is predominantly agricultural, having some of the most productive land in the State of Michigan. Although the bank was agriculturally-oriented, with a decline in agricultural activity, and a large number of people being employed in industrial capacities in Lansing, St. Johns, and Owosso, the bank is now principally dependent on industrial activity in these cities. In recent years the bank has not grown to any great extent, and it is suspected that one reason for reduced growth is the low lending limit of the bank. In the next 2 years, the merging bank will, through retirement, lose its principal loan officer, who is the only person capable of undertaking management responsibility. Considering the limited resources of the bank, new management has not been obtained in the last few years and prospects for the future are not optimistic.

The area presently served by the merging banks includes portions of Clinton and Shiawassee counties. The charter bank, with its main office in the county seat and nine branches scattered throughout the county, has a trade area that approximates Clinton County proper. The merging bank, with no branches and a low lending limit, is confirmed entirely to a local bank status, attempting to serve the needs of Laingsburg and the surrounding farm population. The respective trade areas, although contiguous, do not presently overlap to any great extent. Eighteen miles separate the main offices, and the charter bank's Bath branch, the nearest to merging bank, is some 7 miles distant.

Assets will not be unduly concentrated in the resultant bank through the proposed merger. Total resources of the Clinton National Bank and Trust Company will be increased only $1.7 million, to $35.7 million, leaving it far short of several larger banks who create intensive competition in the same area as the resultant bank, *viz.*, Michigan National Bank, Lansing, with 18 offices and $1.17 billion in assets; American Bank and Trust Company, Lansing, with eight offices and $146 million in resources; Bank of Lansing, with four offices and $128.5 million in assets; Citizens Commercial and Savings Bank, Flint, with 25 offices and $359.7 million in resources; and Genesee Merchants Bank and Trust, Flint, with 30 offices and $294.6 million in assets. The merger will insure that Laingsburg has a more progressive and viable bank to meet its local needs since lending limits will be increased and more diversified banking services will be extended to its customers.

Applying the statutory criteria to this proposal, it is found to be in the public interest and the merger is, therefore, approved.

MARCH 18, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Clinton National, St. Johns, Mich., is the dominant bank of Clinton County. Shiawassee County is adjacent to Clinton County on the east, and Laingsburg, where the sole office of Union State is located, is near the Clinton County line.

Clinton National's branch at Bath, Clinton County, is separated by 11 miles from Union State's sole office in Shiawassee County. There are no banking alternatives in the intervening area. The nearest Shiawassee County banking alternative for residents of Laingsburg is in Perry, 12 miles to the southeast. Hence, the two banks do serve somewhat the same region and so it appears that this merger will eliminate some existing competition.

Clinton National's head office is located 18 miles from Union State's sole office. Michigan law would prohibit Clinton National's opening a *de novo* branch in Laingsburg, but Clinton National could open a branch in Shiawassee County at any point less than 25 miles from its main office in a city or village in which there is no State or National bank, or branch thereof, in operation.

Although larger banks from Flint and Lansing can enter Shiawassee County too, Clinton National is already the dominant bank headquartered in its county and is as large as any bank in Shiawassee County. Moreover, it has a general record of expansion, and it has already expanded into Ionia and Eaton counties by *de novo* entry. Hence, Clinton National appears as one of the most likely potential entrants into Shiawassee County banking competition.

However, in view of the small size of the acquired bank, we conclude that the proposed merger is not likely to have a significantly adverse effect on competion in Shiawassee County as a whole.

* * *

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| First Citizens National Bank, Belmont, Miss. (15667), with | $5,140,000 | 2 | |
| was purchased Apr. 30, 1969, by First Citizens National Bank, Tupelo, Miss. (15479), which had | 22,617,000 | 6 | |
| After the purchase was effected, the receiving bank had | 27,757,000 | | 8 |

## COMPTROLLER'S DECISION

On November 22, 1968, the First Citizens National Bank, Tupelo, Miss., applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the First Citizens National Bank, Belmont, Miss.

The purchasing First Citizens National Bank of Tupelo, with IPC deposits of $17.5 million, was organized in 1922 as a State bank, and converted to a National Association in 1922. It operates six branches, three of which are located in Tupelo, and one each in Fulton, Okolena, and Verona. This small bank has doubled in size since 1960.

Tupelo is an industrial community of 25,000 inhabitants and the trade center of a large area. Although industrial activity is dominant in supporting a vibrant and strong economy, some limited agricultural activity is present. The purchasing bank competes, in Tupelo, with the $58 million Bank of Mississippi and the $42 million Peoples Bank and Trust Company. Other financial institutions, including savings and loan associations, insurance companies, sales finance companies, and personal loan companies, also compete.

The selling First Citizens National Bank, Belmont, Miss., with IPC deposits of $3.3 million, was chartered in 1919 as a State bank, and converted to National status in 1968. It operates one branch in Tishomingo, 9 miles from Belmont. The bank has shown moderate growth since 1960, with a 55 percent increase in total resources. Earnings have been poor, however, and are expected to continue so in the near future. The need for new banking premises and higher salaries to attract capable management would tend to exacerbate the existing condition of unprofitability in the future.

The Belmont service area, which is a considerable distance from the service area of the purchasing bank, is small and sparsely populated. Belmont has a population of 1,100, while Tishomingo is populated by 700 people. Industrial activity is of prime importance in the area economy, while agricultural activity, previously dominant, has declined to minor significance in recent years.

Competing with the selling bank, and its total deposits of $3.6 million, are the Iuka Guaranty Bank, with total deposits of $7.9 million, and the First National Bank, with total deposits of $2.1 million, both of nearby Iuka, Miss.; the Bank of Red Bay, Red Bay, Ala., with total deposits of $3.8 million; and a branch of the City National Bank of Russellville, located in Red Bay. The Fulton and Booneville branches of the Bank of Mississippi, and the Booneville branch of the Peoples Bank and Trust Company, both of Tupelo, also compete with the selling bank. In addition, other financial institutions make loans and solicit deposits in the area.

The transaction will benefit the communities in which both banks operate by creating a larger, stronger institution better able to meet the needs of an expanding economy through a larger lending limit, expanded services, and stronger management. The managerial problems of the selling bank will be solved. New bank premises and drive-up facilities, which the selling bank presently needs, will be made available through the resources of the stronger, more profitable purchasing bank. This transaction will resolve a declining earnings situation and capital problem in the selling bank.

Competitively, the proposed transaction will have no significantly adverse effects. The 41-mile distance separating the two banks precludes any competition between them. In the Tupelo area, the purchasing bank will increase its holdings by less than 3 percent and remain third in size of the three competing banks. The selling bank's position in Belmont, with respect to its nearby competitors, will be strengthened without seriously unbalancing the present competitive structure.

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

MARCH 13, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Belmont Bank operates one office in Belmont and one office in Tishomingo (population 700), which is 9 miles north of Belmont. Tupelo Bank operates three offices in Tupelo, and three offices in the surrounding area. Its main office is 41 miles southwest of Belmont Bank's main office; its Fulton office, the office nearest to Belmont Bank, is 23 miles southwest of Belmont Bank and 18 miles east of its main office in Tupelo. There are no intervening banking offices between Fulton and Belmont, but another substantial Tupelo bank also has a branch in Fulton. Some customers of Belmont Bank who have needed additional credit have used Tupelo Bank's Fulton office. Therefore, some direct competition in Tishomingo and Itawamba counties will be eliminated by the merger.

Mississippi law permits banks to establish branches within a 100-mile radius, except in towns of less than 3,100 population which have a bank. Furthermore, Tupelo Bank has entered two adjacent counties by *de novo* branching, but it cannot branch *de novo* into Belmont and perhaps Tishomingo. It could, however, enter other communities in Tishomingo County. The first and second largest banks in Tupelo, both twice the size of Tupelo Bank, have growing branch systems. They are, therefore, more likely *de novo* entrants than Tupelo Bank into this area. This merger is, therefore, likely to result in less loss of potential competition than would result if either of the larger banks of Tupelo had acquired Belmont Bank.

Tupelo Bank is the third largest bank in Lee County. As of June 30, 1966, through its Fulton branch (June 30, 1966 IPC deposits: $644,000) it held 4.6 percent of total IPC deposits in Itawamba and Tishomingo counties, the area in which it competes with Belmont Bank. Belmont Bank held 22.1 percent of deposits; and the merger would result in a combined market share of 26.7 percent.

* * *

MASSANUTTEN BANK OF SHENANDOAH VALLEY, N.A., STRASBURG, VA., AND PEOPLE'S BANK, MOUNT JACKSON, VA.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| People's Bank, Mount Jackson, Va., with | $6,446,665 | 1 | |
| and Massanutten Bank of Shenandoah Valley, National Association, Strasburg, Va. (15566), which had | 18,429,942 | 3 | |
| merged Apr. 30, 1969, under charter of the latter bank (15566) and title "First Virginia Bank, N.A." The merged bank at date of merger had | 24,876,607 | | 4 |

COMPTROLLER'S DECISION

On October 11, 1968, People's Bank, Mount Jackson, Va., and Massanutten Bank of Shenandoah Valley, National Association, Strasburg, Va., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "First Virginia Bank, N.A."

The charter bank, with IPC deposits of $14.9 million, was organized in 1870. This bank, which operates its main office in Strasburg and two branches in Woodstock, is a wholly-owned subsidiary of First Virginia Bankshares Corporation.

The merging People's Bank, with IPC deposits of $4.9 million, is a single-office institution which has been in existence since 1900. It is also a wholly-owned subsidiary of First Virginia Bankshares Corporation and is located in Mount Jackson, Va., which has a population of 722. Mount Jackson is situated 11 miles southwest of Woodstock and 24 miles from Strasburg. Although both banks operate in Shenandoah County, the merging bank serves the southern half of the county, and the charter bank the northern half. The economy of the county, which has a population of 23,413, is generally considered to be agricultural, although 86 percent of the population is employed in nonagricultural labor. Four other commercial banks, with IPC deposits ranging from $3.3 million to $7.7 million, compete in the county.

The merger will combine two existing subsidiaries of First Virginia Bankshares Corporation, enabling the resulting bank to offer expanded services at competitive costs as well as providing an increased lending limit needed to meet present loan demand.

Since both banks are subsidiaries of First Virginia

Bankshares Corporation and are managed by the same chief executive, their merger will have no real effect on competition.

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

MARCH 19, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

In view of the fact that both banks are wholly-owned subsidiaries of a registered bank holding company, First Virginia Bankshares Corporation, we conclude that there is no meaningful competition between them which might be eliminated by the proposed merger.

* * *

FIRST NATIONAL BANK IN ORANGEBURG, ORANGEBURG, S.C., AND FIRST NATIONAL BANK OF ST. GEORGE, ST. GEORGE, S.C.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| First National Bank of St. George, St. George, S.C. (15025), with | $8,023,501 | 3 | |
| and First National Bank in Orangeburg, Orangeburg, S.C. (13918), which had | 23,900,597 | 4 | |
| merged May 5, 1969, under charter and title of the latter bank (13918). The merged bank at date of merger had | 31,667,889 | | 7 |

COMPTROLLER'S DECISION

On October 3, 1968, the First National Bank in Orangeburg, Orangeburg, S.C., with IPC deposits of $17.6 million, and the First National Bank of St. George, St. George, S.C., with IPC deposits of $6.3 million, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

Orangeburg, home of the charter bank, is the county seat of Orangeburg County and is located in the south-central part of the State. The city has a population of approximately 13,800 and is moving from an agricultural economy to an industrial economy.

The charter bank was organized in 1934 and maintains three offices in Orangeburg and one office in nearby Cameron. This bank competes primarily with the American Bank and Trust, and the Southern National Bank. Additional competition is provided by several savings and loan associations in the area.

St. George, home of the merging bank, has a population of 1,800 and is located in the southern part of the State. This area is primarily agricultural with some small industry.

The merging bank was organized in 1962 and presently operates three offices, one each in St. George, Walterboro, and Ridgeland. Primary competition is provided by the Farmers and Merchants Bank of Walterboro, Bank of Walterboro, Bank of Ridgeland, Farmers and Merchants Bank of South Carolina, and the First National Bank of Holly Hill. Moreover, savings and loan associations provide additional competition in this area. Even in light of this competition, the bank's growth has been steady, despite management problems.

There is no competition between the participating banks in that the closest offices are 32 miles apart and their respective trade areas do not overlap.

The resulting bank will be able to offer larger lending limits, a variety of services not now available to the customers of the merging bank, and will resolve the management problems in the merging bank.

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

JANUARY 17, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the merging banks are about 32 miles apart, with two small banks in the intervening area. Therefore, there would not appear to be any significant direct competition between the two banks.

Under South Carolina law, either merging bank could establish a *de novo* branch in the other's market. However, First National Bank in Orangeburg has limited its *de novo* expansion to the Orangeburg area, and we have no evidence suggesting that it is particularly likely to extend into the St. George area. Because of its small size, it would also not appear that First of St. George is a likely *de novo* entrant into the Orangeburg area.

* * *

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The Old Line National Bank, Rockville, Md. (15497), with | $16,698,290 | 3 | |
| and University National Bank, College Park, Md. (15365), which had | 16,580,916 | 3 | |
| merged May 15, 1969, under charter and title of the latter bank (15365). The merged bank at date of merger had | 33,279,206 | | 6 |

COMPTROLLER'S DECISION

On February 7, 1969, the Old Line National Bank, Rockville, Md., and the University National Bank, College Park, Md., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

University National Bank, the charter bank, opened for business August 1, 1964, and has IPC deposits of $12.4 million. In addition to its head office in College Park it operates one branch each at Riverdale, Prince Georges County, and Gaithersburg, Montgomery County, and has an approved but unopened branch to be located in Silver Spring, Montgomery County.

Old Line National Bank, the merging bank, opened for business in April 1965, and has IPC deposits of $13.5 million. In addition to its head office in Rockville, it has two operating branches, one each in Bethesda and Silver Spring, and an approved but unopened branch in the Four Corners area of Montgomery County. This bank has had difficulty in obtaining managerial personnel for some time. Attempts to obtain competent management have been unsuccessful and this bank's officers are currently directed by the charter bank's management.

The service area of both banks includes the Maryland section of Metropolitan Washington, D.C., which is composed of Montgomery and Prince Georges counties. The economy of this area is mixed and oriented toward Washington, D.C., and the Federal establishment located there. Economic growth has been substantial and is expected to continue.

Banking in this area is available through 114 operating offices, and includes offices of five statewide or regional banks and 11 banks established in the last decade. Three large Baltimore-based banks have opened numerous offices in those two counties. Two long-established banks headquartered here, the Suburban Trust Company and the Citizens Bank and Trust Company, expanded rapidly in the last decade and experienced substantial growth.

This merger will solve the merging bank's problems by providing stability and effectiveness in management. It will also be of benefit to present customers of the merging bank by creating a bank with a larger lending base, and will provide the bank with access to profitable business which both banks alone have been unable to obtain. Consolidation of internal operations will reduce overhead and operating expenditures.

Competition will not be adversely affected by this merger. Neither bank is a significant force in the relevant banking market and their combination will give the resulting bank control of less than 4 percent of total bank deposits in the Montgomery and Prince Georges counties, and will account for less than 6 percent of the total number of banking outlets. The resulting bank will be 11th in size among banks now operating in the two counties, five of which are large statewide or regional organizations. The realignment resulting from this proposed merger will be of little overall consequence in the Washington Metropolitan Area banking market.

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

APRIL 14, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The nearest offices of the applicant banks are about 5.5 miles apart; there are numerous banking alternatives in the intervening areas. It would appear that the proposed merger would also foreclose the possibility of greater direct competition resulting from the opening of University National's approved but unopened branch located 3 miles from the head office of Old Line. However, neither merging bank is a major factor in the area, as shown by the fact that University National holds only 3.5 percent of the total IPC demand deposits in Prince Georges County while Old Line holds only 2.5 percent of such deposits in Montgomery County.

* * *

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Community National Bank of Fresno County, Mendota, Calif. (15182), with | $6, 893, 900 | 4 | |
| and Community National Bank, Bakersfield, Calif. (14670), which had | 34, 737, 259 | 13 | |
| merged May 19, 1969, under charter and title of the latter bank (14670). The merged bank at date of merger had | 40, 907, 084 | | 17 |

COMPTROLLER'S DECISION

On November 6, 1968, the Community National Bank of Fresno County, Mendota, Calif., and the Community 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 charter bank, with IPC deposits of $21.8 million, opened in 1952, and presently operates 12 branch offices in addition to its main office; all are located in Kern County. Although this bank has been successful and its financial condition is regarded as satisfactory, it is not a full-service institution.

Kern County, located at the southern extremity of the agriculturally rich San Joaquin Valley, is generally the market area of the charter bank. The population of this area is estimated at 340,000, with approximately 200,000 residing in the Greater Bakersfield Area. The economy of this market area is dependent primarily upon agriculture and related activities; mineral and oil production; and military activity, centered around the development and testing of weapons, aircraft, and missiles. This market area contains more than 55 offices of nine banks, with aggregate IPC deposits estimated at $364 million. The charter bank holds approximately 8 percent of aggregate bank deposits in Kern County. Among the competing banks are offices of California's largest statewide banks, including the Bank of America National Trust and Savings Association, Security Pacific National Bank, United California Bank, and Crocker-Citizens National Bank. Other financial institutions also compete in this area including savings and loan associations, credit unions, finance companies, and lending agencies of the Federal Government.

The merging Community National Bank of Fresno County, with IPC deposits of $3.3 million, opened October 14, 1963, in Mendota and presently operates three branches. This bank is presently closely affiliated with the charter bank through common stock ownership; the same individual serves as chairman of the board of both banks. The area served by this merging institution is more than 100 miles from the charter bank, and includes four small agricultural communities in Fresno and Merced counties in the central San Joaquin Valley, the aggregate population of which is about 20,000. The primary economic stimulus in this market area is highly diversified agricultural production.

Competition to the Community National Bank of Fresno County in the Mendota, Kerman, Dos Palos, and Atwater areas, where the bank's branches are located, is provided by four branches of the Bank of America National Trust and Savings Association. Aggregate bank deposits in this area are approximately $48.3 million and loans are $44 million.

While the combined bank would not offer services significantly diverse or expanded from those presently offered by each, the merger would enable the offices of the Community National Bank of Fresno County to provide services to larger operations than they presently do. Efficiencies in loan transactions and general operations will result from this merger, which is, in reality, the formal unification of two affiliated banks now trying to operate as one while remaining apart. The merger will have no impact competitively since their nearest offices are approximately 115 miles apart.

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

MARCH 4, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the two banks are about 90 miles apart. Thus, this merger would not appear to eliminate any competition between the two banks.

Each bank could branch *de novo* into the service area of the other. However, Kern Bank and Fresno Bank have had a close relationship since Fresno Bank was formed. The chairman of the board of directors and cashier of Fresno bank are also executive officers and members of the board of directors of Kern Bank. Another individual serves as a member of both boards of directors. Because of this, plus the relatively small sizes of the two banks, the amount of potential competition which would be eliminated by the merger appears to be slight.

* * *

FARMERS AND MERCHANTS NATIONAL BANK, WINCHESTER, VA., AND THE CITIZENS NATIONAL BANK OF FRONT ROYAL, FRONT ROYAL, VA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Citizens National Bank of Front Royal, Front Royal, Va. (13275), with..... | $12, 973, 898 | 4 | ............ |
| and Farmers and Merchants National Bank, Winchester, Va. (6084), which had.. | 53, 555, 661 | 8 | ............ |
| merged May 23, 1969, under charter and title of the latter bank (6084). The merged bank at date of merger had........................................ | 66, 529, 559 | ........... | 12 |

COMPTROLLER'S DECISION

On December 9, 1968, The Citizens National Bank of Front Royal, Front Royal, Va., and the Farmers and Merchants National Bank, Winchester, Va., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Farmers and Merchants National Bank, with IPC deposits of $41.2 million, opened for business January 13, 1902. It presently operates its head office and three branches in the city of Winchester, one branch at Wards Plaza Shopping Center on U.S. Route 11, south of Winchester, and one branch each in the towns of Berryville, Middletown, and Stephens City. Two additional branches in the city of Winchester have been approved but are unopened.

The Citizens National Bank of Front Royal, with IPC deposits of $10.1 million, was chartered as a National Association in 1929. In addition to its head office, it operates one branch in Front Royal and, in 1963, through merger with the First National Bank of Flint Hill, it acquired one additional branch in the town of Flint Hill. Management succession appears to be an imminent problem due to the president's anticipated retirement and the lack of provision for replacement from within the bank.

Winchester, the home of the charter bank, is located in Frederick County, and has a population estimated at 15,311, while the county population is estimated at 26,944. The economy of this area, which has historically been agricultural, with primary emphasis on the production of apples, is presently widely diversified with manufacturing and light industry predominating. Economic growth has been excellent and is expected to continue.

Front Royal, the home of the merging bank, has a population of about 9,500 persons and is located in Warren County, which, with a population of about 15,660, is one of Virginia's smallest counties. The economy is well diversified, reflecting a decrease in emphasis on agriculture in the last two decades. A number of major concerns are located in Front Royal.

The geographic market of the resulting bank will include the eight northernmost counties of Virginia and two neighboring counties in West Virginia. The population of this area is estimated at 175,000 persons. Within this area are located 30 commercial banks, operating 57 banking offices. Among these are five institutions controlled by bank holding companies and four branches of major commercial banks, based in eastern Virginia. Financial General Corporation, which controls 26 banks with 119 offices and total resources of $1.5 billion, controls three banks in this region, *viz.*, the Shenandoah Valley National Bank, headquartered in Winchester, and one of the charter bank's leading competitors; Peoples National Bank of Leesburg; and Round Hill National Bank. First Virginia Bankshares Corporation, which controls 14 banks with 81 offices holding total assets exceeding $400 million, controls two banks in this area, *viz.*, the First National Bank of Purcellville and the Massanutten Bank of Shenandoah Valley, which is regarded as the most aggressive competitor in the area. First and Merchants National Bank, Richmond, with 60 banking offices in 17 communities, and total assets of $688 million, operates two branches in Leesburg and one at Dulles Airport. Virginia National Bank, a Norfolk-based institution having total assets of $680 million and 56 offices in 32 Virginia cities, operates aggressively through its Woodstock branch. Five savings and loan associations, two personal loan companies, one credit union, several national insurance companies, automobile financing companies, and direct lending agencies of the Federal Government also compete in the area.

The merger will benefit the communities where both banks operate by creating a larger institution with greater resources and a larger lending limit, which will be more capable of providing for the increased financial needs of an expanding economy, and growing businesses within that economy. Operating efficiencies should result which can benefit the customer through better services at lower cost. The higher salary scale and fringe benefits of the charter bank will result in a greater ability to attract capable management to the benefit of the resulting bank, and will solve the management succession problem of the merging bank.

The merger will have no adverse effect on competition. Because the closest offices of the two banks are 17 miles apart, there appears to be very little present competition between them. Although one bank in the combined service area will be eliminated, 29 competitors will remain. The increased percentage of total area deposits held by the charter bank following the merger will be a minute 3.7 percent. At the same time, the resulting bank will be better able to compete with the large statewide banks and subsidiaries of holding companies operating in this area, without adversely affecting smaller institutions.

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

March 18, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The Middletown branch office of Farmers Bank is in the general area between Winchester and Front Royal located just 17 road miles north of Front Royal, with no banks in the intervening area. Six other offices of Farmers Bank (five in Winchester and one in Stephens City) are all located within 20 miles of Front Royal, with no banks in the intervening area. Both of the merging banks compete to some extent with the two banks headquartered in Strasburg (Shenandoah County) located 6 miles south of Middletown and 12 miles west of Front Royal. Thus, it appears that there may be some competition between the applicant banks which would be eliminated by this merger.

Eight commercial banks operate offices in the central Shenandoah Valley. Based on December 1967 data supplied by the applicant banks, Farmers Bank, with approximately 33 percent of total deposits, is by far the dominant bank in the area. Citizens Bank, with the sixth largest share, has approximately 8 percent of such deposits. Thus, if the merger were consummated, the largest bank in the market would increase its share of total deposits to 41 percent, and the three largest banks would have over 68 percent of such deposits. Accordingly, we conclude that the effect of the proposed merger on competition in the central Shenandoah Valley would be adverse.

* * *

Southern National Bank of North Carolina, Lumberton, N.C., and Bank of Varina, Fuquay-Varina, N.C.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Bank of Varina, Fuquay-Varina, N.C., with | $5,419,824 | 2 | |
| and Southern National Bank of North Carolina, Lumberton, N.C. (10610), which | 146,323,432 | 39 | |
| had merged May 27, 1969, under charter and title of the latter bank (10610). The merged bank at date of merger had | 151,743,255 | | 41 |

### COMPTROLLER'S DECISION

On February 17, 1969, the Bank of Varina, Fuquay-Varina, N.C., and the Southern National Bank of North Carolina, Lumberton, N.C., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Southern National Bank of North Carolina, with IPC deposits of $117 million, was organized in 1897 and reorganized as a National bank in 1914. In addition to its head office and three branches in Lumberton, the charter bank operates 34 branches in other communities.

The service area of the charter bank encompasses, in addition to Lumberton, 22 communities in 14 counties across the central portion of the State. The economy of this area is mixed, with agriculture and industry prominent. Tobacco is the chief crop, and tobacco-related industries are important. Considerable economic growth has occurred, and is expected to continue. Banking competition comes from North Carolina's largest statewide banks as well as a number of smaller ones. Other financial institutions operate in this area, including savings and loan associations.

Bank of Varina, the merging bank, with IPC deposits of $5.2 million, was chartered in 1914, and operates its head office and single branch in the town of Fuquay-Varina. The bank has been handicapped by inadequate capital, poor earnings, and lack of liquidity. Its progress is handicapped by management problems, indicated by changes which occurred during the last 10 years.

Fuquay-Varina has a population of about 4,000, and is located 14 miles south of Raleigh, in the southern part of Wake County, one of the most populous and fast growing areas in the State. The town is considered to be in Raleigh's metropolitan area, which has a total population of about 200,000. The area surrounding Fuquay-Varina contains numerous small and medium sized towns, most of which have banking facilities. The economy is based on agriculture, with tobacco the principal crop. To the north, the economy is mixed and includes the varied commercial, industrial, and institutional activity of the city of Raleigh, the State capital.

Banking competition in Fuquay-Varina is confined. The Bank of Fuquay is the only other bank in town, and it is dominant in the immediate Fuquay-Varina area. A number of other banks also operate in the service area. Among these are North Carolina's four largest, and its eighth largest. Nonbanking financial institutions also compete, including savings and loan associations, credit unions, finance companies, and mortgage loan companies, most of which are based in Raleigh.

The merger will benefit the community of Fuquay-Varina by introducing, to customers of the merging bank, the sophisticated services which the charter bank possesses. These include an agricultural expert and an agricultural credit department which can be useful in stimulating the area's needed agricultural diversification. In addition, trust services, automatic data processing services, an audit department, credit card lending, and extensive installment lending will be made available. The merger will provide broader managerial experience to the present Bank of Varina and should assist is curing its management problems, as well as its problems relating to inadequate capital, poor earnings, and lack of liquidity.

The merger will have no adverse competitive effects. In Fuquay-Varina, this merger should introduce a more capable competitive force and will stimulate competition between the resulting bank and the statewide banks operating there. In other areas where the charter bank now operates, the addition of the merging institution's resources will have no competitive effect. Although the charter bank operates branches 10 and 20 miles from the merging bank, it appears that there are only insignificant amounts of competition between them to be eliminated.

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

APRIL 25, 1969.

### SUMMARY REPORT BY ATTORNEY GENERAL

Southern National Bank of North Carolina ("Southern National") operates 33 offices throughout the central part of the State and has received approval for two additional branch offices. Since 1964, it has merged with eight banks, adding $54 million in deposits and 18 offices.

The Bank of Varina ("Varina Bank") operates two offices, both in the town of Fuquay-Varina, Wake County, N.C. Southern National's closest offices are 12 and 14 miles from Fuquay-Varina. There are alternatives available near both of these offices, but this merger will probably eliminate some existing competition.

Southern National's branch in Apex, N.C., is its only office in Wake County. It was opened in mid-1968 and is probably not of substantial size as yet. Varina Bank is small, accounting for only 1.2 percent of Wake County's total deposits. Thus, the merger itself will not appreciably increase the level of concentration in the county.

There is, however, a trend toward increased concentration through merger in the State of North Carolina. This merger trend has already had an adverse effect on the structure of local banking markets in North Carolina by inhibiting *de novo* branching by the larger banks and thereby retarding the growth of competitive banking in North Carolina.

* * *

WELLS FARGO BANK, N.A., SAN FRANCISCO, CALIF., AND CHANNEL ISLANDS STATE BANK, VENTURA, CALIF.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Channel Islands State Bank, Ventura, Calif., with | $12, 905, 439 | 3 | ........ |
| and Wells Fargo Bank, National Association, San Francisco, Calif. (15660), which had | 5, 392, 693, 296 | 254 | ........ |
| merged May 29, 1969, under charter and title of the latter bank (15660). The merged bank at date of merger had | 5, 404, 500, 253 | ........ | 257 |

COMPTROLLER'S DECISION

On January 14, 1969, Channel Islands State Bank, Ventura, Calif., and Wells Fargo Bank, National Association, San Francisco, Calif., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Wells Fargo Bank, National Association, the charter bank, was founded in 1852, and is the oldest bank in the West. It has IPC deposits of $3.5 billion and presently operates 251 branches, principally in northern California, but recently it has expanded its branching activities to the southern part of the State. This bank offers a wide range of services, including international banking, fiduciary activities, personal property leasing, insurance premium financing, a variety of electronic data processing customer services such as payroll accounting and lock-box services, as well as economic research services, public relations, and advertising advisory services.

The service area of the charter bank includes most of northern California, including the city of San Francisco. In addition, the charter bank has recently established eight banking offices in Los Angeles and Orange County in southern California. The economy of the area served by Wells Fargo Bank, N.A., is widely diversified in agriculture, industry, foreign and domestic finance, and many other commercial and service activities, including lumbering, fishing, tourism, mining, oil production, manufacturing, military establishments, and retail trade.

Wells Fargo Bank is third largest in the State, ranking behind Bank of America N.T. & S.A. and Security Pacific National Bank. Wells Fargo Bank competes with numerous banking offices of statewide, regional, and local banks in its service area. Numerous savings and loan associations, credit unions, sales finance companies, personal loan companies, mortgage companies, factors, and lending agencies of the Federal Government offer considerable competition.

The Channel Islands State Bank, the merging bank, opened for business on December 21, 1962, and has IPC deposits of $8.7 million. It has established two branches, one in the city of Ventura, 3 miles east of its main office, and one in the unincorporated community of Oak View, 10 miles north. Although this bank has experienced satisfactory growth since its inception, loan losses have been disproportionately high. Fifty-two percent of its loan portfolio is centered in installment consumer paper. Channel Islands State Bank offers the usual banking services but it does not have a trust department, nor does it offer the more advanced and extensive services which its larger local competitors provide. It has been largely unresponsive to the needs of local business people, partially because of its small lending limit.

The city of Ventura, home of the merging bank, is the county seat of Ventura County, and is located 65 miles north of Los Angeles. The merging bank serves the city, which has a population of about 50,000, and a surrounding trade area, in northern Ventura County, with an additional population of 17,000. The economy of this area is agriculturally oriented. In recent years, however, oil production and tourism have contributed significantly to the local economy and, to a lesser extent, manufacturing and military bases have produced an important share of local income.

Offices of four of the five largest banking institutions in the State of California, in addition to the merging bank and the Bank of A. Levy, service the Ventura market area. Bank of America N.T.&S.A., with two branches, holds 37 percent of the area deposits, and Security Pacific National Bank, which also has two branches, hold 34 percent of area deposits. Channel Islands State Bank holds an aggregate of approximately 12 percent of area deposits in its three branches. Competing also are offices of savings and loan associations, credit unions, sales finance companies, personal loan companies, mortgage companies, factors, and lending agencies of the U.S. Government.

The beneficial effects of this merger will be primarily felt in the Ventura market area. Under the highly capable management of the charter bank, all of its services will be introduced into the Ventura area. The lending limit of the Ventura office of the resulting bank will be much larger and enable it to service more adequately the needs of local merchants and businesses for larger loans. Finally, the resulting bank's office in Ventura should be much more responsive to the needs of local businessmen, farmers, and oil producers.

The merger will have no adverse effects on competition. There is presently no direct competition between Wells Fargo Bank and Channel Islands State Bank. The nearest offices of the charter bank to the merging bank are 52 miles west, in the San Fernando Valley, and 65 miles southwest, in Los Angeles. Introduction of a fifth statewide, or regional, California bank into the Ventura market will enhance competition there. In the areas where Wells Fargo Bank, N.A., now operates, the merger will have no anticompetitive effect. Statewide, Wells Fargo Bank, N.A., will remain in third position, with its percentages of statewide deposits and loans each increasing by only 0.02 percent.

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

April 23, 1969.

### SUMMARY OF REPORT BY ATTORNEY GENERAL

The nearest branch of Wells Fargo in Los Angeles is 52 miles from Channel Bank's offices in Ventura. There, nevertheless, may be some direct competition between them; Wells Fargo derives $15,000 in IPC deposit accounts from Channel Bank's service area, and Channel Bank derives $337,000 or 5.9 percent of its total IPC deposits from Los Angeles and Orange counties, in which Wells Fargo has offices. These areas, however, are also served by a number of other large California banking institutions. Thus, while the proposed merger would appear to eliminate some direct competition, this would not appear to be a significant proportion of the banking business of the areas involved.

The growth of the northern part of Ventura County is proceeding at a somewhat less rapid pace than the southern part near the Los Angeles border. Channel Bank's offices in the city of Ventura, however, are only 8 miles from the city of Oxnard, the focal point of the newer and more dramatic southern county growth. This area offers substantial possibilities for *de novo* expansion by both banks. The likelihood of Wells Fargo's entry by such means is underscored in the application. The two banks are thus potential competitors; the proposed merger would eliminate that competition.

* * *

## The Clinton County National Bank and Trust Company of Wilmington, Wilmington, Ohio, and The First National Bank of Sabina, Sabina, Ohio

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The First National Bank of Sabina, Sabina, Ohio (8411), with | $4, 434, 000 | 2 | |
| was purchased June 14, 1969, by The Clinton County National Bank and Trust Company of Wilmington, Wilmington, Ohio (1979), which had | 20, 584, 000 | 4 | |
| After the purchase was effected, the receiving bank had | 24, 517, 000 | | 6 |

On December 26, 1968, The Clinton County National Bank and Trust Company of Wilmington, Wilmington, Ohio, applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of The First National Bank of Sabina, Sabina, Ohio.

The Clinton County National Bank and Trust Company of Wilmington, the purchasing bank, has IPC deposits of $15.9 million, and was chartered in 1872. It has one in-town and two out-of-town branch offices.

Wilmington is the county seat of Clinton County, and has a population of 10,200. Clinton County is located in the southwest sector of Ohio. Wilmington lies 34 miles southeast of Dayton, 60 miles southwest of Columbus, and 50 miles northeast of Cincinnati. The economy of this area is primarily dependent upon local industry, employing about 1,200 workers, and upon large-scale, mechanized farming operations. Banking competition comes from the $14 million First National Bank of Wilmington, which has one in-town branch. The First National Bank of Wilmington is an affiliate of BancOhio Corporation, a Columbus-based registered bank holding company operating 22 other State and National banks in central and southern Ohio. Additional competition comes from three savings and loan associations, one of which is a branch of Home Federal Savings and Loan Co. of Cincinnati; three finance companies; lending agencies of the Federal Government; and credit unions in both Wilmington and Dayton, where many area residents work.

The First National Bank of Sabina, the selling bank, has IPC deposits of $3.9 million. It was organized in 1906, and operates one branch located one block from its main office. It has been handicapped in recent years by a lack of experienced management.

The village of Sabina has a population of 2,400 and is located 11 miles northeast of Wilmington. It is the third largest city in Clinton County. The economy of this area is dependent on agriculture. Its nonfarming activity is limited to two small tool companies and several grain elevators. Besides the $4.5 million selling bank, the $5.1 million Sabina Bank operates in Sabina. In addition, there are two other small unit banks headquartered in Clinton County, the $8.2 million First National Bank of Blanchester, and the $1.7 million Port William Banking Company. Competition also comes from a BancOhio affiliate and a member of Huntington Banc-Shares of Columbus, Ohio, both located in Washington Court House, 11 miles to the east.

This proposal should benefit the community of Sabina by providing customers of the area with a bank having adequate management resources, a greater lending limit, and a broader range of banking services, including trust services.

Competition will not be adversely affected by consummation of this proposal. Introduction of the purchasing bank into Sabina should stimulate competition with the Sabina Bank which is presently larger, stronger, and more effective than the selling institution. In Wilmington, the transaction should stimulate competition with the First National Bank of Wilmington, a subsidiary of the large Columbus-based BancOhio Corporation. In Clinton County and its environs, competition which is already intense will not be unbalanced.

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

MARCH 14, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Clinton Bank, the largest bank in Clinton County, operates four banking offices, including a head office and two branches in Wilmington. Its Wilmington offices, the offices closest to Sabina Bank, are about 10 miles southwest of Sabina. The First National Bank of Wilmington, the second largest bank in Clinton County, also operates in Wilmington, and another competitive bank operates in Sabina. There are no other intervening banking offices in the area between Wilmington and Sabina, and the merging banks show that their service areas overlap. It appears, therefore, that there is direct competition between the banks which would be eliminated by the merger.

The proposed merger will result in a substantial increase in concentration in Clinton County, which as of June 30, 1968, had six banks with 11 banking offices. Clinton Bank held 42 percent of total county deposits, and Sabina Bank, the fifth largest bank in the county, held 10 percent; the resulting bank will hold 52 percent of county deposits. The two largest banks in the county hold 67 percent of county deposits; the proposed merger would increase this market share to 77 percent. If banking offices within 15 miles of Sabina are included in the market, Clinton Bank and Sabina Bank have market shares of 20 percent and 7 percent, respectively; the resulting bank will hold 27 percent of deposits in the market.

We, therefore, believe that this merger will have an adverse effect on competition.

* * *

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Lincoln National Bank, Santa Rosa, Calif. (15408), with | $7,446,110 | 2 | |
| and Commonwealth National Bank, San Francisco, Calif. (15330), which had | 61,887,458 | 5 | |
| merged June 16, 1969, under charter and title of the latter bank (15330). The merged bank at date of merger had | 69,616,224 | | 7 |

COMPTROLLER'S DECISION

On February 17, 1969, Lincoln National Bank, Santa Rosa, Calif., and Commonwealth National Bank, San Francisco, 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.

Commonwealth National Bank, with IPC deposits of $48.7 million, opened for business June 11, 1964. In addition to its head office, it has two branches in San Francisco and one in Pleasant Hill, a residential community about 35 miles northeast of San Francisco. This bank is a full-service institution offering trust services. It is controlled by the Morris Plan Company, a holding company, which owns 96 percent of its outstanding stock.

The primary market area of the Commonwealth National Bank is the city and county of San Francisco, in which the bank has three offices. The city of San Francisco, with a population of about 748,700, is the retail, commercial, and trading center for the San Francisco Bay Metropolitan Area, which contains a population exceeding 4 million. San Francisco is also the financial, transportation, distribution, and industrial headquarters for northern California and the western United States. Its economic base is highly diversified. The charter bank, located in the financial district in downtown San Francisco, competes in its primary service area with numerous offices of California's largest statewide banks and other large financial institutions, and is one of the smaller banks operating in this area.

Lincoln National Bank, with IPC deposits of $4.6 million, opened for business on November 5, 1964. In addition to its main office in Santa Rosa, it operates one branch in San Rafael about 40 miles south of Santa Rosa. This bank offers the usual banking services, except trust services.

The cities of Santa Rosa and San Rafael are north of San Francisco, 60 miles and 17 miles, respectively. Santa Rosa, with a population of 35,500, is the main trade center of Sonoma County. Greater Santa Rosa has a population of nearly 90,000, while the central Sonoma County market area of the merging bank has a population of nearly 120,000. The economy of central Sonoma County is stable, with retail trade; agriculture, primarily dairying, orchards, and cattle and sheep raising; and tourism the primary contributors. San Rafael, situated 17 miles north of San Francisco, is primarily a residential city, inhabited by higher income families. Many of its residents commute to San Francisco for employment.

Competition for the merging bank, which is one of the smaller financial institutions located in its service area, comes from offices of California's largest statewide banks, as well as offices of numerous savings and loan associations, finance companies, credit unions, and life insurance companies.

Upon consummation of this merger, the Santa Rosa and San Rafael offices of the resulting bank will be able to offer more extended services, notably a trust department, as well as the "Credit Reserve Plan" being instituted by the Commonwealth National Bank. Also, the expanded lending capacity will enable these offices of the merging bank to solicit and serve businesses whose credit demands are too large for Lincoln National Bank to adequately serve. Economies of scale should result which will benefit the customers of the resulting bank.

The merger will have no adverse effect on competition. The two banks are located 17 miles apart and do not compete. The addition of the much smaller merging bank to the charter bank, which holds less than 1 percent of aggregate deposits and loans of banking offices in San Francisco, should have a negligible competitive impact in San Francisco. Competition in Santa Rosa and San Rafael should be slightly increased by the added capacity of the resulting bank in those cities.

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

MAY 15, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head office of Lincoln National in Sonoma County is located approximately 54 miles north of San Francisco. There is, apparently, no substantial direct competition between the merging banks. Commonwealth's right to branch *de novo* into Marin County and into Sonoma County creates the potential for competition between the merging banks. However, Commonwealth has not yet opened a *de novo* branch, although its parent does have a statewide branch system. Furthermore, the merging banks are relatively small institutions; Commonwealth possesses less than 1 percent of the total deposits in San Francisco County, while Lincoln National possesses approximately 1.4 percent of the total deposits in Sonoma County, and 0.6 percent of Marin County deposits.

Elimination of Lincoln National's competition with Commonwealth's parent, Morris Plan Company, in Sonoma County, would appear to increase slightly concentration of control over those financial services in which there is direct competition. Moreover, the history of rapid growth of the Morris Plan Branch suggests that its present loan and thrift deposit figures understate its likely long-run market position. Nevertheless, the very small present size of both the loan and deposit totals for this branch suggest that even substantial further growth will not make it a very significant competitor of commercial banks. Also, although the application indicates that the growth of this branch has come through competition with banks, based on the limited information given in the application, it is not clear exactly how direct that competition is in fact.

The effect of this merger on competition, therefore, would not be significantly adverse.

* * *

FIRST NATIONAL BANK OF JACKSON, JACKSON, MISS., AND THE BANK OF GREENWOOD, GREENWOOD, MISS.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Bank of Greenwood, Greenwood, Miss., with | $26, 703, 082 | 2 | |
| and First National Bank of Jackson, Jackson, Miss. (10523), which had | 367, 253, 622 | 22 | |
| merged June 27, 1969, under charter and title of the latter bank (10523). The merged bank at date of merger had | 394, 173, 721 | | 24 |

The "Comptroller's Decision" and the "Summary of Report by Attorney General" for this case appeared in the 1968 Annual Report under the heading "Approved, but in litigation." This merger was not consummated until 1969.

* * *

THE FIRST NATIONAL BANK OF QUINCY, QUINCY, MICH., AND PEOPLES STATE BANK OF BRONSON, BRONSON, MICH.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Peoples State Bank of Bronson, Bronson, Mich., with | $8, 628, 983 | 1 | |
| and The First National Bank of Quincy, Quincy, Mich. (2550), which had | 16, 497, 563 | 3 | |
| merged June 30, 1969, under charter and title of the latter bank (2550). The merged bank at date of merger had | 25, 126, 546 | | 4 |

COMPTROLLER'S DECISION

On March 6, 1969, the Peoples State Bank of Bronson, Bronson, Mich., and The First National Bank of Quincy, Quincy, Mich., 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 "First National Bank of Quincy."

The charter bank, with IPC deposits of $12.1 million, is located in Quincy, Mich., a village of some 1,600 people. Quincy serves an agricultural area of beef and dairy farms. It also boasts a large and growing industrial community. Two large facilities, a $6 million meatpacking plant and a $1.5 million home construction company, are now being constructed and will employ about 450 people, when complete. Presently, Quincy has 10 businesses, which employ over 650 people, and expend about $3.5 million in annual payrolls.

The merging bank, situated in Bronson, Mich., a city of 2,200, has IPC deposits of $6.8 million. Bronson, although 17 miles away from Quincy, has a similar economic base of beef and dairy farms and industrial facilities. The industrial community is now successfully recovering from the loss of two sizable employers in the last few years. Under the aegis of a nonprofit corporation, determined efforts are being made to induce new businesses to settle in the Bronson area. Recently, a new manufacturing facility opened, and will employ 200 people by June 1969.

The resulting bank will serve the respective communities of the applicant and merging bank. Generally, the total service area comprises Branch County, Mich., which geographically lies midway between Detroit and Chicago. This region is part of a growing megalopolis which economists predict will appreciably increase in population and industry in the next decade.

There is presently no competition between the two institutions. The two banks lie some 17 miles apart, separated by the city of Coldwater, which is served by two larger banking institutions.

The merger will not unduly concentrate area banking assets in the resultant bank. The resources of The First National Bank of Quincy will be increased to $23.4 million, making it comparable in size, and more equally competitive, to the Southern Michigan National Bank, Coldwater, Mich., with assets of $24.4 million; The Branch County Savings Bank, Coldwater, Mich., with assets of $23.4 million; the Hillsdale State Savings Bank, Hillsdale, Mich., with assets of $23.9 million; and the Hillsdale County National Bank, Hillsdale, Mich., with assets of $21.5 million.

This merger will provide increased services, greater efficiencies in operation, and a larger lending limit for the resulting bank. It will enable it to keep pace with the larger area institutions, especially those banks in Coldwater, Mich.

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

MAY 21, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

First National Bank of Quincy ("First National") operates two offices in Branch County and one office in neighboring Hillsdale County. Peoples State Bank of Bronson ("Peoples Bank") operates its sole office in Bronson, Branch County. Branch County is currently served by four banks with nine banking offices.

The closest offices of these banks are 13 miles apart and, despite the existence of intervening banks, there is probably some direct competition which will be eliminated by this merger. First National has 16.9 percent of the total deposits in Branch County, and People's Bank accounts for 13.2 percent of such deposits.

* * *

THE FULTON NATIONAL BANK OF LANCASTER, LANCASTER, PA., AND KEYSTONE TRUST COMPANY, HARRISBURG, PA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Keystone Trust Company, Harrisburg, Pa., with | $14, 555, 132 | 1 | |
| and The Fulton National Bank of Lancaster, Lancaster, Pa. (2634), which had | 117, 199, 301 | 9 | |
| merged June 30, 1969, under the charter and title of the latter bank (2634). The merged bank at date of merger had | 131, 754, 433 | | 10 |

COMPTROLLER'S DECISION

On February 28, 1969, The Fulton National Bank of Lancaster, Lancaster, Pa., with IPC deposits of $92.8 million, and the Keystone Trust Company, Harrisburg, Pa., with IPC deposits of $11.2 million, applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

Lancaster, with a population of approximately 61,000, is the county seat of Lancaster County, and the heart of the Pennsylvania "Dutch" country, one of the leading tourist areas in the United States. Agriculture remains the economic backbone of this fertile area; the county continues to rank first in the State in 35 categories of farm production, with over $100 million revenue annually received from the sale of agricultural and livestock products. While the number of farms and farm production has been declining since the 1950's, over 6,000 farms remained in active production as late as 1967.

The change in the agricultural picture has been more than offset by the growing industrial base which utilizes a large number of skilled and semiskilled workers. Industry presently supplies 40 out of every 100 jobs in Lancaster County. There are 654 manufacturing industries in the county, employing 51,902 persons, paying wages and salaries of $307.5 million, and producing products and related activities valued at $1.3 billion. The economic stability and growth potential for the area served by the applicant bank is considered excellent.

The Fulton National Bank, the charter bank, organized in 1892, presently has a main office and eight branches within Lancaster County. This bank is widely respected in the county, having acquired a reputation for progressiveness and responsiveness to the financial needs of its customers. It was the first bank in Lancaster County to branch, and the first to install TV bank protection facilities. The competent management continually seeks to increase the quality and quantity of services available to the people of Lancaster County. In the last 3 years, deposits increased 20 percent, and, during 1967–68, total loans increased from $54.7 million to $65.8 million, as the bank worked to meet the credit needs of the county's expanding economy.

Harrisburg, the State capital, with a population of approximately 80,000 people, is located in Dauphin County, midway between Philadelphia and Pittsburgh. In addition to being the political center of the State, it is also the hub of a rapidly growing industrial region served by 70 motor carriers, three commercial airlines, and two major railroads. Its highly developed industrial base produces electrical components, shoes, lumber, concrete, clothes, quartz crystals, and other varied products. The 91 manufacturing facilities in the city of Harrisburg, during 1966, employed over 7,000 people, paid wages and salaries of $43.7 million, and produced goods and related activities valued at $155.9 million.

The merging bank, organized in 1916, has never attempted to expand beyond its parochial image. The institution continues operation through a single office in an area that has deteriorated from a once active trading center to an economically stagnant and rundown section of Harrisburg. While it is willing to meet the personal needs of its long-time customers, it does not have the resources or services to attract and accommodate big accounts. Its facilities are antiquated, its banking methods outdated, and no modern services such as electronic data processing or credit cards have been instituted. As urban renewal moves into the area, the bank faces the prospect of having to move its whole operation, at a prohibitive cost of $600,000, which is considered above its present capacity.

Keystone Trust Company anticipates a problem in management succession in the near future. The three officers who presently manage the institution, the chairman-president, the executive vice president, and a younger vice president with a progressive disability, expect to retire within the next several years. Efforts to attract young and able management as replacements have been futile. Although salaries have been raised over 50 percent in the last 3 years, an increase to a competitive level would mean an overall adjustment of the payroll, and therefore a substantial reduction in the present earnings of the Keystone Trust Company.

The financial soundness of Keystone Trust Company is not questioned. Deposit growth has been small but steady, and its 1968 net operating income was $149,000, substantially above the 1964–68 average of $132,000. To maintain such earnings, the bank has attempted to operate on minimum expenses and low salaries. Also, it has shifted its assets to concentrate heavily on tax-free municipal bonds. In recent years it has been selling Federal funds to its correspondent bank for lack of loan demand in the area. It pursues no active program for advertising or soliciting new accounts, and some long-time customers have been compelled to sever connections with Keystone when their financial requirements surpassed the bank's lending capacity. After 50 years of operation, it has little more than $11 million in deposits, and a lending limit of $110,000.

There is virtually no competition between the applicant banks due to the distance which separates them. The Fulton National Bank has no branches in Dauphin County, and Fulton's nearest office to the Keystone Trust is its branch in Manheim, 28 miles southeast of Harrisburg. Although Pennsylvania law permits the Fulton National Bank to branch *de novo* into Harrisburg, cost and delay are prohibitive of such a venture.

The proposed merger will not be adverse to the present banking structure of Harrisburg. Commercial banking in the city is concentrated in three strong, well-managed, and innovative banks; The Harrisburg National Bank and Trust Company, with deposits of $173.1 million; Dauphin Deposit Trust Company, with deposits of $197.6 million; and the Harrisburg branches of National Bank and Trust Company of Central Pennsylvania, York, Pa., with deposits of $220.4 million. The merging bank falls far short of its competitors in both size and services offered. However, merger of the applicant banks will create an institution with deposits of $108 million. While this is less than the other three banks, it will bring, to a rundown and economically blighted part of Harrisburg, an aggressive and far-sighted facility, having an ability to stimulate, rather than stifle, competition.

The public served by the resultant bank will realize several advantages from the merger. The lending capacity of the bank will be increased to $666,500, providing increased accommodation to loan requests that have been previously refused by the merging bank because of low lending limit and conservative banking policy. Furthermore, the resultant bank will offer highly improved services to the customers of the Keystone Trust Company, including Bank Americard, broader loan services, a business development program, and a more complete trust department. Finally, with combined personnel and managerial talent available to the resulting bank, this merger will resolve the merging bank's succession problem and establish improved public service in the trade area of the merging bank.

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

May 21, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the merging banks are located some 39 miles apart; the nearest branch office of Fulton National to Keystone Trust's office is at Manheim in Lancaster County, some 28 miles southeast of Harrisburg; several banks appear to operate in the intervening areas. Consequently, it is doubtful that significant direct competition exists between the parties to this proposed merger.

Pennsylvania law would permit Fulton National to establish *de novo* branch offices within the area served by Keystone Trust, and Fulton National would appear to be the third largest potential entrant into Dauphin County. Commercial banking in Dauphin County is highly concentrated; as of June 1966, the three largest banks held approximately 80 percent of county IPC demand deposits. However, on that date, Keystone Trust, the smallest bank in Harrisburg, held approximately 2.7 percent of such deposits. Accordingly, in view of Keystone Trust's small size, we conclude that the proposed merger would have no significant adverse effect on potential competition.

* * *

Adams County National Bank, Cumberland Township, Pa., and The First National Bank of York Springs, York Springs, Pa.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The First National Bank of York Springs, York Springs, Pa. (7856), with | $4, 512, 753 | 1 | |
| and Adams County National Bank, Cumberland Township, Pa. (311), which had | 47, 340, 533 | 5 | |
| merged July 31, 1969, under charter and title of the latter bank (311). The merged bank at date of merger had | 51, 853, 286 | | 6 |

### COMPTROLLER'S DECISION

On April 17, 1969, Adams County National Bank, Gettysburg, Pa., and The First National Bank of York Springs, York Springs, Pa., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

Adams County National Bank, the charter bank, was organized in 1857 as a State bank under the laws of the Commonwealth of Pennsylvania. This bank, with IPC deposits of $38 million, is the fifth largest bank, in terms of loans and deposits, of the 13 banks operating in Adams County.

The merging bank, a one-office institution located 14 miles north of Gettysburg, was organized as a National bank in 1905. This bank, with IPC deposits of $3.6 million, is 12th in size among banks operating in Adams County. After the proposed merger, the resulting bank will remain fifth in size in terms of loans and deposits of the banks operating in the county.

Adams County is a prosperous area with an economy dependent on agriculture, industry, and tourism. Nearly 3 million tourists are attracted annually to Gettysburg, the headquarters of the charter bank. Businesses dependent on the tourist trade, such as restaurants and motels, have prospered and increased in number in recent years. The economy of this area is also benefited by the presence of Gettysburg College, a coeducational school with over 1,800 students. The merging bank, located in York Springs, a community with a population of 500, serves the northern portion of the county, an area with a population of approximately 6,500. This primarily agricultural area is economically benefited, to a limited degree, by the influx of tourists into the Gettysburg area to the south. However, the present level of economic activity is not sufficient to warrant *de novo* entry by the charter bank.

There is virtually no competition between the charter bank and the merging bank. The merging bank, with one banking office, is geographically remote from the main office and four branches of the charter bank. An analysis of the deposits of each of the applicant banks indicates that less than 1 percent of these deposits originated in the market area of the other. The proposed merger will increase competition in the York Springs area, where the main competitors of the resulting bank will be Cumberland County National Bank, with deposits of $81 million, and Harrisburg National Bank and Trust Company, with deposits of $173 million. Both of those banks maintain offices in Dillsburg, 9 miles northwest of York Springs.

The proposed merger will serve the convenience and needs of the York Springs area in several ways. First, the merging bank has experienced difficulty in servicing its larger customers because of its relatively small lending limit. The lending capacity of the resulting bank will adequately meet the financial needs of the York Springs community. The resulting bank will also furnish trust services, heretofore unavailable in York Springs. A number of much needed physical improvements on the York Springs bank will be accomplished without an undue burden on earnings, and internal operations will be improved by the installation of more efficient bookkeeping equipment.

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

JUNE 25, 1969.

### SUMMARY OF REPORT BY ATTORNEY GENERAL

The merging banks serve generally different sections of Adams County, and the amount of business which each draws from the service area of the other would appear to be limited.

York Springs Bank is the only bank located in York Springs. A branch of Adams Bank (acquired by merger in 1967) is one of the two banking offices in nearby East Berlin and is among the closest banking alternatives to the York Springs service area.

It may be a source of some direct competition which the proposed merger will eliminate.

As of June 1968, the two largest banks in Adams County held over 67 percent of county IPC demand deposits. While Adams County may somewhat overstate the extent of the relevant market, the proposed merger will increase the share of Adams Bank by about 2.6 percent to approximately 37 percent of such deposits and the share of the two largest banks to nearly 70 percent.

* * *

### The First National Bank of Scottsboro, Scottsboro, Ala., and The American National Bank of Bridgeport, Bridgeport, Ala.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The American National Bank of Bridgeport, Bridgeport, Ala. (11168), with...... | $2, 014, 991 | 1 | ............ |
| and The First National Bank of Scottsboro, Scottsboro, Ala. (8963), which had... | 15, 265, 585 | 4 | ............ |
| merged July 31, 1969, under charter of the latter bank (8963) and title "The First National Bank, Scottsboro, Alabama." The merged bank at date of merger had.. | 17, 239, 377 | ............ | 5 |

#### COMPTROLLER'S DECISION

On April 15, 1969, The First National Bank of Scottsboro, Scottsboro, Ala., and The American National Bank of Bridgeport, Bridgeport, Ala., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of "The First National Bank, Scottsboro, Alabama."

The First National Bank of Scottsboro, the charter bank, which was founded in 1907, operates three branches, and has IPC deposits of $11.5 million. This bank ranks first in size among the five banks operating in Jackson County. The charter bank has enjoyed a fine reputation since its organization and its future prospects are excellent.

The American National Bank of Bridgeport, the merging bank, was organized in 1918. It has IPC deposits of $1.5 million, and operates no branches. This bank also enjoys a fine reputation; however, its future prospects are not particularly encouraging in view of its low lending limit and lack of management depth.

Both the charter bank and the merging bank are located in Jackson County which, according to the 1960 census, had a population of 6,649. Prospects of continued population and economic growth are excellent in light of the fact that the Revere Copper and Brass Co. has announced plans to construct a major manufacturing facility costing approximately $165 million. When this plant is completed, by the end of 1972, this company alone will employ an estimated 2,000 persons. The town of Bridgeport, which is 28 miles north of Scottsboro, has a population of about 3,000. Indications are that Bridgeport is also on the threshold of a period of industrial expansion. Two new industrial plants recently opened, and prospects of attracting additional industry and expanding existing industry are good.

There is virtually no direct competition between the subject banks. The charter bank serves most of the southern half of Jackson County, while the merging bank serves a small area in the north. In addition to the fact that the service areas of the subject banks do not overlap, there is another bank located between the two, 6 miles south of Bridgeport.

There is convincing evidence of a need for a larger bank in the Bridgeport service area, where the growth trend is encouraging. The merging bank, with its low lending limit, is ill equipped to service an expanding economy. Consummation of the proposed merger will provide assurance that progressive policies will be pursued to meet the growing needs of the area.

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

June 26, 1969.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

The First National Bank of Scottsboro ("First National") operates its head office and three branches in Jackson County, Ala. The American National Bank of Bridgeport ("American Bank") operates its sole office in Bridgeport, Jackson County. Jackson County is currently served by five banks with nine banking offices. First National has approximately 38.2 percent of the total deposits in Jackson County and 34.4 percent of the IPC demand deposits. American Bank has about 5.3 percent of the total deposits and 4 percent of the IPC demand deposits.

The closest offices of these two banks are approximately 19 miles apart. Since customers in the Bridgeport area have two alternatives to American Bank within 10 miles, little, if any, direct competition between the merging banks is likely to be eliminated.

Applicable law permits *de novo* branching within Jackson County. However, due to the alternative commercial banks in the Bridgeport area, and the sparse population of the area, the opportunity for *de novo* entry seems small.

It is, therefore, unlikely that the proposed merger would eliminate any significant amount of direct or potential competition.

* * *

UNITED NATIONAL BANK OF VERMILLION, VERMILLION, S. DAK., AND UNITED NATIONAL BANK OF BRANDON, BRANDON, S. DAK., AND LYMAN COUNTY BANK, KENNEBEC, S. DAK.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| United National Bank of Brandon, Brandon, S. Dak. (15581), with | $5, 260, 317 | 3 | |
| Lyman County Bank, Kennebec, S. Dak., with | 2, 673, 996 | 1 | |
| and United National Bank of Vermillion, Vermillion, S. Dak. (15639), which had | 16, 038, 608 | 6 | |
| merged July 31, 1969, under charter of the latter bank (15639) and title "United National Bank of Vermillion, Vermillion, South Dakota." The merged bank at date of merger had | 23, 972, 921 | | 10 |

COMPTROLLER'S DECISION

On April 21, 1969, the United National Bank of Vermillion, Vermillion, S. Dak., the United National Bank of Brandon, Brandon, S. Dak., and the Lyman County Bank, Kennebec, S. Dak., filed an application with the Comptroller of the Currency for permission to merge under the charter of the United National Bank of Vermillion and with the title of "United National Bank of Vermillion, Vermillion, South Dakota."

The United National Bank of Vermillion was organized as a State bank in 1914, and converted to a National charter in 1967. This bank now holds IPC deposits of $12 million at its main office and five branches in Vermillion, Gayville, Wakonda, Volin, and Tabor, in the extreme southeastern portion of the State. The town of Vermillion, in which the main office of the charter bank is located, has a population of about 10,000, and is the county seat of Clay County. The surrounding area contains some of the richest farmland in the State, and is largely devoted to agriculture and livestock production. Retail trade activity is also important, and the presence of the University of South Dakota, with an enrollment of 6,000 students, also generates some employment.

The United National Bank of Brandon, Brandon, S. Dak., was chartered in 1905 as a State bank, and converted to a National charter in 1966. The United National Bank of Brandon now operates branches at Valley Springs and Canistota, and has IPC deposits of $4.1 million. Brandon, where the bank's main office is located, has a population of approximately 1,200, and lies about 10 miles east of Sioux Falls, the largest city in the State, and about 75 miles north of Vermillion. The economy of this area is also dependent on agricultural activity, including livestock production and dairy farming. Because of its proximity to Sioux Falls, Brandon has, in recent years, developed as a residential community for people employed in Sioux Falls.

The Lyman County Bank, Kennebec, S. Dak., was organized in 1955, and presently holds IPC deposits of about $2.1 million. The town of Kennebec has a population of approximately 370, and lies in a sparsely populated portion of south-central South Dakota. Agricultural activity predominates in this area, including the production of livestock and the raising of wheat and other cereals.

There is no existing competition among the merging banks, whose service areas do not overlap. The development of any competition is unlikely because the three banks are under common ownership and control. The resulting bank will continue to meet intense competition from the branches of two banks which are members of Minneapolis-based holding companies, *viz.*, The National Bank of South Dakota, with its main office in Sioux Falls, and total assets of $148 million, and the Northwestern National Bank of Sioux Falls, which has total assets of approximately $108 million.

On consummation of this merger, the banking public will benefit from the availability of the increased lending limit necessary to meet the expanding credit demands of an agricultural economy marked by growing consolidation of operating units, and requiring greater investments in operating equipment and fixed assets. The trust services recently instituted by the charter bank will become available at the banking outlets of the resulting bank. The merger will also permit the effectuation of operating economies and the improved allocation of management resources.

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

June 26, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The home office of Vermillion Bank is 75 miles southwest from Brandon Bank's home office, and 207 miles southeast from Lyman Bank's home office. The home office of Lyman Bank is 167 miles west of Brandon Bank's home office. The closest branch of Brandon Bank is over 130 miles from Lyman Bank. Various banking alternatives exist in the intervening areas. Hence, no significant direct competition will be eliminated by this merger.

South Dakota law does not permit banks to branch *de novo* into any of the cities or towns where any one of the merging banks presently operates, although branches might be established in communities without banks. Because of the size of the banks and the nature of the communities involved, as well as the presence of other likely potential entrants into the counties, the proposed merger does not appear to eliminate any significant potential competition.

We conclude that this merger is not likely to have an adverse effect on competition.

* * *

THE INDIAN HEAD NATIONAL BANK OF NASHUA, NASHUA, N.H., AND THE SALEM TRUST COMPANY, SALEM, N.H.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Salem Trust Company, Salem, N.H., with | $6, 339, 486 | 1 | |
| and The Indian Head National Bank of Nashua, Nashua, N.H. (1310), which had | 65, 358, 134 | 3 | |
| merged Aug. 8, 1969, under charter and title of the latter bank (1310). The merged bank at date of merger had | 71, 698, 280 | | 4 |

COMPTROLLER'S DECISION

On March 11, 1969, The Salem Trust Company, Salem, N.H., and The Indian Head National Bank of Nashua, Nashua, N.H., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Indian Head National Bank of Nashua, the charter bank, with IPC deposits of $28.5 million, was organized in 1851. In addition to its head office in Nashua, it operates two branches, one in Hudson and one in Merrimack. It is a member of New Hampshire Bankshares, Inc., a registered bank holding company which controls seven commercial banks in New Hampshire with total deposits of $143.6 million.

The service area of the charter bank includes Nashua and contiguous towns in southeast New Hampshire. The population of Nashua is about 46,000, while that of the service area is somewhat greater. The economy of this area is mixed residential, industrial, and commercial. Much new industry has located in the area in recent years, while the construction of new homes and other buildings has contributed to phenomenal growth in the area.

Competing financial institutions in the Nashua area include the Nashua Trust Company, Second National Bank, Nashua, and the Nashua Federal Savings and Loan Association, all of which are of a similar size to the charter bank; and the First Federal Savings and Loan Association, Nashua, which is somewhat smaller.

Salem Trust Company, with IPC deposits of $4.1 million, was chartered in 1953, and is a unit bank. The bank is faced with a management succession problem as its executive vice president is nearing retirement and no one appears available to replace him.

The service area of the merging bank, which includes Salem, has a population of about 16,000, and lies about 16 miles southeast of the charter bank's main office. The economy of this area, which has been the fastest growing in New Hampshire in the last 16 years, is also mixed residential, industrial, and commercial. Although in close proximity to the service area of the charter bank, the merging bank's service area is separate and distinct.

Banking competition comes from a number of larger banks and other financial institutions located in nearby industrial towns in Massachusetts. These include the Arlington Trust Company, and Bay State Merchants National Bank, both of Lawrence, Mass.; Merrimack Valley National Bank, Haverhill, Mass.; Andover Savings Bank, Andover, Mass.; and the Community Savings Bank, Lawrence Savings Bank, and Essex Broadway Savings Bank, all of Lawrence, Mass. The Salem Co-Operative Bank, Salem, N.H., also competes, while the newly-chartered Rockingham Trust Company, Salem, will compete in the future.

This merger will solve the merging bank's management succession problem. It will benefit the Salem banking market by introducing a larger bank more capable of serving the area's banking needs for larger loans.

The merger will not adversely affect competition. The resulting bank will be more capable of competing with the larger Massachusetts-based banks dominating the Salem market. In Nashua, the addition of the merging institution to the charter bank should not significantly affect the local banking structure. The merging banks do not compete since their service areas, though contiguous, do not overlap. Finally, none of the charter bank's affiliates are near enough to the merging bank to compete.

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

July 7, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Nashua Bank and Salem Trust are located in contiguous Hillsborough and Rockingham counties in southern New Hampshire.

Salem Trust is approximately 15 miles east of the closest office of Nashua Bank, in Hudson. However, documents submitted by Nashua Bank indicate that both Nashua Bank and the First National Bank of Derry, with which Nashua Bank is affiliated through New Hampshire Bankshares, Inc., a registered bank holding company, derive some business from Salem Trust's service area. While existing highways would appear to make banks in northern Massachusetts more convenient to the Salem area than is Nashua Bank, these same highways connect Salem to the nearby town of Derry, where the First National Bank of Derry is located.

Under New Hampshire law, Nashua Bank and Salem Trust are potential competitors in certain areas. In view of the extensive growth being experienced by these areas, elimination of this potential competition might adversely effect the development of a competitive banking market in the area to match its growth.

New Hampshire Bankshares, Inc., presently controls 41 percent of total commercial bank deposits in Rockingham County; the proposed merger will increase this share by about 4 percent. New Hampshire Bankshares also controls about 25 percent of total commercial bank deposits in contiguous Hillsborough County.

Since the proposed merger would eliminate some existing direct competition and the potential for greater competition between Salem Trust and Nashua Bank and its affiliates, and would further entrench the dominant position of Nashua Bank's parent holding company in the southernmost counties of New Hampshire, we conclude that it would have an adverse effect on competition.

* * *

The Laconia National Bank, Laconia, N.H., and The Peoples National Bank of Laconia, Laconia, N.H.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Laconia National Bank, Laconia, N.H. (1645), with | $10,230,759 | 2 | |
| and The Peoples National Bank of Laconia, Laconia, N.H. (4037), which had | 7,694,704 | 3 | |
| merged Aug. 15, 1969, under charter of the latter bank (4037) and title "Laconia Peoples National Bank & Trust Company." The merged bank at date of merger had | 17,810,655 | | 4 |

## COMPTROLLER'S DECISION

On March 24, 1969, The Laconia National Bank, Laconia, N.H., and The Peoples National Bank of Laconia, Laconia, N.H., 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 "Laconia Peoples National Bank & Trust Company."

The Peoples National Bank of Laconia, with IPC deposits of almost $5 million, was chartered in 1889. It has one branch, a drive-up facility, located on Main Street, directly across from its head office. It will be relocated to make way for an urban renewal program.

The Laconia National Bank, with IPC deposits of $7.1 million, was originally chartered in 1965. Its main office is also on Main Street, just a few hundred feet from the main office of the charter bank. Urban renewal is also expected to take over this bank's main office. It operates one branch in the Weirs Beach area, about 7 miles north. This branch is open only from mid-June through October to serve the recreational and seasonal businesses which operate in the immediate locale. Off-season activity here is virtually nonexistent.

Both banks serve the town of Laconia and surrounding territory. The present population of Laconia is about 16,000 while the surrounding trade area of about 20 communities has a population approaching 50,000. Laconia is located in the center of the State and is the county seat for Belknap County. The economy of the area is industrial and consists principally of the manufacture of textiles and textile machinery and the production of paper and lumber. Tourism is important with the presence of ski areas and summer resort activity.

The merging banks are two of five financial institutions located in downtown Laconia. The others are the City Savings Bank, with deposits of $7.7 million; Laconia Federal Savings & Loan Association, with deposits of $9.4 million; and the Laconia Savings Bank, the largest institution in town, with deposits of $35.9 million. Another local bank is the Lakeport National Bank, located 1.5 miles north of the downtown area, which has deposits of $6.3 million. Other commercial banks located within, and on, the periphery of the overall service area also compete. Strong competition for these banks originates from the larger banks to the south, based in Manchester, Concord, and Nashua, which advertise locally and attempt to serve the larger businesses in the area. Personal finance companies operate in the area and provide additional competition.

The merger will assist the banks in solving the office space problems caused by urban renewal programs. In addition, the merger will strengthen management and enable the resulting institution to be more effective in attracting management and other personnel than either bank operating separately is able to do. Although both banks offer trust services, the merger is expected to enable the resulting bank to expand and strengthen those services. To this end it will be feasible for the larger resulting institution to hire an experienced full-time trust officer. The normal economies of scale which a larger institution can effect will be available and will contribute to better service at lower cost.

The Peoples National Bank has been a tenant of the community's largest financial institution, the Laconia Savings Bank. A condition of such relationship has been the former's agreement not to solicit time deposits. The merger will enable this bank to overcome this restriction with the resulting bank able to offer stronger competition to this much larger savings institution. The resulting bank will also be in a better position to meet any competitive threats in the community from larger banks based in Concord, Manchester, and Nashua. With respect to other smaller institutions which compete, it is believed that future economic growth will enable them to profit and grow along with the resulting bank.

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

MAY 27, 1969.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the merging banks are both located in the center of the Laconia business district. There are a substantial number of common deposit and loan accounts. Therefore, it would appear that this merger will eliminate substantial direct competition between the merging banks.

All offices of the participating banks are located in Belknap County. As of June 30, 1968, Laconia National held the largest share, approximately 32 percent, of total deposits in this county, while Peoples National held the second largest share, approximately 27 percent, of such deposits. Their combined share of these deposits would have been about 59 percent, more than twice as large as that of the next largest commercial bank.

These substantial concentration figures probably understate the competitive effects of this merger, for competition between the merging banks would appear to be most direct in Laconia itself, where there are no commercial banking alternatives. The only other bank within a radius of 5 miles of Laconia is smaller than either of the participating banks. The proposed merger would combine the only competitive alternatives in Laconia, and would tend to deter the development of a more competitive commercial banking structure in that community.

Since this merger would combine two direct competitors with substantial shares of the relevant local market, we believe that it would have a serious effect on competition therein.

* * *

VIRGINIA NATIONAL BANK, NORFOLK, VA., AND COMMONWEALTH NATIONAL BANK OF ARLINGTON, ARLINGTON, VA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Commonwealth National Bank of Arlington, Arlington, Va. (15146), with | $34, 777, 218 | 11 | |
| and Virginia National Bank, Norfolk, Va. (9885), which had | 817, 246, 421 | 79 | |
| merged Aug. 15, 1969, under charter and title of the latter bank (9885). The merged bank at date of merger had | 851, 531, 017 | | 90 |

COMPTROLLER'S DECISION

On April 14, 1969, the Commonwealth National Bank of Arlington, Arlington, Va., and the Virginia National Bank, Norfolk, Va., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The charter bank, the Virginia National Bank, with IPC deposits of $620 million, operates 78 offices in the southern and central parts of Virginia. Although it is the largest independent bank in the State, it operates in only one of the six largest metropolitan areas of Virginia, and it is barred by the State branching law from establishing *de novo* branches in the other five metropolitan markets.

The merging bank, with IPC deposits of $22 million, maintains its head office, and three branches, in Arlington County and operates one branch in Falls Church. It has obtained approval to open four additional branches in Arlington County, two in the city of Alexandria and one in Falls Church. This bank is located within the Washington Standard Metropolitan Statistical Area.

The applicant banks do not compete with each other. Their closest offices are 90 miles apart, and State law prevents both banks from branching in the intervening area.

Consummation of the proposal will bring an additional full-service competitor into the Washington-Northern Virginia banking market, largely comprised of the Washington Standard Metropolitan Statistical Area, which is the fastest growing urban area in the country. It also has the highest family income and per capita income in the Nation. Its per capita bank deposits, however, are below the national average.

In 1960, the District's share of the standard metropolitan statistical area population was the largest segment. At the end of 1967, however, both the Maryland and the Virginia segments were larger than the District's. The Northern Virginia area is expected to continue to expand rapidly, particularly since nearly two-thirds of the land included in the standard metropolitan statistical area is located in Virginia.

In this mushrooming economy, the merging bank is the smallest independent bank in a market dominated by holding company banks. The merging bank's lack of size prevents continuing effective competition in the face of banking systems having access to new capital and the management resources needed to expand and diversify. The bank has only 0.3 percent of the total deposits of the 75 banks in the area.

The large banks presently operating in the Washington area include all of the District of Columbia banks, the five largest Maryland banks, and members of five Virginia-based registered bank holding companies. Consummation of the proposal is the only method allowed by law to bring Virginia's largest independent bank into its largest banking market and to bring a sizable new competitor into this area of dynamic growth with only a very minimal increase in the concentration of the State's banking resources.

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

JULY 7, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

VNB's closest office to the Arlington area is some 90 miles away. There are many intervening banks. VNB, however, does have a few deposits and makes a few loans in the Greater Washington Area. Commonwealth does not do any business in the areas served by VNB. Hence, the actual competition eliminated by this merger will not be significant.

In Virginia, a bank may not branch *de novo* outside its headquarters, city or county, and limited contiguous territories. It may, however, effect entry anywhere else in the State by merger with an existing bank. But no new branches will be authorized after the merger except in the area of the bank's headquarters. As a result, many of the State's largest banking corporations, other than VNB, have expanded by use of the holding company device.

Commonwealth is among the newer and smaller banks located in the Arlington area. With $20.5 million of total deposits, it is the ninth largest banking organization in terms of operations in the area, i.e., if the banks owned by holding companies are counted as single organizations. Its share of the Arlington area deposits is 3.3 percent while four holding companies control around 75 percent of deposits in the same area.

In view of the acquired bank's size and relatively modest market position in the Arlington area, we conclude that the proposed merger is not likely to have any significantly adverse effect on competition.

* * *

THE NATIONAL STATE BANK, ELIZABETH, N.J., AND FIRST BANK AND TRUST COMPANY, N.A., FORDS, N.J.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| First Bank and Trust Company, National Association, Fords, N.J. (15255), with | $112,931,942 | 10 | |
| and The National State Bank, Elizabeth, N.J. (1436), which had | 237,966,511 | 18 | |
| consolidated Aug. 18, 1969, under charter and title of the latter bank (1436). The consolidated bank at date of consolidation had | 350,286,259 | | 28 |

COMPTROLLER'S DECISION

On March 28, 1969, The National State Bank, Elizabeth, N.J., with IPC deposits of $191.8 million, and the First Bank and Trust Company, National Association, Fords, N.J., with IPC deposits of $94 million, applied to the Office of the Comptroller of the Currency for permission to consolidate under the charter of the former and with the title of "The National State Bank, Elizabeth, N.J."

Union County, the home of the charter bank and its 13 branches in nine different municipalities, is situated in northeast New Jersey, just west of New York City. The county, whose population is estimated to be 575,200, derives much of its economic stimulus from its relationship to New York City. Currently the county can count over 100 large concerns; its employment is stable, and for years it has been one of the top 10 counties in the United States with respect to annual per capita income. The cities and towns in Union County have been described as bedroom communities for New York City. With the present industrial expansion underway in New Jersey, the New Jersey communities are asserting their economic independence and activity.

The county has excellent transportation facilities, being served by Newark Airport, which is undergoing a $200 million expansion program; the Port of New York Authority's Elizabeth Marine Terminal, which in 1967 handled 30 percent of all the foreign cargo moved through the New York-New Jersey Port; train facilities; and an excellent road system, including the Garden State Parkway, the New Jersey Turnpike, and interstate highways 82 and 278.

Middlesex County, the location of the consolidating bank with its main office in Fords, N.J., and its eight branches located in four different municipalities, has a population of 578,000. Middlesex County, which is directly south of Union County, boasts much industrial and residential development. This county is still experiencing the transition from agriculture to industry, and much room remains for further development. There are 75 large business concerns located in the county. Among the firms that now employ more than 2,000 workers are Ford, Western Electric, Squibb, Du Pont, RCA, A.T. & T., McCalls Magazine, and International Business Machines. Rutgers University, New Brunswick, N.J., the largest State university, is undergoing a big expansion program in its science and medical centers.

The charter bank, incorporated in 1812, converted to National bank status in 1865, and has total assets of $242.4 million. It is the largest bank in Union County, and is a sound, well-capitalized, and aggressive institution. The consolidating bank, incorporated in 1937, converted into a National bank association in 1964, and has total assets of $116.3 million as of December 31, 1968, making it the largest bank in Middlesex County. President Roosevelt, who is also president of the charter bank, divides his time between these institutions, as both are affiliated through common ownership of a majority of stock.

The proposed merger will not be adverse to the existing banking structure. At present there are 32 commercial banks, with 114 branches, in Union and Middlesex counties and 22 of these offices will be operated by the resulting bank. Although the two banks are the largest in their respective counties, one must consider the consolidation in light of the recently enacted New Jersey banking law which has divided New Jersey into three banking districts, putting the two applicant banks into the Central Banking District. In this district, as of December 31, 1968, there were 68 commercial banks with 218 branches, 66 savings and loan institutions, and 10 savings banks with 14 branches. These financial institutions have aggregate deposits in excess of $4.43 billion, and total loans exceeding $2.98 billion. Comparing the resulting bank's total deposits of $315 million, and total loans of $200 million, to the balance of the banking district, it has only 7.2 percent of the total deposits and 6.7 percent of the total loans.

In addition to competition from banks, the resulting institution can expect to compete with insurance companies for mortgage loans and credit unions, finance companies, and factoring companies for ordinary credit needs. Due to the proximity of the banking houses of New York City to the Central Banking District in New Jersey, there is appreciable competition vying for the increasing money demands of New Jersey borrowers.

There is no significant competition between the applicant institutions. Only in the vicinity of Rahway and Avenel, N.J., do the respective service areas overlap. Because the banks are affiliated through a majority of stock being owned by the same persons, by operating under the same president, and in following the same banking policies, the banks have purposely not attempted to compete.

Consolidation of the two institutions will inure to the advantage of the community. The lending capacity of the resulting bank will be increased to $2 million, thereby eliminating many loan participations with other banks. Also, consolidation will give the bank greater depth in its management and improve internal efficiency and public service.

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

July 17, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

First Bank and Trust Company, N.A., operates its principal office and eight branches in Middlesex County. The National State Bank operates its principal office and 13 branches in Union County.

A majority of the stock of each of the two banks has been commonly owned for 30 years. Therefore, it is unlikely that the proposed consolidation will eliminate any effective existing or potential competition.

* * *

First National Bank of Eastern North Carolina, Jacksonville, N.C., and Home Bank and Trust Company, Hendersonville, N.C.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Home Bank and Trust Company, Hendersonville, N.C., with | $4, 231, 157 | 2 | |
| and First National Bank of Eastern North Carolina, Jacksonville, N.C. (14676), which had | 99, 517, 766 | 26 | |
| merged Aug. 29, 1969, under charter and title of the latter bank (14676). The merged bank at the date of the merger had | 103, 748, 922 | | 28 |

COMPTROLLER'S DECISION

On April 24, 1969, Home Bank and Trust Company, Hendersonville, N.C., and First National Bank of Eastern North Carolina, Jacksonville, N.C., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The charter bank, with IPC deposits of $70 million, operates 25 offices in 18 communities, primarily in the eastern portion of North Carolina. It holds some 13.4 percent of total deposits in the 14 counties in which it now has offices. The bank's service area is primarily dependent upon an agricultural economy, balanced by large military installations and increasing industrialization. Generally, economic conditions in the primary service area of the charter bank show a higher volatility than elsewhere in North Carolina, for local tobacco production is declining and military installations are subject to rapid budgetary shifts.

Hendersonville, N.C., is the site of the main office and sole branch of the merging bank. The county seat of the 36,000 population Henderson County, Hendersonville, is situated in the midst of a diversified and stable economy dominated by resort activities, agriculture, and new industry whose future growth prospects are favorable.

The merging Home Bank and Trust Company was organized October 11, 1967, and has grown rapidly during its short existence. It now holds IPC deposits of $2.5 million.

There is no present competition between the merging and charter banks. The closest branch of the charter bank to Home Bank and Trust Company is 100 miles distant, over mountainous terrain, and the likelihood of the charter bank's establishing a *de novo* branch in Hendersonville is minimal. After consummation of this merger, less than 0.1 percent would be added to the charter bank's share of 1.4 percent of total bank deposits in the State, and its current rank of 11th, among the State's 120 banks, would be unchanged.

By replacing the merging bank with an office of an out-of-county institution, the merger would not result in the elimination of any alternative banking source in Henderson County. Home Bank's competitors have been the third and fifth largest banks in North Carolina and the merger may serve to increase effective competition in Henderson County.

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

JULY 29, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Home Bank operates two offices in Hendersonville, Henderson County, in western North Carolina. First National's only office in the western part of North Carolina is located in Boone, Watauga County, more than 115 miles northeast of Hendersonville. All of its other offices are more than 235 miles from Home Bank's offices. Thus, it does not appear that any significant direct competition will be eliminated by the proposed merger.

North Carolina law permits statewide *de novo* branching; therefore, First National could legally branch *de novo* into the area served by Home Bank. However, in view of the distances involved and the relative size and competitive position of Home Bank in Henderson County, we do not believe that this merger would have a substantially adverse effect on potential competition.

* * *

FIRST NATIONAL BANK OF HATTIESBURG, HATTIESBURG, MISS., AND FIRST NATIONAL BANK OF BILOXI, BILOXI, MISS.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| First National Bank of Biloxi, Biloxi, Miss. (14739), with | $23,908,723 | 4 | |
| and First National Bank of Hattiesburg, Hattiesburg, Miss. (5176), which had | 48,980,609 | 5 | |
| merged Aug. 29, 1969, under charter of the latter bank (5176) and title "First Mississippi National Bank." The merged bank at date of merger had | 73,059,029 | | 9 |

COMPTROLLER'S DECISION

On December 20, 1968, the First National Bank of Biloxi, Biloxi, Miss., and the First National Bank of Hattiesburg, Hattiesburg, Miss., 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 "First Mississippi National Bank." A public hearing was held on this application in Memphis, Tenn., on May 28, 1969.

The First National Bank of Hattiesburg, the charter bank, was established in 1895. It now operates four branches and has IPC deposits of $32.3 million.

For a number of years, the charter bank and Citizens Bank of Hattiesburg were the only banks operating in Forrest County. However, in 1965 the Southern National Bank opened. This bank has shown remarkable growth since its opening so that it is presently a significant competitive force in the county. Competition for consumer loan business is also supplied by firmly entrenched small loan companies.

Hattiesburg, the seat of Forrest County, is located in the south-central section of Mississippi. The population of the city is approximately 39,200, while the county population is estimated at 58,700. Hattiesburg is the trade and industrial center for southern Mississippi. A major source of income is derived from manufacturing plants, with a steady employment force of about 10,000.

The First National Bank of Biloxi, the merging bank, was established in 1893 as a State-chartered institution, and has operated under a National charter since 1952. This bank operates three branches and has IPC deposits of $15.2 million.

Biloxi, headquarters of the merging bank, is located on a narrow peninsula bordered by the Gulf of Mexico, Biloxi Bay, and Back Bay. The population of the city is approximately 50,000. Harrison County, in which Biloxi is located, has an approximate population of 142,500. This city has an interesting background; settled by the French in 1719, it has since flown the flags of Spain, England, the West Florida Republic, the Confederacy, and the United States. Old World charm and a mild climate make Biloxi one of the most popular resort cities in the South.

The economy of this area is dependent upon the Federal Government, tourism, and shrimp- and oyster-packing industries. Kessler Air Base, at which approximately 16,000 servicemen are stationed, is located within the city limits of Biloxi. Reliable estimates indicate the Defense Department invested more than $0.5 billion in constructing this base. The annual payroll generated by this facility exceeds $80 million. Biloxi is the largest shrimp and oyster port on the coast, with 30 seafood canneries and a fleet of 1,000 boats.

The merging bank competes with four other banks in Harrison County, operating 16 banking offices. A major competitive force in this area is the Hancock Bank, which has total deposits of $62 million, or more than one-half of the total deposits of the county.

Consummation of the proposed merger will not have an adverse effect on competition. The home counties of the applicant banks are not contiguous, but are separated by Stone County. The nearest offices of the two banks are approximately 81 road-miles apart, and most of the intervening area is occupied by the DeSoto National Forest, which acts as a natural barrier to competition between the applicant banks. There is no evidence that the applicant banks have common depositors or that either bank has any depositors from the home county of the other. In Biloxi, consummation of the proposed merger will introduce a more competitive force to vie with the much larger banks operating there. Consummation of the proposed merger will have little effect on the bank structure of Hattiesburg.

The merger will provide the merging institution with the youthful, aggressive management which it now lacks; a critical management succession problem will be alleviated. The merger will make available to the resulting institution a larger lending limit, and will make possible some economics of scale. Present customers of the merging bank will have available increased services while the trust facilities which the merging bank possesses will be expanded and offered in both areas where the resulting bank will operate. The merger will enable the resulting bank to utilize automation to a considerably increased degree.

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

JULY 17, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest offices of the banks are 81 miles apart; there is an extensive national forest and one bank in the intervening area. Therefore, the merger would not appear to eliminate any significant existing direct competition between the banks.

As of June 30, 1968, Biloxi Bank held the third largest share, or 16 percent, of deposits in Harrison County. It is the largest of three banks operating in Biloxi.

Mississippi law would permit Hattiesburg Bank, the largest bank in Forrest County, to establish *de novo* branches in Biloxi. Hattiesburg Bank is the third largest bank legally eligible to branch into Biloxi and the largest eligible bank not already operating a branch near Biloxi. The Biloxi-Gulfport-Pascagoula area of the Mississippi gulf coast has a much higher level of economic growth than Forrest County and would be a likely place for *de novo* entry by Hattiesburg Bank. Therefore, it appears that the proposed merger would have some adverse effect on potential competition.

* * *

COLONIAL NATIONAL BANK, HADDONFIELD, N.J., AND THE FIRST NATIONAL BANK OF WESTVILLE, WESTVILLE, N.J.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The First National Bank of Westville, Westville, N.J. (10430), with | $16, 795, 834 | 3 | |
| and Colonial National Bank, Haddonfield, N.J. (14457), which had | 126, 943, 276 | 8 | |
| merged Sept. 6, 1969, under the charter and title of the latter bank (14457). The merged bank at date of merger had | 143, 739, 109 | | 11 |

COMPTROLLER'S DECISION

On May 14, 1969, The First National Bank of Westville, Westville, N.J., and the Colonial National Bank, Haddonfield, N.J., applied to this Office for permission to merge under the charter and with the title of the latter. Both banks are located within the newly designated Third Banking District in New Jersey.

The charter bank, the Colonial National Bank, is located in Haddonfield, N.J., and operates eight branches in Camden County. The bank, with IPC deposits of $106.5 million, is the third largest bank in the county, and the fifth largest bank in the Third Banking District.

The First National Bank of Westville, the merging bank, is located in Westville, and operates two branches. It has IPC deposits of $13.9 million and is the fourth largest bank in Gloucester County. It ranks 37th in size in the Third Banking District.

Haddonfield, the home-office city of the charter bank, is a community of 14,400 located in Camden County, directly across the Delaware River from Philadelphia. Although most Haddonfield residents work in commercial and industrial enterprises in the county, many commute to Philadelphia for employment.

Westville, the headquarters of the merging bank, is a community of 6,230, and is located in the northwestern portion of Gloucester County. Although the area contains a growing number of small industries and new housing developments, truck farms continue to be an important segment of the economy of Gloucester County. The town of Westville itself, however, is completely developed, both commercially and residentially.

The two banks do not compete with each other at all; they have no common borrowers or depositors, and other banking offices are located between their closest branches. On the other hand, competition within the Third Banking District is lively and would continue to be so. Twenty-four commercial banks will remain in the district. The resulting bank will retain its rank in size as the fifth largest in its district and would operate only 12 of the 104 banking offices in the district.

The merging bank is faced with a severe management problem. The death of the cashier last year left the bank without a full-time experienced manager. The bank has been unable to hire an experienced bank officer and its size and lack of prospects for expansion have prevented the bank from formulating and implementing a management succession policy within the bank. The merger will obviate this management succession problem and will provide the Westville area with a bank offering a larger lending limit and a sufficient range of services to compete with the large banks of Camden and Philadelphia. As the merging bank does not have trust powers, the resulting bank will provide its Westville customers with trust services. In addition, the resulting bank will provide a local charge account service, presently unavailable to the customers of the merging bank. Further, hours of operation will be extended and full range of consumer services will be offered. The strengthening of the Westville Bank will benefit the convenience and needs of its customers, and will increase competition in the Westville area.

In the light of the statutory criteria, the merger appears to be in the public interest. The proposal is, therefore, approved.

July 28, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Colonial, the third largest bank in Camden County, proposes merger with Westville Bank, the fourth largest bank in adjacent Gloucester County. The respective head offices of the merging banks are 6 miles apart; three of Colonial's branches are located about 3.5 miles from Westville Bank's head office. There would appear to be some direct competition between the banks which would be eliminated by the proposed merger. The four largest banks in the Greater Camden Area, designated by the parties as an appropriate market in which to measure the effects of the proposed merger, control about 68 percent of deposits located therein. Colonial's present share of about 12 percent would be increased by nearly 2 percent after the proposed merger. These percentages understate the effects of the proposed merger, as a number of outlying banks in Camden and Gloucester counties do not appear to be integral parts of a proper Camden area market.

Under new New Jersey law, Colonial and Westville Bank may be permitted to open branch offices anywhere in the Third Banking District of New Jersey, except in communities subject to home or branch office protection (Haddonfield and Westville are protected communities). Due in large part to its recent merger activity, Colonial has already become the fifth largest of some 74 commercial banks in the Third Banking District, where the five largest banks together control approximately 42 percent of total deposits in commercial banks. Under the new State banking laws, with their greatly broadened sphere of permissible branching activity, major mergers by the largest banks in the district could significantly increase this percentage, and possibly result in ultimate dominance of district commercial banking by a few very large banking institutions. Such an entrenched market structure would, once achieved, tend to be self-perpetuating, particularly in the context of continued home and branch office protection under State law.

Major mergers by the largest banks may contribute to the development of such a structure by preempting competition among a larger number of able districtwide competitors. For example, acquisitions of banks in or near communities in which the large banks have already attained positions of relative dominance not only further entrench the large banks in these communities but also eliminate the possibility that the acquired banks might become vehicles for entry by banking institutions whose entry into the relevant markets could have significant procompetitive effects. These results are particularly undesirable where home and branch office protection laws, such as those of New Jersey, restrict *de novo* entry by such institutions, thereby further reducing the possibility of market deconcentration.

Should Colonial be permitted to acquire Westville Bank, it would reduce the opportunity for entry into the Camden area market by other more distant banking institutions in the Third District and by any bank holding companies controlling banks in the other banking districts. The proposed merger thus clearly involves loss of potential competition.

In view of the elimination of existing and potential competition and the increase in concentration in the Camden area banking market which will be effected, we conclude that the proposed merger would have an adverse effect on competition.

* * *

First National Bank & Trust Co., Washington, Pa., and First National Bank, Charleroi, Pa.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| First National Bank, Charleroi, Pa. (14123), with | $9,741,906 | 1 | |
| and First National Bank & Trust Co., Washington, Pa., Washington, Pa. (5920), which had | 54,756,021 | 9 | |
| merged Sept. 8, 1969, under the charter and title of the latter bank (5920). The merged bank at date of merger had | 64,497,927 | | 10 |

### COMPTROLLER'S DECISION

On May 27, 1969, the First National Bank & Trust Co., Washington, Pa., Washington, Pa., and the First National Bank, Charleroi, Pa., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

First National Bank & Trust Co., Washington, Pa., the charter bank, was established in 1901 as the First National Bank of Fredericktown, Pa. Since 1955, the charter bank has expanded aggressively by *de novo* branching, acquisition, and merger. With IPC deposits of $40.5 million, it now operates seven branch offices and is about to open an eighth.

Washington, Pa., the county seat of Washington County, had a population of 23,545 in 1960 and served a primary trade area population of 86,356 at that time. Today, with a trade area population approaching 100,000, the entire economy is undergoing a change. Originally residential, the area, which has major interstate highway connections, is being redeveloped for industrial expansion. In addition, the city is the site of Washington and Jefferson College.

The First National Bank, Charleroi, Pa., with IPC deposits of $8.2 million, was chartered in 1934. The bank's operation has been conservative in nature and today it operates through a single office. Industrial activity in the trade area has been declining for a number of years, causing an outward migration of the labor force. The sizable pool of manpower reserves in the trade area and the extensive river, rail, and highway transportation networks provide incentives for industrial growth.

The distance between the main office of the charter bank and the merging bank is approximately 22 miles which, until recently, could be traversed only by second class roads. There is no competition between the two banks. There are no common borrowers or depositors, and neither bank has deposits or loans originating in the other's service area.

Approval of the merger will not tend to create undue concentration. The charter bank competes with seven branches of the major Pittsburgh banks in the Washington area. The merging bank competes directly with two branch offices of Pittsburgh banks in Charleroi, and with 15 such branches in its service area.

Potential competition between the two banks is only theoretically possible. Although Pennsylvania law would permit each bank to branch into the other's service area, the concentration of the larger metropolitan banking institutions in Charleroi's trade area would economically preclude the charter bank's branching there. Slow growth and lack of management depth preclude the reasonable possibility of the merging bank branching into the trade area of the charter bank.

Unlike the merging bank, which has been troubled with management problems and inadequacies because of its small size and lack of employee benefits, the charter bank has an excellent management team. The convenience and needs of Charleroi's banking public will be better served, after the merger, through the infusion of new and progressive management which will compete more vigorously with the large Pittsburgh banks in the trade area. Unlike these banks, the merged institution will offer trust department services to estates under $50,000, and a modern computer facility will provide more efficient service. In addition, a higher leading limit will enable the resulting bank to compete for the business of corporate customers, whose business at the present time goes almost exclusively to the large Pittsburgh banks.

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

AUGUST 5, 1969.

### SUMMARY OF REPORT BY ATTORNEY GENERAL

Both of the participating banks are headquartered in Washington County. The closest office of Washington Bank to Charleroi Bank is located 10 miles south of Charleroi at Brownsville (population 6,000). There are four banks in the intervening area, including branches of some of the largest banks in western Pennsylvania. Two banks operate offices in Brownsville; three banks operate offices in Charleroi. It does not appear that the proposed merger will eliminate substantial direct competition between the merging banks.

Pennsylvania law would permit each bank to branch *de novo* into the other's service areas; the large banks headquartered in Pittsburgh can also branch *de novo* into all of the counties served by Washington Bank, except Greene County. In view of the size of the towns, the competing banks already in these areas, and the size and number of the intervening banks, we do not believe that this merger would have a significantly adverse effect on potential competition.

* * *

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| First National Bank of Bristol, Bristol, Vt. (6252), with | $3, 303, 109 | 1 | |
| and The Merchants National Bank of Burlington, Burlington, Vt. (1197), which had | 28, 904, 021 | 5 | |
| merged Sept. 9, 1969, under the charter and title of the latter bank (1197). The merged bank at date of merger had | 32, 919, 347 | | 6 |

COMPTROLLER'S DECISION

On March 31, 1969, The Merchants National Bank of Burlington, Burlington, Vt., and the First National Bank of Bristol, Bristol, Vt., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The Merchants National Bank of Burlington, the charter bank, was established in 1849, and operates five offices in Chittenden County, Vt. This bank, with $23.8 million in IPC deposits, is the third largest commercial bank in Chittenden County. The two largest banks in the State, The Chittenden Trust Company and the Howard National Bank, are in direct competition with the charter bank.

The First National Bank of Bristol, the merging bank, was established in 1902. It operates one office in Addison County, 37 miles south of the charter bank's headquarters of Burlington. The merging bank, with IPC deposits of $2.8 million, serves the eastern half of Addison County, an area with a population of approximately 5,000. The merging bank competes, in this area, with the Chittenden Trust Company branches in Vergennes and Middlebury. The Burlington area has shown significant economic growth over the past decade, while the economic activity in the Bristol area has remained constant.

The Merchants National Bank of Burlington is a competitive minded bank, serving a market area with a population of approximately 87,000. Management is young and progressive with only two of the 14 active officers over 47 years of age. The First National Bank of Bristol is conservative in all respects; its management, while capable, is lacking in depth. The legal lending limit of the merging bank is $27,500. After the proposed merger, the lending capacity available to Bristol will be nearly nine times this figure. This merger will bring trust services to the Bristol area for the first time.

There is virtually no competition between the applicant banks, and little likelihood that they would become competitors in the foreseeable future. However, the proposed merger would strengthen the charter bank's ability to compete with The Chittenden Trust Company and the Howard National Bank in northwest Vermont.

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

JULY 23, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Merchants and Bristol National are about 30 miles apart. While each bank has some loan and deposit accounts originating in the other's area, it would appear that no significant amount of direct competition will be eliminated by the proposed merger.

While applicable State law would permit either bank to branch *de novo* into the service area of the other, the size of Bristol National would appear to preclude it as a likely potential entrant into the Burlington area. It seems unlikely that Merchants would establish a *de novo* branch in the small community of Bristol.

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

* * *

UNION NATIONAL BANK IN KANSAS CITY, KANSAS CITY, MO., AND THE COLUMBIA NATIONAL BANK OF KANSAS CITY, KANSAS CITY, MO.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Union National Bank in Kansas City, Kansas City, Mo. (13736), with | $55, 316, 901 | 1 | |
| and The Columbia National Bank of Kansas City, Kansas City, Mo. (11472), which had | 50, 827, 857 | 2 | |
| consolidated Sept. 12, 1969, under charter of the latter bank (11472), and title of "Columbia Union National Bank and Trust Company." The consolidated bank at date of consolidation had | 103, 114, 590 | | 2 |

COMPTROLLER'S DECISION

On May 5, 1969, The Columbia National Bank of Kansas City, Kansas City, Mo., and the Union National Bank of Kansas City, Kansas City, Mo., applied to the Office of the Comptroller of the Currency for permission to consolidate under the charter of the former and with the title of "Columbia Union National Bank and Trust Company."

Both participating banks are located in the downtown area of Kansas City, Mo., the heart of the metropolitan area which includes four counties in Missouri and two in Kansas. The Kansas City Standard Metropolitan Statistical Area, with a population estimated at 1.1 million, is located at the confluence of the Missouri and Kansas Rivers, a strategic location that led to its early development during the western exploration and expansion of this country. It has a broad, healthy, economic base. A diversity of industries flourish in the area, which is also considered a major wholesaling center, an important retailing center, and a transportation center. Kansas City is also a regional office for many Federal and State agencies which employ substantial numbers of people.

The prospect for continued growth and development and economic expansion in this area are very good. Although the majority of the growth in the Kansas City area is taking place in the outlying suburban areas, the downtown portions of this metropolitan center have escaped the debilitating aspects of urban decay. The downtown area is the scene of some new building, extensive remodeling, and other signs of revitalization. This section of the city is being developed as a modern and convenient center for convention and sports activities.

The Columbia National Bank of Kansas City, the charter bank, is ninth in size in Kansas City. It has experienced slow, steady growth over its 50-year history, and can be characterized as a conservative financial institution, although it was the first bank in downtown Kansas City to make consumer installment loans. The bank is housed in an inadequate, old building. The capital of the bank is adequate, but an adverse decision in an impending lawsuit would seriously affect its capital structure.

The merging bank, the Union National Bank in Kansas City, has a long ultraconservative history. It is presently the 10th largest bank in the Kansas City area. Since it was chartered in 1933, it has declined in relative importance; the total resources of the bank have declined from $67 million in 1953 to $54 million in 1968. During the past year, new owners have tried to revitalize the bank. Despite a more liberal loan policy, which increased loans in 1968 by $9 million over 1967, the new owners have met with little success as far as deposit growth is concerned. Many of its new loans, however, were not generated in the local area of the bank. In addition, the bank at present is heavily overcapitalized.

The applicant banks are located one-half block apart in downtown Kansas City. There is, however, surprisingly little competition between them. While the combined number of depositors totals 15,000, the banks have only 23 individual depositors in common, 19 business depositors in common, 10 country banks in common, and 24 time and savings depositors in common. The two banks have only 10 common borrowers. Further, the operation of the two banks is dissimilar. Most of the deposits and loans in the charter bank are small; the bank makes direct installment loans, has a small trust department, and maintains a large real estate department. The merging bank, on the other hand, maintains large deposit accounts, makes large loans, obtains installment paper only from dealers, operates no real estate department, and has a large and profitable trust department. Another factor tending to minimize competition between the two banks is the large number of banking offices located in close proximity to them; 4 other banks are located within a two-block radius, 8 within a four-block radius, and 12 within a radius of 1 mile.

The effect of a merger on the banking conditions in Kansas City will not be adverse. Presently there are 125 banks throughout the Kansas City Standard Metropolitan Statistical Area. These banks have total assets of $3.66 billion. Since both Missouri and Kansas are unit banking States, their economic growth has supported 30 new banks since 1953. These 30 banks have accumulated 12 percent of the total deposits in the Kansas City area. In addition, 30 savings and loan associations compete aggressively in the area, and now hold over $1.5 billion in deposits in their 78 offices. Credit unions, sales finance companies, and personal loan companies are all flourishing in the area.

The downtown banks in Kansas City share a problem experienced in many major metropolitan areas; as the suburban areas expand and flourish, the central city suffers a decline in economic importance. The following tables contrast the growth and deposits of the two largest downtown banks on the Missouri side and the two largest banks on the Kansas side of the city with the deposit growth of the five largest suburban banks in the standard metropolitan statistical area. The difference in the overall growth rate patterns is readily apparent:

*Downtown Banks*

| | 1968 | | 1953 | | |
|---|---|---|---|---|---|
| | *Deposits* | *Percent of total* | *Deposits* | *Percent of total* | *Percent of growth 1953–68* |
| Commerce Trust | $610, 061 | 18. 59 | $441, 452 | 26. 84 | 38. 1 |
| First National | 389, 099 | 11. 85 | 271, 217 | 16. 49 | 43. 5 |
| City National | 348, 665 | 10. 62 | 202, 621 | 12. 32 | 72. 1 |
| Commercial National | 100, 740 | 3. 07 | 46, 268 | 2. 81 | 117. 7 |
| Security National | 89, 909 | 2. 74 | 36, 464 | 2. 22 | *146. 6 |

*Merger involved.

*Suburban Banks*

| | *Deposits, 1968* | *Deposits, 1953* | *Percent of growth 1953–68* |
|---|---|---|---|
| First National Bank of Independence, Mo | $39, 290 | $10, 768 | 264. 88 |
| Plaza Bank of Commerce | 46, 286 | 22, 437 | 106. 29 |
| Johnson County National | 46, 352 | 6, 508 | 612. 23 |
| Mission State | 37, 257 | 10, 244 | 263. 70 |
| Southgate | 35, 593 | (†) | ........ |

†Bank organized in 1956.

The applicant banks, feeling the impact of this decline, believe that the consolidation of the two banks will provide sufficient capital and resources to offer specialized services to businesses and industries located in their service area to insure continued growth. These services will consist of a complete data processing center, an international department, a travel agency, and leasing services, which neither bank presently offers in a manner that meets its customers' needs. The combined strengths of these dissimilar banks will result in a bank with no apparent weaknesses, and with sufficient capabilities to enable it to serve its customers with modern and specialized skill.

The benefits of the consolidation will occur with no anticompetitive effects. The merging bank presently has 1.37 percent of the area deposits and 1.29 percent of the loans. The charter bank has 1.53 percent of the deposits in the area, and 1.34 percent of the loans. The resulting bank will hold 2.90 percent of the deposits and 2.63 percent of the loans. This small increase in the concentration of banking resources is insignificant when it is noted that 124 banks will remain in the standard metropolitan statistical area and that much larger banks, particularly Commerce Trust Company, First National Bank of Kansas City, and City National Bank and Trust Company, all of which are located in Kansas City, Mo., offer intense competition to the applicant banks in their downtown service area.

In the light of the statutory criteria, the proposal appears to be in the public interest. The consolidation is, therefore, approved.

August 4, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Since the consolidation in this case is between two banks doing business on opposite sides of the same street in the heart of the downtown business area of Kansas City, Mo., this merger will result in the elimination of direct competition. However, the area is dominated by three banks much larger in size than either of the consolidating banks. The consolidated bank, with combined deposits of $95.379 million, as of December 31, 1968, would rank fourth in this market. Seven other banks would also serve the area. However, the effect of the merger would be to reduce competition.

As of December 31, 1968, the "Big Three" Kansas City, Mo., banks controlled 78.1 percent of the deposits in the area. As of the same date the fourth largest bank in the area held 4.7 percent of the deposits. The merging banks rank seventh and eighth in the area with less than 3 percent of area deposits each. After the proposed consolidation, the merged bank will rank fourth and would hold 5.5 percent of the deposits, an increase of less than 1 percent in the concentration of deposits held by the four largest banks.

Since the proposed consolidation will have the effect of increasing concentration in a highly concentrated market, and will eliminate direct competition it is likely to have an adverse effect on competition.

* * *

First National State Bank of New Jersey, Newark, N.J., and Suburban Bank of Livingston, N.A., Livingston, N.J.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Suburban Bank of Livingston, National Association, Livingston, N.J. (15603), with | $13, 313, 396 | 1 | |
| was purchased Sept. 15, 1969, by First National State Bank of New Jersey, Newark, N.J. (1452), which had | 881, 679, 138 | 28 | |
| After the purchase was effected, the receiving bank had | 894, 992, 534 | | 29 |

## COMPTROLLER'S DECISION

On May 6, 1969, the First National State Bank of New Jersey, Newark, N.J., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the Suburban Bank of Livingston, National Association, Livingston, N.J., under the charter and with the title of the former.

First National State Bank of New Jersey, Newark, N.J., with IPC deposits of $678.2 million, was incorporated in 1812 as a State bank, and converted to a National charter in 1865. The bank operates 27 branches in six of the 22 municipalities in Essex County. The population of Essex County is estimated at nearly 1 million people, of which approximately 400,000 reside in Newark. The market area of the bank includes Essex County and five contiguous counties with a combined population of nearly 4 million. In recent years, there has been some shift of population from Newark to the western portions of Essex County. This area is highly industrialized with many of the Nation's largest industrial and manufacturing corporations operating here. The Port of Newark and Newark Airport make important contributions to the economy of the area and provide employment for substantial numbers of people. In addition, the portions of this area adjacent to New York City serve as bedroom communities for persons employed in the city.

The Suburban Bank of Livingston, National Association, Livingston, N.J., with IPC deposits of $11.1 million, was chartered in 1963 as a State bank, and converted to a National charter in 1966. The selling bank has two approved but unopened branches. Livingston, located approximately 4 miles west of Newark in the west-central section of Essex County, has experienced rapid economic and population growth in recent years.

The proposed transaction would have no adverse effect on competition. The highly developed economic character and dense population of the participating banks' service area and the large number of competing banking institutions preclude the development of effective competition between the banks. In addition, the New Jersey home office protection statutes preclude the acquiring bank from branching into Livingston. The addition of the deposits of the selling bank to those of the acquiring bank will not significantly increase the size of the resulting bank; the presence of the charter bank in the fast growing Livingston area will, however, have a stimulating effect on competition, When the transaction is consummated, the buying bank will continue to face intense competition, not only from local banks, but also from the large banks based in New York City. The Fidelity Union Trust Company and the National Newark and Essex Bank, each with headquarters in Newark and extensive branch office systems, have total resources in excess of $650 million, and both compete in this area. The Howard Savings Institution, Newark, N.J., with total resources of $840 million, is also in competition with the participating banks. Additional intense competition is felt, especially for commercial banking business, from the large New York-based banks, many of which dwarf the charter bank. Further competition derives from 84 other commercial banks, with a total of 341 offices; 15 savings banks, with 45 offices; and 148 savings and loan associations, as well as numerous offices of finance companies and credit unions.

When the transaction is approved, the banking public in the Livingston area will benefit from the expanded banking services which will be available to them in this growing area. The larger lending limit, the trust and investment advisory services, the electronic data processing services, and the financial and economic expertise of the buying bank will be made available to the selling bank's existing customers.

Applying the statutory criteria, we find that this purchase of assets and assumption of liabilities is in the public interest and the application is, therefore, approved.

AUGUST 15, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Suburban presently operates its only office in Livingston, Essex County. First National's closest office is some 4 miles distant in Caldwell. Several other banks maintain offices near Livingston. Under New Jersey law, First National is prohibited from opening branch offices in Livingston.

Although First National has no office in Livingston, it draws substantial deposits from the Livingston area. Therefore, we conclude that the proposed merger would eliminate substantial direct competition.

We do not view ownership of Suburban stock by an agent of First National nor elements of common management as facts which demonstrate that the proposed merger will not eliminate competition, inasmuch as these developments are results of First National's earlier intention to merge with Suburban. The proposed merger will permanently eliminate the potential for increased competition should the arrangements that presently exist be terminated at some time in the future.

First National holds the largest share, approximately 29 percent, of IPC demand deposits in Essex County. The three largest commercial banks in Essex County hold about 83 percent of such deposits. The proposed merger would increase the share of First National by about 0.3 percent.

In view of the substantial direct competition that exists between First National and Suburban and the increase which would be brought about in First National's dominant position in the banking markets in Essex County, we conclude that the proposed merger would have an adverse effect on competition.

* * *

FIRST UNION NATIONAL BANK OF NORTH CAROLINA, CHARLOTTE, N.C., AND THE PEOPLES BANK, ROXBORO, N.C., AND THE BANK OF FRANKLIN, FRANKLIN, N.C.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Bank of Franklin, Franklin, N.C., with | $12,482,311 | 3 | ........... |
| and The Peoples Bank, Roxboro, N.C., with | 20,243,597 | 3 | ........... |
| and First Union National Bank of North Carolina, Charlotte, N.C. (15650), which had | 963,788,389 | 127 | ........... |
| merged Sept. 15, 1969, under the charter and title of the latter bank (15650). The merged bank at date of merger had | 996,776,328 | ........... | 133 |

COMPTROLLER'S DECISION

On April 28, 1969, First Union National Bank of North Carolina, Charlotte, N.C., applied to the Comptroller of the Currency for permission to merge with The Bank of Franklin, Franklin, N.C., and The Peoples Bank, Roxboro, N.C., under the charter and with the title of "First Union National Bank of North Carolina."

First Union National Bank of North Carolina, the charter bank, is headquartered in Charlotte, N.C. It operates under a charter originally granted to Queen City National Bank on May 4, 1968. Prior to the merger with the Queen City National Bank, the charter bank operated under an original charter granted The Union National Bank of Charlotte on June 2, 1908.

The charter bank operates 122 offices in 59 communities, scattered widely throughout 34 of the State's 100 counties. As of December 31, 1968, it had IPC deposits of $688.9 million, ranking third in size in the State. The market area of the charter bank is considered to be the entire State of North Carolina. Its major competitors are the two largest banks in the State, Wachovia Bank and Trust Company, with deposits of $1.3 billion, and North Carolina National Bank, with deposits of $1.1 billion. As a functionally integrated financial organization, the charter bank provides sophisticated financial services in its highly competitive market area.

The Bank of Franklin, one of the merging banks, was established in 1903. It is a State-chartered institution, serving the counties of Macon and Cherokee in the extreme western end of the State. This merging bank, with total deposits of $9.6 million, operates its headquarters in the town of Franklin, with a population of 2,200, and a recently opened branch 50 miles west, in the town of Murphy, with the same approximate population. Throughout its recent history, the Bank of Franklin has been operated along conservative lines. The chief executive officer of the bank is 78 years of age and no provision for management succession has been made.

Economic indicators in the two counties served by the Bank of Franklin are generally unfavorable. Both Macon and Cherokee counties have declined in population since 1950. The unemployment rate exceeds the State level, and per capita income is below the State average.

The Peoples Bank in Roxboro, the other merging bank, is a State-chartered institution located in Person County in the north-central section of the State. This bank, organized in 1891, has IPC deposits of $15.5 million, and operates two branches within the city of Roxboro. The management of this bank is also advanced in age; the bank's future is somewhat uncertain because of a lack of provision for management succession.

The market area of this merging bank is Person County which has an area of 400 square miles and a 1960 population of 26,400. The economy of Person County is equally dependent on agriculture and industry. Tobacco is the principal farm crop, while manufacturing is concentrated in textiles. Although industrial employment has increased in recent years, wages remain low. Economic barometers such as population growth, per capita income, and unemployment rate indicate that Person County has not kept pace with State averages.

Consummation of the proposed merger will not decrease competition, nor will it result in an appreciable increase in banking concentration in North Carolina. Throughout the State, the charter bank faces formidable competition from statewide and regional branch systems. At present, the charter bank ranks third in size among the banks in the State. The two largest banks are Wachovia Bank and Trust Company, with deposits of $1.3 billion, and North Carolina National Bank, with deposits of $1.1 billion. Numerous other commercial banks, savings and loan associations, and insurance companies combine to keep the banking structure throughout the State diffuse.

There is no significant amount of competition between the charter bank and the merging banks. Although the charter bank operates an office 20 miles to the south of Franklin, in the town of Highlands, virtually no competition exists between the two because of an intervening mountain barrier. Surveys of various services offered by the Bank of Franklin indicate that, in most instances, less than 2.5 percent of this merging bank's customers live in the market area of the charter bank's office in Highlands. Competition between the Peoples Bank and the charter bank's closest branch, 30 miles south in Durham, is also minimal. A survey and sampling of the deposits and loans of this merging bank and the Durham branch of the charter bank indicate no appreciable competition between the two institutions.

North Carolina State law would not prohibit the charter bank from opening *de novo* offices in the market area of either participating bank. However, neither the present economic condition, nor the outlook for future improvement in either community, is favorable. Therefore, while the charter bank is permitted by law to enter both communities *de novo,* such entry would not appear to be economically feasible in the foreseeable future.

Consummation of the proposed merger will benefit the communities served by the merging banks. Both The Bank of Franklin and The Peoples Bank face urgent problems of management succession. This proposal offers an acceptable solution to these problems without creating an adverse competitive situation, or disrupting a healthy banking structure. In addition to alleviating the problems of management succession, the charter bank will bring, into the communities of the merging banks, its highly sophisticated line of financial services and greatly increased lending limit.

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

AUGUST 15, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head office of First Union is 140 miles southwest of Peoples Bank. However, the three offices of Peoples Bank are some 30 miles north of Durham, where First Union operates three branches. There are no intervening banks.

The head office of First Union is 150 miles east of The Bank of Franklin. However, First Union operates a branch office at Highlands, about 18 miles from Franklin. Therefore, it would appear that a limited amount of competition will be eliminated by each of the proposed mergers.

Since North Carolina law permits statewide *de novo* branching, these mergers would eliminate the potential for increased competition which would result if First Union were to establish a *de novo* branch in Person County, where Peoples Bank is located, or in the three-county area served by Bank of Franklin. First Union is the third largest bank in the State and has the resources to establish *de novo* offices in new markets. There is some question, however, whether the markets served by Peoples and Bank of Franklin can be expected to be attractive to new entry.

The proposed mergers would result in the third largest bank in the State acquiring Peoples Bank's dominant market position in Person County, where it controls 82 percent of deposits, as well as Bank of Franklin's very substantial position in its market area. They, thus, represent further steps in the continuing trend of acquisitions and mergers by North Carolina's largest commercial banks. Such acquisitions are particularly significant when they eliminate the dominant independent competitors in local markets. This acquisition trend undoubtedly inhibits the development of a more competitive banking structure, not only by eliminating substantial existing competitors and those most likely to enter new markets by *de novo* expansion, but by foreclosing the creation, through mergers between smaller banks operating in separate local markets, of banking institutions capable of competing with the largest banks for the business of large industrial customers.

We conclude that the acquisition by First Union of Peoples Bank and Bank of Franklin would have an adverse effect on competition.

* * *

NORTH CAROLINA NATIONAL BANK, CHARLOTTE, N.C., AND STATE BANK & TRUST COMPANY, GREENVILLE, N.C.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| State Bank & Trust Company, Greenville, N.C., with | $22, 464, 008 | 3 | |
| and North Carolina National Bank, Charlotte, N.C. (13761), which had | 1, 230, 880, 392 | 88 | |
| merged Sept. 22, 1969, under charter and title of "North Carolina National Bank." The merged bank at date of merger had | 1, 252, 782, 980 | | 91 |

COMPTROLLER'S DECISION

On May 9, 1969, State Bank & Trust Company, Greenville, N.C., and North Carolina National Bank, Charlotte, N.C., applied to the Office of the Comptroller of the Currency for permission to merge, under the charter and with the title of the latter.

North Carolina National Bank, the charter bank, with IPC deposits of $838 million, is headquartered in Charlotte, and operates 83 branches in 24 towns and cities scattered across the State, from Polk County in the west to Edgecombe County in the east. In addition, it has five approved but unopened branches, and three branch applications pending. It was organized in 1933.

The charter bank's present trade area coincides largely with the principal economic growth area in North Carolina, extending in an arc from Charlotte to Raleigh, through the industrialized Piedmont region of the State. Its principal outlet in eastern North Carolina is in Wilmington, where extensive economic support comes from manufacturing and seaport-related activities. The charter bank has been instrumental in promoting economic growth and diversification in the communities it serves. The population of Charlotte, the head office city of the charter bank, is over 100,000, and it is North Carolina's largest city.

The charter bank, as a statewide bank, competes with most of North Carolina's largest statewide banks, as well as a number of smaller regional and local institutions. The charter bank, however, does not compete to a significant degree with banks in eastern North Carolina, with the exception of banks located in Wilmington, its principal area of activity in that section of the State. It also competes with a number of other financial institutions in the areas of its operation.

The merging State Bank & Trust Company, with IPC deposits of $17.5 million, was organized in 1931. It operates its head office and two branches in Greenville. The bank's earnings, eroded by loan losses, have been insufficient to maintain a capital base adequate to support an expanding business volume, with the result that a capital deficiency has grown steadily more pronounced in recent years. In addition, an adverse trend is indicated in the quality of the bank's loan portfolio. Because of its loan earnings and the consequent low salaries it pays, the merging bank has experienced difficulty in attracting, and retaining, top quality management and other personnel. Although the merging bank is a full-service institution, the services which it offers are not broadly developed or sophisticated.

The merging bank's service area includes not only Greenville and its environs, but also all of Pitt County, the easternmost county in North Carolina's coastal plain. This area has a population of 27,000. The economy of Pitt County is primarily agricultural, with tobacco, peanuts, corn, and cotton the main cash producers, and Greenville, the county seat, acting as the major supply and distribution point. East Carolina University is located in Greenville, along with about 20 sizable industries. Vigorous efforts are being made to attract additional industry to the area and to secure its development. This has been slow because of the lack of economic diversification and the emigration of workers.

The merging bank, with two branches and total deposits of $20 million, competes with five branches of the $1.6 billion Wachovia Bank and Trust Company, N.A., which has Greenville and Pitt County deposits of $27.5 million; and with two branches of the $111 million Planters National Bank and Trust Company, with local deposits of $6.4 million. It is one of nine banks, with 18 offices, serving Greenville and Pitt County. Among the banks competing in the Greenville area, in addition to the number one ranked Wachovia bank, are the State's four largest and 10th largest. The merging bank also competes with numerous other financial institutions.

The merger would serve the Greenville area by introducing the sophisticated and broad ranging services which the statewide charter bank offers, in lieu of the relatively limited services the merging bank now offers. In addition, inadequate lending limit of the merging bank will be appreciably increased to meet large loan demands. The business development section of the charter bank, which has been instrumental in attracting industry to the State and contributing to the State's economic development, will likewise be available to Greenville in its drive for industrial development. The large resources and satisfactory salary schedule possessed by the charter bank will replace the limited resources and unsatisfactory schedules of the merging bank, to the benefit of the community through the ability to attract and retain top people.

The merger will have no adverse effect on competition. Because the charter bank's operations are now largely confined to the western part of the State, while those of State Bank & Trust Company are confined to the eastern area, there is little competition between them which will be eliminated. Introduction of the statewide charter bank, in Greenville, should enhance competition with the State's 1st, 4th, and 10th largest banks, which operate there, without adversely affecting the smaller competitors. In areas where the charter bank now operates, the merger will have a *de minimus* effect on competition. Statewide, the charter bank's position as second largest bank will not be changed. Potential competition will not be affected since the charter bank has concluded that it would be economically unfeasible for it to branch in the Greenville area in view of the existing number of banks, and the fact that two applications for branches are now pending.

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

AUGUST 21, 1969.

### SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest office of NCNB is about 28 miles from any office of State Bank, with several other banks in the intervening area. According to the application, deposit overlap statistics are minimal. Therefore, the proposed merger would not appear to eliminate any significant amount of direct competition between the two banks.

North Carolina law permits statewide branching. Thus, NCNB could be permitted to establish *de novo* branches in Greenville and Pitt County, thereby entering into competition with State Bank. Merger with State Bank would eliminate NCNB as a potential *de novo* entrant into these markets.

NCNB is the largest commercial bank eligible to enter Greenville and Pitt County generally. NCNB has demonstrated aggressive internal expansion by opening 29 new branch offices since 1960. Four of these *de novo* branches were opened in communities not previously served by NCNB. Therefore, in addition to its obvious financial capacity to enter new communities *de novo*, NCNB has shown the disposition to do so, and must be considered among the most likely potential entrants into Pitt County and Greenville. The existence of a NCNB branch office in Tarboro, some 28 miles north of Greenville, would facilitate such *de novo* entry.

Nine banks operate 18 banking offices in Pitt County, including two of the largest banks in North Carolina, Wachovia Bank and Trust Co. (total deposits: $1.3 billion) and First Citizens Bank and Trust Co. (total deposits: $600 million). Three banks—Wachovia, State Bank, and Planters National Bank and Trust (total deposits: $100 million)—hold about 73 percent of county IPC demand deposits. While State Bank is smaller than four of its major competitors in Pitt County, in terms of total deposits, it holds the second largest share of county IPC demand deposits, approximately 22 percent. Three banks operate all 10 banking offices in Greenville, where State Bank's 3 offices hold the second largest share, approximately 35 percent, of IPC demand deposits.

By merging with State Bank, NCNB will eliminate the largest independent bank in Pitt County and in Greenville, and immediately succeed to a leading position in these markets. State Bank has demonstrated the ability to successfully compete with banks many times its overall size and would appear to be able to continue to do so, should NCNB enter Pitt County *de novo*, or through merger with one of the four smaller banks therein.

We would also note that this proposed merger is part of a trend toward concentration of bank deposits in the largest North Carolina commercial banks. While approximately 120 commercial banks operate offices in the State, over 65 percent of State deposits are held by the five largest banks, including NCNB. Of particular significance in this trend is the absorption of relatively small banks which nonetheless are among the leading competitors in their respective local markets, such as State Bank, which is one of the few independent commercial banks of more than $20 million in deposits left in the State. Such banks represent a very significant source of future competition for the largest North Carolina banks in their respective local markets; also, through affiliation with one another, such banks could potentially compete with the largest banks for the business of larger commercial customers.

* * *

## The New Carlisle National Bank, New Carlisle, Ohio, and The Guardian Bank, Springfield, Ohio

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Guardian Bank, Springfield, Ohio, with | $23, 904, 646 | 3 | |
| and The New Carlisle National Bank, New Carlisle, Ohio (6594), which had | 24, 341, 639 | 4 | |
| merged Sept. 30, 1969, under charter of the latter bank (6594) and title "The Security National Bank." The merged bank at date of merger had | 43, 028, 467 | | 7 |

### Comptroller's Decision

On April 28, 1969, The Guardian Bank, Springfield, Ohio, and The New Carlisle National Bank, New Carlisle, Ohio, applied to the Office of the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "The Security National Bank."

The charter bank was organized in 1903 under the title of The First National Bank, New Carlisle, Ohio. In 1930, it merged with the New Carlisle Bank, a State-chartered institution, retaining the National charter and assuming its present title.

The charter bank maintains four offices, three of which are out-of-town branches located in the western part of Clark County, Ohio. This bank has deposits of $16.5 million and total resources of $20.7 million. The economy of western Clark County is dependent upon nearby Dayton and Wright-Patterson Air Force Base, located 12 miles south.

The Guardian Bank, the merging bank, is headquartered in Springfield, Ohio, the county seat of Clark County, approximately 24 miles northeast of Dayton. This bank was organized in 1915 as The First Morris Plan Industrial Bank, Springfield, Ohio. In 1946, it adopted its present title and began offering full commercial banking services. The Guardian Bank operates three offices in Springfield, and has total deposits of $20.1 million.

Springfield has an estimated population of 85,000. It is the location of substantial manufacturing plants and it also serves as a retail and service center for Clark County.

The home offices of the merging bank are 13 miles apart. The charter bank's closest branch is its newest office in Enon, 8 miles from the nearest Guardian office. Although there would appear to be some overlap of the service areas of the applicant banks, a survey of individual accounts of each bank indicates that of 7,564 accounts in the charter bank, slightly more than 2 percent were located in the Springfield area. The merging bank's survey revealed that less than 2 percent of its 8,261 accounts had addresses in Medway, New Carlisle, or Enon, and none at all in Park Layne.

Consummation of the proposed merger will enable the resulting bank to compete effectively with the larger banks in Dayton and Springfield. The resulting bank will be in a position to offer new and improved services in the Dayton-Springfield area.

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

AUGUST 19, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The home offices of the merging banks are separated by 13 miles. Carlisle National's closest branch is its newest office in Enon, 8 miles from the nearest Guardian office. There are no intervening commercial banking alternatives between any of Carlisle National's offices and Guardian's offices. The nearest Clark County banking alternatives for residents of New Carlisle, Medway, and Enon are the banks in Springfield; there are somewhat closer banks across the county line in Miami, Greene, and Montgomery counties.

The loan portfolios of the merging banks are substantially similar, which suggests that, particularly in the field of loans to individuals, they are competitors.

The proposed merger would, therefore, eliminate direct competition for both deposits and loans in Clark County.

In 1968, Clark County was served by five banks, with 19 offices, controlling $185 million of deposits (including IPC demand deposits of $61.2 million). The proposed merger would cause an increase in concentration in Clark County. Guardian now controls 10 percent of total Clark County IPC demand deposits; and Carlisle National controls about 9 percent. The merged bank would have a resulting market share of 19 percent of IPC demand deposits and about 37 percent of county banking offices making it the county's largest bank by number of banking offices.

Moreover, under Ohio law only banks with their home office in a county may open branch offices in that county. Hence, this merger would remove the potential for increased competition in all areas of Clark County. It would eliminate the only existing potential entrant into the Springfield area, where banking is highly concentrated, and it would eliminate one of only four potential entrants into the southwestern area of the county which is presently served by only one bank. Furthermore, since Carlisle National has opened all three of its branch offices since 1959, and Guardian opened a new office in 1964, the merger will eliminate two banks with the capacity and experience to branch into other areas of the county.

In view of the substantial increase in concentration of control over county deposits, as well as the significant reduction in the number of banks able to compete throughout Clark County, it is our conclusion that the proposed merger would have an adverse effect on banking competition in the county.

* * *

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Mount Pleasant State Bank, Mount Pleasant, Pa., Mount Pleasant, Pa., with.... | $18, 152, 000 | 1 | ............ |
| was purchased Oct. 18, 1969, by Pittsburgh National Bank, Pittsburgh, Pa. (252), which had.... | 1, 743, 577, 000 | 82 | ............ |
| After the purchase was effected, the receiving bank had.... | 1, 761, 729, 000 | ............ | 83 |

COMPTROLLER'S DECISION

On May 22, 1969, Pittsburgh National Bank, Pittsburgh Pa., applied to the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of Mount Pleasant State Bank, Mount Pleasant, Pa., under the charter and with the title of the former.

Pittsburgh National Bank, the purchasing bank, with IPC deposits of $1.3 billion, was originally established in 1864, and operates 78 banking offices. The geographic market area of the charter bank includes a five-county area in western Pennsylvania in which Pittsburgh, the home office city of the charter bank and Pennsylvania's second largest city, is located. This five-county area includes Allegheny, Beaver, Butler, Washington, and Westmoreland counties. The Pittsburgh Standard Metropolitan Statistical Area had a 1960 population of about 2.5 million people in an area of 3,925 square miles. This area is best known for its heavy industry, including steelmaking, metal fabrication, electrical equipment, heavy machinery, aluminum, and glass manufacturing. In addition, economic support is derived from such nonmanufacturing activities as retail and wholesale trade, service industries, government, and finance. Agriculture is insignificant in the area.

In the five counties in which the charter bank has offices there are 47 banking institutions, having a total of 419 offices, holding total deposits of $6.4 billion. The largest of these banks is the Mellon National Bank & Trust Company, with total resources of over $4 billion. There are also 122 savings and loan associations, numerous credit unions, 1 mutual savings bank, personal loan companies, sales finance companies, and direct lending agencies of the Federal Government competing in the area.

Mount Pleasant State Bank, the selling bank, with IPC deposits of $15.6 million, is a unit bank organized in 1934. Management of this bank is capable, but three of the four top executive offices are nearing retirement age. The Mount Pleasant State Bank does not offer the broad array of basic banking services which are required to serve adequately all legitimate banking needs of the community, nor does it have a formal recruitment program or a systematic training program. Although the bank has served the small rural community in which it is located reasonably well, it has been conservative, and probably will not adequately contribute to a growing economy or serve the legitimate banking needs of such an economy. Its lending capacity of $100,000 is generally inadequate to meet the needs of large business customers.

The market area of the selling institution is the southeastern corner of Westmoreland County and includes Mount Pleasant and Scottdale boroughs as well Mount Pleasant, East Huntingdon, and Bullskin townships. The population of this area is estimated at 34,873. Mount Pleasant, itself, is a rural retail center for an area in the foothills of the Allegheny Mountains, a relatively isolated locale. In addition to retailing, manufacturing contributes to the local economy with the manufacture of glassware and electrical machinery. Chrysler Corp. is building a huge assembly plant within 3 miles of Mount Pleasant, which is expected to give considerable economic impetus to the area.

Banking competition in Mount Pleasant derives from three unit banks, including the selling institution, which have total deposits of $38.9 million, and a local office of the Gallatin National Bank. Additional competition comes from one building and loan association, four credit unions, nine sales finance companies, and three personal loan companies.

Consummation of this transaction will benefit the Mount Pleasant area significantly by replacing the limited services of the selling bank with the broader range of services offered by Pittsburgh National Bank. The new services to be gained will include check credit services, charge card services, overdraft privileges, 5 percent time deposit accounts, income certificates of deposits, personal and corporate trust services, export financing, leasing agreements, and clearing services for shipping charges. In addition, the greater lending limit of the selling bank will be made available to the community, while its experience in contributing to the economic growth of an area, including its experience in advising on and handling municipal bonds, will be available. The management succession problem of the selling bank will be resolved by the purchasing bank's training program and systematic recruitment policies.

This transaction will have no adverse competitive effect. Because existing offices of the two banks are widely separated, they do not compete. The addition of the much smaller selling institution will not affect the buying institution's size position in its market area, nor appreciably strengthen its competitive position relative to its smaller competitors. In the Mount Pleasant area, the transaction will stimulate competition, rather than hamper it, and will enable all banks to grow and prosper with the anticipated general economic growth, which will be stimulated by this proposed transaction.

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

SEPTEMBER 16, 1969.

### SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest office of Pittsburgh National to Mount Pleasant Bank is about 15 miles away. According to the application, the primary service areas of the merging banks do not overlap. Mount Pleasant Bank draws its accounts primarily from Mount Pleasant and East Huntingdon townships in Westmoreland County, and from adjacent Bullskin Township, in Fayette County. It would appear that no significant amount of direct competition would be eliminated by the proposed merger.

New industrial development in southern Westmoreland County, particularly the future plant of Chrysler Corp., makes this area an attractive banking market for future entry. Although Pittsburgh National has recently been denied permission to open a *de novo* office not far from Mount Pleasant, we believe that future attempts at *de novo* entry are likely to be more successful as soon as industrial development and supporting residential and commercial growth are achieved. In view of the apparent pendency of such development, we conclude that the proposed merger would have an adverse effect on potential competition, as it would eliminate Pittsburgh National as a potential entrant into areas now served by Mount Pleasant Bank in the relatively near future.

* * *

## THE FIRST NATIONAL BANK OF MONROE, MONROE, MICH., AND PEOPLES STATE BANK OF MAYBEE, MAYBEE, MICH:

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Peoples State Bank of Maybee, Maybee, Mich., with | $3, 175, 350 | 1 | ............ |
| and The First National Bank of Monroe, Monroe, Mich. (1587), which had | 50, 974, 227 | 2 | ............ |
| merged Oct. 31, 1969, under charter and title of the latter bank (1587). | | | |
| The merged bank at date of merger had | 54, 149, 576 | ............ | 3 |

### COMPTROLLER'S DECISION

On July 23, 1969, The First National Bank of Monroe, Monroe, Mich., with IPC deposits of $36.6 million, and the Peoples State Bank of Maybee, Maybee, Mich., with IPC deposits of $2.6 million, applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The First National Bank of Monroe, the receiving bank, was organized in 1865 with a capital of $100,000. In 1956 the bank opened its only branch facility. The bank presently has total resources of $45 million, and at last report of examination, the bank was considered to be in good condition with moderate earnings.

Monroe, Mich., headquarters for the charter bank, is a city of 25,000 people situated 42 miles south of Detroit, Mich., and 18 miles north of Toledo, Ohio. It is the county seat of Monroe County and the dominant commercial city of the area. The city is primarily industrial and claims those attributes which appeal to outside businesses seeking new areas of relocation: two freeways, seven railroads, an airport, and a good harbor that permits accessibility to Lake Erie. Major businesses include Ford Motor Co. and Consolidated Packaging Corp. which employ 1,800 and 2,700 persons, respectively. Other major industries having a cumulative employment of approximately 5,300 persons are: Detroit Stoker Co., Gould Batteries Inc., La-Z-Boy Chair Co., Midway Products Co., Monroe Auto Equipment Co., Time Container Co., Monroe Steel Castings Co., Union Camp Corp., and Woodall Industries.

Peoples State Bank, the merging bank, is a unit bank and the only financial institution in Maybee. It was organized in 1924 and was destroyed by fire in 1967, prompting construction of a new facility with drive-up window capabilities. The bank presently has total assets of $2.96 million, and the last report of examination indicated that the bank's condition was good. The Peoples State Bank will face a management succession problem in the next few years. All the managing officials of the bank are in their 60's, and it is questionable whether it can attract adequate personnel on the salary schedule it maintains.

Maybee, Mich., the location of the merging bank, is situated 10 miles northwest of the main office of the First National Bank of Monroe in Exeter Township of Monroe County. It is an agricultural community of 550 people, accessible only by secondary roads. Presently no central sewerage and water systems are available, which prohibits any large industry from settling in the village. Likewise, projected residential growth in the next decade is minimal, due to the agrarian economic base of the community.

The proposed merger will not be adverse to the banking structure of Monroe County, nor will it cause an undue concentration of assets in the resulting bank. Substantial competition is provided by the Monroe Bank and Trust Company and the Peoples Federal Savings and Loan Association. The Monroe Bank and Trust, with assets of $90.6 million, has been providing intense local competition. The Peoples Federal Savings and Loan Association, with assets of $52.6 million, provides substantial competition for area savings deposits and real estate mortgages. In addition to the aforementioned banks, the county also boasts the Monroe County Bank, Dundee, Mich., 10 miles southwest of Maybee, with IPC deposits of $7.5 million; Newport State Bank, Newport, Mich., 12 miles east of Maybee, with IPC deposits of $6.1 million; and the Carleton branch of the Manufacturers National Bank of Detroit, 12 miles east of Maybee, with deposits of over $12 million. The Peoples Bank of Maybee, with total deposits of $2.6 million, is by far the smallest of the county's banks. It appears that the overall effect of the merger would be to benefit the competitive climate in the county as the receiving bank presently competes far more actively with the larger Monroe Bank and Trust Company and the Peoples Federal Savings and Loan than it does with the merging bank.

The proposed merger will have a beneficial effect on the Maybee area by providing the residents with a branch office having the full resources and added services that a larger institution can provide. The merger also will alleviate the management succession problem and provide an adequate pension and insurance plan for the employees.

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

SEPTEMBER 29, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The participating banks are located 10 miles apart. There are no banks in the intervening area. Thus, it would appear that some direct competition between the banks would be eliminated by the proposed merger.

Under Michigan law, a bank may not branch *de novo* into any town in which another bank already has an office, nor may it branch into another county at a point more than 25 miles from its head office unless there is no bank in the county. The proposed merger would, however, eliminate some potential for increased competition since First National could still branch into areas adjacent to Maybee, but not within the village limits.

An appropriate market in which to measure the competitive effects of the merger is Monroe County, wherein five commercial banks operate a total of eight banking offices. As of December 31, 1968, First National had 32.7 percent of the total deposits in the county, while Peoples State had 2.1 percent of such deposits. The resulting bank would thus have 34.8 percent of the county's total deposits. The largest bank, a Monroe-based bank, had 54 percent of total county deposits. Thus, banking in Monroe County is highly concentrated. This merger will increase that concentration and eliminate competition between the merging banks. As a result, the effect of this merger on competition will be adverse.

* * *

CROCKER-CITIZENS NATIONAL BANK, SAN FRANCISCO, CALIF., AND COAST NATIONAL BANK IN FORT BRAGG, FORT BRAGG, CALIF.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Coast National Bank in Fort Bragg, Fort Bragg, Calif. (13787), with | $11,472,702 | 1 | |
| and Crocker-Citizens National Bank, San Francisco, Calif. (1741), which had | 4,668,363,657 | 275 | |
| merged Nov. 14, 1969, under charter and title of the latter bank (1741). The merged bank at date of merger had | 4,678,249,641 | | 276 |

COMPTROLLER'S DECISION

On July 7, 1969, Crocker-Citizens National Bank, San Francisco, Calif., and Coast National Bank in Fort Bragg, Fort Bragg, 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.

The Crocker-Citizens National Bank resulted from a merger in 1963 of the Crocker Anglo National Bank, established in 1870 under the title of "The First National Gold Bank of San Francisco," and the Citizens National Bank, Los Angeles, which was established in 1890 as a State bank and converted into a National bank in 1901. With deposits of $3.9 billion, the charter bank presently has 276 branches in 37 of California's 58 counties and ranks as the fourth largest bank in the State. Its widely dispersed offices serve many major metropolitan and industrial areas. However, it has no branches in Mendocino County, where the merging bank is located, and none of its branches serve the merging bank's service area.

Coast National Bank in Fort Bragg, the merging bank, commenced operations in 1933 and has never been involved in any merger transaction. Its assets total $10.7 million and its earnings have been favorable. The merging bank's service area is geographically limited. Fort Bragg, located on the Pacific coast in the west-central portion of Mendocino County, shares the bulk of the area's population with Mendocino, 10 miles to the south, although the service area includes the coastal population of the county from the Navarro River, 19 miles south, to Rockport, approximately 27 miles north. Rugged forest lands and parks to the east separate the service area from the rest of the county. Even the nearest towns are not readily accessible by the tortuous mountain roads.

The economy of the Fort Bragg-Mendocino service area is largely based on the lumbering and commercial fishing industries. Tourism has become the second leading economic factor in the community, for Fort Bragg, and the roads leading to it, enjoy spectacular forest and coastal scenery. Sport fishing and hunting, a scenic railway, new hotels, motels, and restaurants all attract tourists. The entire service area has a population of approximately 16,000, with 4,613 in the city of Fort Bragg.

Banking competition in the community is provided by two branches of the Bank of America in Fort Bragg and Mendocino. This merger would provide more loanable funds and a substantially higher lending limit, thereby stimulating competition with the Bank of America branches. The proposed merger will not have any adverse effect on competition between the charter and merging banks because, as noted above, they do not compete with each other. Consummation of the merger would raise the charter bank's share of the total deposits and loans in the State by an insignificant amount. Entry by *de novo* branching is an unlikely step for the charter bank because of the area's small population. It therefore appears that the proposed merger would have no adverse effect on competition, actual or potential.

Whereas the charter bank's financial and managerial resources are adequate in all respects, the merging bank's capital structure is only fair and it has no management depth. Consummation of the merger would remedy these defects. Future earnings prospects of the resulting bank are good, and the merger will further the convenience and needs of the community by offering an alternative source of trust department and other extensive sophisticated services that Crocker-Citizens National Bank can provide.

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

OCTOBER 7, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The sole office of Coast National is located at Fort Bragg. Although Crocker-Citizens has offices in most of the principal economic areas of the State, its nearest offices are 93 miles and 80 miles, respectively, from Fort Bragg. Thus, the existing competition that would be eliminated by the proposed merger is *de minimus.*

Mendocino County, and the Fort Bragg area are predominantly rural in character and have a slow growth rate; present population in the county is 53,200, and according to current projections, it will increase to only 55,900 by 1985. In view of the distance from Crocker-Citizens' existing offices, prospects for *de novo* expansion by Crocker-Citizens into Mendocino County or the Fort Bragg-Mendocino area are limited.

We conclude that the proposed merger would have little effect on existing and potential competition between the applicant banks.

* * *

NATIONAL NEWARK & ESSEX BANK, NEWARK, N.J., AND WASHINGTON TRUST COMPANY, WASHINGTON, N.J.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Washington Trust Company, Washington, N.J., with | $18, 243, 885 | 3 | ........... |
| and National Newark & Essex Bank, Newark, N.J. (1316), which had | 706, 394, 139 | 32 | ........... |
| merged Nov. 14, 1969, under charter and title of the latter bank (1316). The merged bank at date of merger had | 724, 493, 271 | ........... | 35 |

COMPTROLLER'S DECISION

On July 28, 1969, National Newark & Essex Bank, Newark, N.J., applied to the Comptroller of the Currency for permission to merge with Washington Trust Company, Washington, N.J., under the charter, and with the title, of the former.

National Newark & Essex Bank, the charter bank, was organized in 1804, and received its National charter in 1865. This bank operates 30 branches in Essex County and has total resources of $684 million.

Essex County is located in the heavily industrialized northeast portion of New Jersey. The county has more than 1,000 manufacturing workers per square mile, and is an important factor in the industrial production of New Jersey and the entire New York-northeastern New Jersey area. In addition to the considerable manufacturing, wholesale, and retail activities, the county's 127 square miles contain many fine residential communities.

The city of Newark, which is only 12 miles from Manhattan, is in the densely populated southeastern section of the county. The city is, and has long been, the State's financial center and the hub of industrial activity. In recent years the complex known as Port Newark and Port Elizabeth has developed to the extent that it is now the container-ship capital of the country. Newark Airport, which is presently being expanded, is one of the country's major air terminals.

Essex County supports 15 commercial banks with 82 branches. These competing banks have total assets of $2.1 billion and loans exceeding $1.4 billion. Notwithstanding this competition, the charter bank enjoys excellent prospects for future growth.

Washington, N.J., headquarters of the merging bank, is located in Warren County, about 50 miles west of Newark. The merging bank, which was chartered in 1926, operates two branches, and has total resources of $18 million. It is the sixth largest of the nine banks in Warren County.

The population of Washington is about 6,500. The area is one of the more important agricultural counties in New Jersey, particularly for dairy products. Industrial activity is also significant, with several light industries employing about 2,000 persons. Industrial growth is expected to continue at an even faster rate as the completion of the new interstate highways makes the Warren County area more accessible to the major eastern markets.

Management of both the charter and the merging banks is rated good. The charter bank has a management development program to provide for replacement of executive officers. Provisions for management succession have not been made in the merging bank.

Consummation of the proposed merger will serve the convenience and needs of the Warren County area. At present, the merging bank has a lending limit of approximately $125,000. After consummation of this merger, the resulting bank will be able to offer a lending limit in excess of $4 million to customers in Warren

County in addition to the sophisticated services of a large metropolitan-based bank.

Consummation of the proposed merger will not have an adverse effect on competition. At present, competition between the applicant banks is *de minimus* as their closest offices are 40 miles apart. Approval of the proposed merger will stimulate competition in Warren County by providing an additional source of banking services to the larger businesses in the merging bank's service area.

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

OCTOBER 9, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The nearest offices of National Bank and Washington Trust are 40 miles apart, with a number of banks in the intervening area. It would appear that the proposed merger would not eliminate any significant existing competition between the two banks.

Recent legislation in New Jersey broadens geographic areas for bank expansion beyond the former limits of county lines by dividing the State into three banking districts. Under this law, banks may branch within an entire district. However, the law retains community-wide home office protection against *de novo* branching and provides branch office protection in communities of less than 7,500 persons.

The major population centers of Warren County, Phillipsburg, Hackettstown, and Washington each have home offices of commercial banks and are thus protected against *de novo* branching by outside banks. No other communities exist in Warren County with populations in excess of 7,500. While a number of communities in Warren County are open to *de novo* branching, the rural orientation of these communities would appear to make them unlikely choices for *de novo* expansion by National Bank.

The recent broadening of the geographic boundaries of permissible branch office operation by commercial banks in New Jersey has induced substantial market extension activity, both by *de novo* branching and by merger. We consider it important that the largest banks in a district enter a new market area through *de novo* branching, or in the alternative through merger with one of the smaller banks in the area rather than through merger with a leading local bank. A large bank entering *de novo* or through a small acquisition can be expected to compete vigorously to enhance its position in the local market. At the same time, it is desirable to avoid eliminating leading local banks, as they can be expected to be more able to compete locally with new offices of large entering banks, or may possess the potential of competing with existing large banks on a districtwide basis through affiliation with one another in new banking institutions.

However, in this case, while National Bank is the third largest bank in the First Banking District, Washington Trust is the smaller of two banks operating offices in Washington, and the sixth largest of nine banks operating offices in Warren County. Therefore, this acquisition of one of the smallest banks in the First Banking District does not seem likely to have a significantly adverse effect on potential competition.

* * *

PEOPLES NATIONAL BANK OF NEW JERSEY, WESTMONT, N.J., AND THE FARMERS AND MECHANICS NATIONAL BANK OF WOODBURY, WOODBURY, N.J.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Farmers and Mechanics National Bank of Woodbury, Woodbury, N.J. (3716), with | $32, 296, 188 | 3 | |
| and Peoples National Bank of New Jersey, Westmont, N.J. (12022), which had | 101, 195, 907 | 7 | |
| merged Nov. 14, 1969, under charter and title of the latter bank (12022). The merged bank at date of merger had | 128, 598, 495 | | 10 |

COMPTROLLER'S DECISION

On July 14, 1969, The Farmers and Mechanics National Bank of Woodbury, Woodbury, N.J., and Peoples National Bank of New Jersey, Westmont, Haddon Township, 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.

Peoples National Bank of New Jersey, with IPC deposits of $72.9 million, was organized in 1918. It operates seven offices in various communities in the western half of Camden County and has received approval to open seven additional offices, five in Camden County, and one each in Gloucester and Atlantic counties. Since 1964 the bank has been the leader in growth in south Jersey, with deposits more than tripling in that 5-year period. Its lending limit of $529,000 has proved inadequate to serve the needs of some of the larger business concerns in the area.

Camden County, home of the charter bank, contains 37 separate municipalities and has a population of 471,000. The county is located on the southwestern border of the State adjacent to Philadelphia, Pa. During the past decade, the emphasis of the economy has been shifting from farming to commerce. The numerous firms located in the western portion of Camden County, including the city of Camden, and in Philadelphia, Pa., employ the residents of the area. Westmont, home office town of the charter bank, is an unincorporated community in Haddon Township, and has an estimated population of 19,000. Located about 5 miles southeast of Camden and 6 miles southeast of Philadelphia, Westmont acts primarily as a bedroom community for most of the local residents who are employed either in Philadelphia or in surrounding New Jersey communities.

Of the banks located in Camden County, the charter bank ranks fourth in size, behind the $300 million Camden Trust Company, the $253 million First Camden National Bank and Trust Company, and the $123 million Colonial National Bank, Haddonfield. The charter bank is the seventh largest bank in the newly formed Third Banking District of New Jersey. Strong competition is also derived from the large Philadelphia banks, nine of which are larger than the charter bank. Other financial institutions competing in Camden County include 34 credit unions, four sales finance companies, and several personal loan companies. Savings and loan associations, insurance companies, and mutual savings banks, located both in Camden County and in Philadelphia, also provide competition.

The Farmers and Mechanics National Bank of Woodbury, with IPC deposits of $23.6 million, was organized in 1887. This bank operates its home office and one branch in Woodbury, and another branch in Wenonah, 4.5 miles southeast of Woodbury.

Gloucester County, the home of the merging bank, is directly south of Camden County, and has a population of 167,000. Although the northwestern part of the county has become urbanized in recent years, over 37 percent of total county acreage remains farmland. Woodbury, home office city of the merging bank, with an estimated population of 13,650, is located in the northeastern part of Gloucester County, approximately 9 miles south of Camden. There is considerable residential growth in the areas surrounding the city.

Principal competition in the immediate area of the merging bank comes from First County National Bank and Trust Company, Woodbury, with total resources of $32.7 million, and over 10 branches, or proposed branches within a 5-mile radius. It competes with a number of other banks in the surrounding area, including some in adjacent Burlington and Camden counties as well as the largest banks in Philadelphia. Additional competition comes from credit unions, mutual savings banks, savings and loan associations, personal finance companies, small loan companies, and the like.

The merger will benefit the community of Woodbury by offering a broader range of banking services, including trust services, more convenient banking hours, armored car services, a credit card plan, special checking account, and other lesser services. It would eliminate a management succession problem which exists at The Farmers and Mechanics National Bank of Woodbury, and would provide a larger lending limit to better enable the resulting institution to meet the credit needs of customers.

Competition will not be adversely affected by this merger. Since the service areas of the two banks do not overlap, there is little competition between them which will be eliminated. The resulting bank, with total resources of $106.6 million, will be the sixth largest of 77 commercial banks in the newly created Third Banking District, an advance from the seventh place position presently held by the charter bank. The service area of the resulting bank contains 33 commercial banks with 112 branches and total resources of $1.4 billion. The resulting bank will control 7.6 percent of total resources, 8.2 percent of loans, and 7.6 percent of deposits held by banks in the area. If banks from Philadelphia are added to these totals, percentages of resulting bank's holdings will be under 1 percent. In

Gloucester County, the merger will enhance competition with First County National Bank and Trust Company, Woodbury, N.J., now that county's largest bank, without adversely affecting the smaller institutions' ability to compete. In Camden County, the merger will enhance competition with the three larger banks while, in the overall service area, the resulting bank will offer a more effective competitive challenge to the large Philadelphia-based banks. Although one institution in the overall service area will be eliminated, adequate banking alternatives remain. Potential competition will not be affected since it is unlikely that either bank would branch into the service area of the other in the foreseeable future.

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

OCTOBER 10, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the merging banks are approximately 9 miles apart. Their closest offices, Farmers' Woodbury office and Peoples' Brooklawn office, are approximately 4 miles apart. Two offices of The First National Bank of Westville (which has received permission to merge with Colonial National Bank) lie in the intervening area. Substantial competitive alternatives exist in and around Westmont and Woodbury. According to the application, no substantial overlap in the geographic sources of deposit and loan accounts of the merging banks exists. It would appear that the proposed merger may eliminate only a limited amount of existing competition.

Peoples is presently the fourth largest bank operating offices in the greater Camden area, and would retain its fourth position subsequent to the proposed merger. The proposed merger would increase Peoples' share of commercial bank deposits in the area from 6.5 percent to approximately 9 percent.

Recent changes in New Jersey law have greatly broadened the sphere of permissible branch bank operation for commercial banks, which may now operate branch offices anywhere throughout the newly created banking district in which they are located. Permissible *de novo* branching by commercial banks is still, however, subject to complete home office protection and branch office protection in communities of less than 7,500 population. Peoples and Farmers, both located in the Third Banking District, are thus potential competitors through future establishment of new offices in the Camden area, and in other rapidly growing areas of the district. This potential competition would be eliminated by the proposed merger.

* * *

FIRST NATIONAL BANK OF ORRVILLE-DALTON, ORRVILLE, OHIO, AND BANK OF MT. EATON, MT. EATON, OHIO

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Bank of Mt. Eaton, Mt. Eaton, Ohio, with | $2,094,702 | 1 | |
| and First National Bank of Orrville-Dalton, Orrville, Ohio (13742), which had | 26,328,041 | 4 | |
| merged Nov. 15, 1969, under charter and title of the latter bank (13742). The merged bank at date of merger had | 28,441,575 | | 5 |

COMPTROLLER'S DECISION

On July 15, 1969, the First National Bank of Orrville-Dalton, Orrville, Ohio, and the Bank of Mt. Eaton, Mt. Eaton, Ohio, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The applicant banks are both situated in eastern Wayne County, about 30 miles southwest of Akron, Ohio. Wayne County has a population of 85,000.

The First National Bank of Orrville-Dalton, with IPC deposits of $21.9 million, was chartered in 1933, and is located in Orrville, a town with a population of 8,000. Although the economy of Orrville has long been based on agricultural pursuits, some industry has developed in Orrville recently, due to an attractive labor supply and the establishment, by the city, of an industrial park. Orrville has 38 small industries, employing more than 4,000 workers. The firms include several sizable milk processing plants, as well as J. M. Smucker Co., a nationally known producer of jams, jellies, and other preserves.

Mt. Eaton, the home of the single-office merging bank, which has IPC deposits of $1.6 million, is 13 miles southeast of Orrville. It has a population of less than 300. The economy of Mt. Eaton is predominantly agricultural, with dairy farming and supportive retail facilities as the main enterprises.

The participating banks face active competition from other commercial banks and financial institutions situated in Wooster, about 12 miles west; in Massillon, about 10 miles east; and in other communities in Wayne County. The First National Bank of Orrville-Dalton ranks fourth among nine county and three out-of-county competitors. The acquisition will not alter this position. The 11 alternative commercial banks, operating 18 offices, serve a limited area.

Savings and loan associations also offer keen competition in Wayne County. The three savings and loan associations in Wooster, and one in Orrville, currently hold $74.3 million more in loans than all commercial banking outlets in the service area combined. For installment type loans, finance companies and production credit associations present strong competition.

Competition between the Orrville and Mt. Eaton banks is insignificant compared to the total competition in the area. They have very few common customers. Mt. Eaton is 8 miles south of Dalton, and 5 miles southeast of Kidron, where the charter bank's branches are located. The small size of the Mt. Eaton office, however, limits it to serving its immediate area.

The merger will enable the Mt. Eaton office to become more competitive in the area. Because of its low lending limit of $18,000, it has been losing business to larger banks, as well as the Federal Land Bank, and production credit associations. It can offer more services to local customers, including special savings accounts, bank money order and personal money order services, and credit card services. Eaton residents will also benefit from more reasonable charges, increased interest rates on time money, and new quarters, which will provide more safety deposit boxes, a night depository, and drive-in facilities.

Residents in and around Orrville will benefit also. Farmers of the rich land surrounding Orrville are of the Amish and Mennonite faiths, who traditionally have depended on financial self-help. As land values increase and farm operations grow, they are becoming more dependent on financial institutions. The resulting bank will be able to provide more working capital for farms and industries through its larger lending limit.

The merger will also eliminate a serious management succession problem at the merging bank. Its present executive officer is about to retire and, because of low salaries, it is unable to attract an outside replacement, and none exists within the bank.

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

October 8, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the banks are 13 miles apart. Bank of Mt. Eaton is only 5 miles southeast of First National's branch in Kidron. There are no banking alternatives in or near either Kidron or Mt. Eaton, and no intervening banks between the two towns. Thus, the proposed merger would eliminate direct competition between the merging banks.

First National's share of total county deposits will be increased from 18.8 percent to 20.1 percent, and its share of the county IPC demand deposits will be increased from 18.5 percent to 19.6 percent upon consummation of the proposed merger. These concentration figures probably understate the competitive effects of this merger, as all offices of the merging banks are confined to the area between Wooster and Massillon. Subsequent to the merger, First National would operate five of the eight banking offices in this immediate area.

We conclude that the proposed merger, involving acquisition of a very small bank, would have an adverse effect on competition in the immediate area served by the merging banks.

* * *

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Monroe County Bank, Sparta, Wis., with | $5,220,337 | 1 | |
| and The Farmers National Bank of Sparta, Sparta, Wis. (11463), which had | 4,947,252 | 1 | |
| merged Nov. 21, 1969, under charter of the latter bank (11463) and title "Union National Bank & Trust Company." The merged bank at date of merger had | 10,167,589 | | 1 |

COMPTROLLER'S DECISION

On July 11, 1969, The Farmers National Bank of Sparta, Sparta, Wis., with IPC deposits of $3.75 million, and the Monroe County Bank, Sparta, Wis., with IPC deposits of $4.04 million, applied to the Office of the Comptroller of the Currency for permission to merge under the charter of the former and with the title of "Union National Bank & Trust Company."

The Farmers National Bank of Sparta, the charter bank, was organized as a State institution in 1907, and converted to a National charter in 1919. It has no branches, but during the summer months it does operate a temporary facility at Camp McCoy, Wis., for the benefit of the military personnel.

The Monroe County Bank, the merging bank, was chartered in 1894 as a State institution, and has remained as such to the present. All its business is transacted in its single office.

Sparta, Wis., is the county seat of Monroe County, 180 miles northwest of Milwaukee, and 170 miles southeast of St. Paul and Minneapolis, Minn. It is the largest city in the county, with a population of 6,750. The area is basically agricultural, although several new industries have moved in and employ about 1,000 persons. Dairying is the major enterprise and the county ranks 27th in total milk production in the State. In addition to dairy farming, other specialties include the growing of cigar binder tobacco and cranberries. They city of Sparta has established two industrial parks over 100 acres in size, and well situated to attract new industry.

The area of service of the resulting bank will generally be confined to Sparta, Wis., for the present. However, the applicants envision a much wider trade area which they designate as the Coulee Region. This region consists of the six west-central counties in Wisconsin, i.e., Tempealeau, Jackson, La Crosse, Monroe, Cranford, and Vernon. La Crosse, with a population of 55,000, is the commercial center of the Coulee Region with seven financial institutions, over two dozen major retail stores, several colleges, and 33 industrial concerns that employ upwards of 10,000 people. Located some 25 miles southwest of Sparta, La Crosse is already attractive to Sparta area residents as a city with excellent shopping facilities, job opportunities, and good banks with which to negotiate large financial arrangements. In another year, Interstate 90 will be open between Sparta and La Crosse, reducing travel time between the two cities to merely 20 minutes. The increased mobility that the new interstate will offer reinforces the other attractions that La Crosse already affords, therefore putting intense competitive pressure on the applicants to offer services commensurate with the financial institutions of La Crosse in order to retain their present customers, to say nothing of acquiring new customers.

The merger of The Farmers National Bank of Sparta and the Monroe County Bank will not precipitate an undue concentration of assets in the charter bank nor adversely affect competition in the trade area. In the immediate service area of Sparta, the merger will combine the two smallest institutions in the city and allow them to compete more effectively with the $10 million deposit First Bank of Sparta, a $10 million savings and loan institution, an $8 million credit association, and a $1.1 million finance corporation. Presently the other financial institutions in the city consider the applicant banks to be weak and not aggressive. Accordingly, they express the view that these banks can better serve the community through the proposed merger.

In a larger context of competition, applicants indicate the Coulee Region is a more relevant service area, since many of the residents of this region, while being geographically closer to Sparta, will conduct their financial matters with La Crosse banks that can accommodate their financial needs. Presently, all automobile, mobile home, and other large installment loans are handled by La Crosse institutions, either through direct loans or repurchase agreements. Also, the many Sparta area residents who work or shop in La Crosse retain accounts with La Crosse banks. It is believed that said merger will make the resulting bank capable of challenging the sphere of influence presently exerted by the financial institutions of La Crosse on businesses and individuals readily accessible to the resulting bank.

Competition between the applicant banks is not considered significant. Although they are situated but one-half block apart, neither institution is considered aggressive nor highly competitive. Basically, they are conservative institutions with a minimum contest for business between themselves. While invariably one can expect some loss of competition, it will be counterbalanced by the benefits from the proposed merger. The increased capital structure of the resulting bank will permit the making of larger loans without the continued necessity of correspondent bank participation. Customer service will be more complete due to the increased size, efficiency of operation, and depth of experience in management. Trust services are to be more specialized and the resulting bank will employ a full time auditor and agricultural representative to meet the needs of the community.

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

OCTOBER 1, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Monroe Bank and Farmers National, located in Sparta, Wis., each control approximately 25 percent of deposits in commercial banks in the Sparta area.

As the service areas of the banks proposing to merge are essentially identical, the proposed merger would clearly eliminate substantial direct competition and reduce the number of banking alternatives in Sparta from three to two.

The resulting bank would share the Sparta market equally with First Bank of Sparta, and would be the third largest of seven remaining banks in Monroe County, with about 20 percent of county commercial bank deposits.

As the banks are direct competitors for deposits and loans in the vicinity of Sparta, we conclude that their proposed merger would have an adverse effect on competition.

* * *

FIRST TRENTON NATIONAL BANK, TRENTON, N.J., AND THE LAMBERTVILLE NATIONAL BANK, LAMBERTVILLE, N.J.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Lambertville National Bank, Lambertville, N.J. (1272), with | $6, 250, 564 | 1 | |
| and First Trenton National Bank, Trenton, N.J. (1327), which had | 398, 597, 307 | 13 | |
| merged Nov. 28, 1969, under charter and title of the latter bank (1327). The merged bank at date of merger had | 404, 830, 592 | | 14 |

COMPTROLLER'S DECISION

On July 14, 1969, the First Trenton National Bank, Trenton, N.J., and The Lambertville National Bank, Lambertville, N.J., filed an application with the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The First Trenton National Bank, Trenton, N.J., with IPC deposits of $248 million, operates 11 banking offices in Trenton and the surrounding area in Mercer County. Trenton, with a population of approximately 110,000, is the State capital and is located on the western border of the State, about 30 miles northeast of Philadelphia, Pa. Economic activity in Trenton centers around the State Government offices, but many inhabitants find employment with numerous industrial firms present in the city. Wholesale and retail trade activity is also important, as Trenton is the commercial center of Mercer County.

The Lambertville National Bank, with IPC deposits of $4.8 million, maintains a single banking office. Lambertville, with a population of approximately 4,600, is located in Hunterdon County on the western border of New Jersey, approximately 15 miles northwest of Trenton. This town, primarily a residential community in a rural area, also contains a few small industrial firms. In recent years, The Lambertville National Bank has lagged far behind other area banks in loan and deposit growth, and its loan portfolio is heavily concentrated in mortgage loans.

There is no significant competition between the merging banks whose nearest offices are 12 miles apart. The merging bank has, because of its conservative approach to banking, proved to be an ineffective competitor, in recent years, with other banks in the area. Furthermore, the possibility of future competition between these banks appears remote, as the charter bank cannot establish a *de novo* branch in Lambertville. Since the merging bank is the smallest of the six commercial banks in the Lambertville area, consummation of this proposal will serve to intensify banking competition without increasing significantly the size of the charter bank vis-a-vis the competing commercial banks in Mercer County. It should be noted that the charter bank, which is the eighth largest commercial bank in New Jersey, meets vigorous competition in its service area from branches of the much larger Philadelphia-based banks.

Approval of this merger will benefit the banking public in Lambertville by making available an alternative source for a broad range of banking services. Specifically, the resulting bank will make available more varied types of loans than are presently offered by the merging bank, including installment loans, commercial loans, and construction loans. As a branch of the charter bank, the resulting bank will offer in Lambertville a higher interest rate on savings and time deposits, regular statements on checking accounts, trust services, electronic data processing services, and a greatly expanded lending limit. In addition, the merger of these banks will assure management continuity the merging bank now lacks.

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

OCTOBER 24, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

First Trenton's closest offices to Lambertville are in Pennington Borough and Hopewell Township, about 12 miles east of Lambertville, and there would appear to be some direct competition between them and Lambertville Bank. However, in view of the size of Lambertville Bank, and the presence of an office of Hunterdon National Bank (total resources: $63 million) in Lambertville, the actual amount of direct competition eliminated by the proposed merger may not be substantial.

New Jersey law prohibits *de novo* branching into (1) any town in which the home office of another commercial bank is located, or (2) any town, with a population under 7,500, in which any bank office is already located. Thus, First Trenton is presently prohibited, and will remain so in the near future, from branching *de novo* into Lambertville. In view of its limited resources, Lambertville Bank is unlikely to open *de novo* branches in areas presently served by First Trenton.

We consider it important that large banks seeking to extend their service areas into areas not previously served do so either through *de novo* branching or through merger with the smaller banks in these areas. In this manner, leading local banks will remain capable of providing effective competition in local markets. Moreover, these banks will remain as potential participants in new banking organizations, including bank holding companies, capable of providing additional competition to the largest banks for the business of the district's larger industrial customers.

First Trenton is the largest bank in the Second Banking District (covering central New Jersey). It holds about 10 percent of total deposits in the district's 68 commercial banks, and about 6.5 percent of IPC demand deposits in such banks. Lambertville Bank, however, is one of the smallest banks in Hunterdon County, and in that portion of the county in which its primary service area is located. Two other larger banks operate offices in Lambertville or its neighboring city of New Hope, Pa.

Thus, while First Trenton is clearly one of the most likely potential entrants into developing areas of the Second Banking District, we conclude that its proposed merger with Lambertville Bank would be unlikely to have a significantly adverse effect on potential competition.

* * *

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| State Bank of Wilbur, Wilbur, Wash., with | $9,422,000 | 1 | |
| was purchased Nov. 28, 1969, by The National Bank of Commerce of Seattle, Seattle, Wash. (4375), which had | 1,147,599,000 | 94 | |
| After the purchase was effected, the receiving bank had | 1,157,021,000 | | 95 |

COMPTROLLER'S DECISION

On August 18, 1969, The National Bank of Commerce of Seattle, Seattle, Wash., applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the State Bank of Wilbur, Wilbur, Wash.

The National Bank of Commerce of Seattle, with IPC deposits of $885.9 million, was organized in 1889, and is Washington's second largest commercial bank. It operates 94 offices in 64 Washington communities, in 29 of Washington's 39 counties, and has one branch in London. International Bank of Commerce, the applicant bank's Edge Act corporation, has five branches in Hong Kong. Over 99 percent of applicant's stock is owned by Marine Bancorporation, which, in addition, owns East Mortgage and Investment Company. The acquiring bank has a substantial capital position, an able and experienced management team, and offers a full range of banking and trust services.

Seattle, the leading commercial, industrial, and financial center of the Pacific Northwest, and home of the purchasing bank, has a population of approximately 590,000. Its metropolitan area, which includes King County, has a population of 1.25 million. The area is a major manufacturing center, with Boeing Company, a manufacturer of aircraft and missiles, the largest single employer, with approximately 86,000 employees. Other industries include shipbuilding, transportation equipment, logging, lumber and wood products, smelting, and oil refining. Seattle is a gateway to the Orient and a major transportation center with its excellent harbor and port facilities; the Seattle-Tacoma International Airport is undergoing a major $100 million expansion program, and a large $55 million world trade complex is projected for the near future.

The purchasing bank is one of four banks that operates throughout the State. There are 95 banks in Washington, including The Bank of California, N.A., which has two branches situated in Takoma and Seattle. In addition to the applicant, other statewide banks include Seattle-First National Bank, with 128 offices and total deposits of $1.7 billion, making it the State's largest bank; Peoples National Bank of Washington, Seattle, with 48 offices and total deposits of $392 million, making it the State's third largest bank; and National Bank of Washington, Tacoma, with 42 offices and total deposits of $384 million, making it the State's fourth largest bank. Other Seattle-based banks among the State's largest include Pacific National Bank of Seattle, with 14 offices and deposits of $207 million, the Seattle branch of The Bank of California, N.A., with deposits of $158 million, and Seattle Trust & Savings Bank, with 15 branches and total deposits of $133 million.

State Bank of Wilbur, with IPC deposits of $8.1 million, was organized in 1892, and has continued to operate as a unit bank. It is not a full-service institution since it does not offer trust services or the full range of varied and sophisticated services offered by the large statewide banks. Its lending limit is inadequate to meet its customers' needs for large loans, with the result that it must utilize correspondent banking relationships to place overlines. In addition, it is faced with a management succession problem.

Wilbur, home of the selling bank, is in eastern Washington, 67 miles east of Spokane, Washington's second largest city, and 243 miles east of Seattle, in the northwestern section of Lincoln County. Wilbur has an estimated population of about 1,000, while the population of Lincoln County is estimated at 10,200. The economy is based on agriculture, with wheat and livestock raising predominant.

There are no other banking offices within the Wilbur community. The nearest banking office to Wilbur is the Almira office of the purchasing bank, 12 miles southwest of Wilbur. The next closest offices are the Grand Coulee office of Security Bank of Washington, Ephrata, with total deposits of $15 million, 19 miles northwest; and the Coulee Dam office of Seattle-First

National Bank, 20 miles northwest. The nearest office of Old National Bank, Spokane, the State's fifth largest bank, with total deposits of $255 million, which operates four offices in Lincoln County, is in Davenport, 30 miles southeast. There is no immediate non-bank competition in Wilbur. Savings and loan associations in Spokane, the Production Credit Association, the Federal Land Bank, and the Farmers Home Administration are active in the area.

The acquisition will benefit the community of Wilbur by replacing the selling bank with a full-service institution, capable of fully and adequately serving the banking needs of Wilbur and its residents. Among the benefits will be a larger lending limit, trust services, and an agricultural loan specialist. Since the management recruitment and training program of the acquiring bank will make it easier to provide top-flight management to the Wilbur branch of the resulting bank, the management succession problem of the selling bank will be resolved.

This acquisition will have no adverse competitive effect. Although the Almira branch of the purchasing bank is the closest bank office to Wilbur, it is 12 miles away, and it appears that neither this branch, nor the selling bank, derives a significant percentage of deposits and loans from the immediate service area of the other. Accordingly, it appears that there are only insignificant amounts of competition between them which will be eliminated. In the wider area of Lincoln County, and beyond, such competition as can be said to exist should be enhanced between the statewide purchasing bank and the statewide Seattle-First National Bank and the Old National Bank of Washington, both of which appear to be more firmly entrenched in the general area than does the purchasing bank. Potential competition will not be affected because, under State law, the purchasing bank cannot branch into Wilbur, and will not branch into any nearby communities since those communities cannot support a bank. The addition of the selling bank, which is the State's 47th largest, would have no effect on the competitive position of the purchasing institution in Seattle. Statewide, the purchasing bank's position as second largest will remain unchanged, while its deposits will be increased by only 0.1 percent of the State's total.

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

October 27, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Wilbur Bank's single office is 11 miles northeast of National's Almira branch. No banking alternatives, intervene. About $346,178 of Wilbur Bank's deposits, and $138,195 of its loans, originate in the Almira branch's postal area. National's Almira branch has $73,193 of deposits, and $79,702 of loans, originating in Wilbur Bank's postal area. Thus, it appears that the proposed acquisition, if approved, will eliminate some direct competition between the banks for both deposits and loans.

Additional direct competition cannot be anticipated, however, because Washington branching law prohibits *de novo* branching outside a bank's headquarters city into cities in which another bank has an office. Absent this restriction, National would be a very likely potential *de novo* entrant into Wilbur Bank's service area.

In 1968, Lincoln County was served by four banks with seven offices, controlling $33.1 million of deposits, representing a 2-year increase in total deposits of nearly 26 percent. Wilbur Bank, the only independent bank in Lincoln County, ranked second, measured by total deposits. Old National Bank of Washington, with its home office in Spokane and total deposits of $264.3 million, operated four branches in Lincoln County, and ranked first, controlling slightly less than one-half of the county's total deposits. Seattle First National Bank (total deposits: $1,692 million) operated a single branch in Odessa that ranked third, with $5.5 million of deposits. National's Almira branch, with $3.4 million of deposits, was the smallest of the four banking organizations operating banking offices in Lincoln County. If the proposed acquisition of Wilbur Bank is approved, the second and fourth largest Lincoln County banks will be united to form the county's second largest bank, controlling approximately 36 percent of county deposits. In addition, the last independent banking organization serving Lincoln County will be eliminated.

Furthermore, in the State of Washington, as a whole, there are five statewide organizations; they control over 66 percent of deposits in the State. Two of these systems, of which National is one, have about 50 percent of all deposits in the State. Elimination of Wilbur Bank as an independent competitor is part of a merger trend which is reducing the number of independent small- to medium-sized banks in the State which could be combined to create additional statewide banking systems. The overall competitive effect of the proposed merger would be adverse.

* * *

THE SECOND NATIONAL BANK OF NASHUA, NASHUA, N.H., AND THE MECHANICKS NATIONAL BANK OF CONCORD, CONCORD, N.H., AND THE MANCHESTER NATIONAL BANK, MANCHESTER, N.H.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The Mechanicks National Bank of Concord, Concord, N.H. (2447), with........ | $29, 718, 643 | 4 | ............ |
| and The Second National Bank of Nashua, Nashua, N.H. (2240), with............ | 52, 686, 208 | 6 | ............ |
| and The Manchester National Bank, Manchester, N.H. (1059), which had........ | 20, 927, 519 | 2 | ............ |
| merged Nov. 28, 1969, under charter of the latter bank (1059) and title "Bank of New Hampshire, National Association." The merged banks at date of merger had. | 103, 326, 314 | ............ | 12 |

COMPTROLLER'S DECISION

On July 25, 1969, The Mechanicks National Bank of Concord, Concord, N.H., and The Second National Bank of Nashua, Nashua, N.H., applied to the Office of the Comptroller of the Currency for permission to merge into The Manchester National Bank, Manchester, N.H., under the charter of the latter and with the title of "Bank of New Hampshire, National Association."

New Hampshire is growing at a faster rate than any other State in the Nation in terms of personal income and population. It is highly industrialized, particularly in the southeastern and south-central areas of the State which enjoy not only access to the metropolitan markets of New England, but also available skilled and unskilled labor, land available for industrial expansion, and a statewide tax structure which is attractive to industrial growth. These factors, as well as the tremendously diversified industrial base in New Hampshire, provide excellent prospects for New Hampshire's continued prosperity and growth.

The largest financial institution serving New Hampshire is the Amoskeag Savings Bank in Manchester, which has total deposits of only $202.6 million. The next two largest financial institutions in the State are also savings banks, the Manchester Savings Bank and the New Hampshire Savings Bank in Concord. The only commercial banking system of comparable size is the New Hampshire Bank Shares, Inc., a registered bank holding company located in Nashua, which owns seven banks in New Hampshire, with total assets of $159.2 million. The largest single commercial bank in the State is The Second National Bank of Nashua, with total assets of $48.7 million. These banks are far too small to finance the operations of industries in New Hampshire, or to compete with the metropolitan banks elsewhere in New England.

The three banks involved in the instant proposal are located in the Merrimack River Valley, in the south-central portion of New Hampshire, an area approximately 35 miles wide and 45 miles long. It is this area of New Hampshire that is growing rapidly, and which presently contains 40 percent of the State's population. It contains the two largest cities in the State as well as the State capital.

The three banks do not compete with each other. The Mechanicks National Bank of Concord, with IPC deposits of $18.7 million, operates three branches and maintains its head office in Concord, the State capital. Concord has a population of 30,500 and a trade area population of 48,620. The bank serves the towns of Bow, Pembroke, Hopkinton, Dumbarton, Warner, Webster, Boscawen, Canterbury, Loudon, and Chichester. The Second National Bank of Nashua, with IPC deposits of $40.9 million, operates five branches. In addition to Nashua, it serves the towns of Hudson, Hollis, Litchfield, and Merrimack. Nashua has a population of 47,500, and its economy includes manufacturing in the fields of electronics, leather, paper, and wood. The charter bank, The Manchester National Bank, has IPC deposits of $13 million, and operates one branch in Manchester, which is the largest city in the three northern New England States and has a population of 92,000. Manchester is located midway between Nashua and Concord. The bank serves a total population of 123,400, and includes the towns of Bedford, Candia, Hooksett, Auburn, Londonderry, and Goffstown.

None of the three banks has ever branched outside its primary service area. The banks do not have the resources to establish branches in areas in which they have no established customers. Furthermore, the State branching law is very restrictive. A branch may be established in a city or town, other than the home office city, only if it is contiguous to the home office city and contains no bank or branch bank, or in any noncontiguous town having no bank, if the location is within 15 miles of the principal office, and if no other bank or branch bank is located within 10 miles of the proposed branch. The possibility of *de novo* branching into the service areas of the other banks by any participant in this proposal is very remote, both practically and legally.

In New Hampshire, the unique practice of separating financial functions so that a commercial bank, a savings bank, and a trust company frequently have been housed under one roof, has impeded the growth of financial institutions so that they are presently too small to provide the capital needed in an industrial society. Commercial banks are small, scattered, and oriented toward yesterday's agricultural economy. A degree of consolidation is required to keep pace with changes in the economy. The resulting bank will have total assets of $92.6 million, which is only 4.39 percent of the total of the 15 largest banks or banking systems, including savings banks, in the State. It will have only 9.4 percent of the total assets of the 17 commercial and savings banks in the consolidated market area, the Merrimack Valley. Although it will become the largest commercial bank in the State, it will compete with the banks owned by a registered bank-holding company which has assets far greater than itself, as well as with much larger savings banks. Furthermore, the Manchester Savings Bank, with assets of $137.4 million, has submitted a proposal to convert into a State commercial bank, and it will become the largest commercial bank in the State.

These larger financial institutions are sorely needed to provide the capital which will finance the rapidly growing industrial firms in New Hampshire, many of which presently do their primary banking outside of the State. None of the three banks involved in the proposal can be considered a full-service bank, offering such specialized services as accounts receivable financing, inventory loans, term loans and revolving credit, lease financing, and specialized building construction loans. Although each of them offers some of these, it does so only to a limited extent. Furthermore, the resulting bank will be able to offer a full range of trust services, computer services, and such incidental conveniences as travel services.

The banks in New Hampshire have not kept pace with the industrialization of the economy and the centralization of population in that State. Its capital resources are so fragmented throughout the State that it cannot provide the financing needed in the industrializing area of the Merrimack Valley. The proposal will provide an institution large enough to make industrial loans, and with sufficient resources to make available specialized services required in a modern industrial society, without dominating any facet of the banking industry in the State.

In light of the statutory criteria, the merger is deemed to be in the public interest and is, therefore, approved.

OCTOBER 1, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Nashua Bank's Merrimack branch is 12 miles south of Manchester Bank's head office, and 30 miles south of Concord Bank's home office. Numerous banking alternatives intervene between this branch of Nashua Bank and the other merging banks, including the Merrimack branch of The Indian Head National Bank of Nashua. Manchester Bank's head office is 18 miles south of Concord Bank's head office. Several banking alternatives exist for residents of Concord, both within that city and in the intervening distance. According to the application, very few of the merging banks' accounts come from each other's service areas. Thus, it does not appear that the proposed merger would eliminate substantial direct competition for deposits and loans.

Under New Hampshire law, a bank may branch *de novo* into a contiguous town, provided no other bank is already located there; and into a noncontiguous town within 15 miles of the branching bank's principal office, provided no other bank is within 10 miles of the proposed *de novo* branch site. *De novo* branching opportunities for each of the merging banks into the service areas of the others would thus appear to be limited.

In view of the relatively small number of commercial banks located in Concord, Nashua, and Manchester, and of the relative positions of each of the merging banks in their respective markets, opportunity for entry by each of the merging banks into the service areas of the others through merger with smaller banks would appear to be limited.

We would note, however, that the three cities involved are parts of a growing region with a bright industrial future; as population and industrial density increases, the presently abutting banking markets of these cities may begin to overlap to a significant extent. The proposed merger would foreclose the possibility of increased competition between the merging banks for deposit and loan accounts of larger, regionally-oriented customers.

* * *

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The Oceanside National Bank, Oceanside, N.Y. (12458), with | $11,789,068 | 3 | |
| and Security National Bank, Huntington, N.Y. (6587), which had | 918,893,374 | 57 | |
| merged Nov. 28, 1969, under charter and title of the latter bank (6587). The merged bank at date of merger had | 930,682,442 | | 60 |

COMPTROLLER'S DECISION

On August 18, 1969, The Oceanside National Bank, Oceanside, N.Y., and Security National Bank, Huntington, 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.

Security National Bank, with IPC deposits of $580.3 million, was organized in 1903. It operates 45 branches in Suffolk County, and 10 in Nassau County. Applications have been approved for four additional branches in Suffolk County, and two in Nassau County.

The service area of the charter bank encompasses the eastern end of Long Island, including most of Suffolk County, and the southeastern and central portions of Nassau County, where 10 branches are located. Nassau County has been an area of commercial, industrial, and residential growth for over 20 years, and Suffolk County, with three times the land area, is now developing rapidly. Since 1950, the population of the Nassau-Suffolk area has grown from 949,000 to over 2.5 million, and the area continues to be one of the fastest growing in the country. The economy is mixed commercial, industrial, and residential, with farming and seaside resort activity contributing greatly in Suffolk County.

Banking competition is intense in the charter bank's service area. Relevant statistics show the charter bank competing with 379 commercial bank offices, 26 savings bank offices, and 70 savings and loan association offices. In addition, the charter bank competes for deposits and loans, in New York City, with offices of institutions located there. Of 22 commercial banks operating in Nassau County, 8 are larger than the charter bank, including the large New York City banks, which since 1960, have been permitted to branch in Nassau County. All eight have over $1 billion in deposits, ranging from $16.9 billion held by the Chase Manhattan Bank to the $1.5 billion held by the eighth ranking bank, almost double the amount held by the applicant. In addition, a number of other financial institutions also compete in the area.

The Oceanside National Bank, with IPC deposits of about $10.8 million, was organized in 1923. It operates three offices, all of which are located in Oceanside.

Oceanside is an unincorporated area in Nassau County, primarily a residential and commercial community, located 26 miles from Huntington, the home office city of the charter bank, and 5 miles from Hempstead, the site of charter bank's nearest branch. The population has grown from 14,093, in 1950, to 35,915, in 1969. Businesses are primarily retail and service establishments, employing approximately 3,300. Other residents are employed in a wide range of professional and business activities, and commute to work in New York City or other areas of Long Island.

Chemical Bank of New York and Peninsula National Bank have branches in Oceanside. Additional branch offices of commercial and savings banks are located in areas adjacent to Oceanside, including six in Rockville Centre, 1.6 miles north; four in Baldwin, 2.4 miles east; one in Island Park, 1.6 miles south; and three in East Rockaway, 1.4 miles west. Forty-five banking offices are located within a 5-mile radius of Oceanside. Of 22 commercial banks operating in Nassau County, The Oceanside National Bank ranks 21st in size. In addition, other financial institutions operate in the immediate area.

Consummation of the merger will convert the offices of a very conservative bank to those of a progressive, well-managed institution, and will result in more complete banking services to the public in Oceanside. These services will include a larger lending limit, a broader range of loans, electronic data processing services, personal and corporate trust services, and the offering of certificates of deposit. Furthermore, the lack of management succession which exists at the Oceanside National Bank will be alleviated.

Competition will not be adversely affected by this merger because the closest offices of the two banks are

5 and 7 miles apart, their main offices over 26 miles apart, and numerous offices of other institutions operate in the intervening areas. Although one banking alternative in the general area will be eliminated, more than an adequate number of alternatives will remain. The resulting institution will continue in ninth position in size, but still will remain far behind the next largest bank in footings. The ability of the other smaller banks to compete will not be seriously affected.

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

OCTOBER 27, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the two banks are 25 miles apart. Security Bank's Hempstead office, located about 4 miles north of Oceanside, is the closest Security Bank office to Oceanside Bank. Three commercial banking offices are located in the intervening area, however. Seven other Nassau County offices of Security Bank, all located in the southeastern portion of the county, are between 7 and 11 miles from an office of Oceanside Bank. Several other commercial bank offices are in the intervening area, however. Thus, the merger would not eliminate any substantial existing competition between the banks.

Security Bank, the ninth largest of 37 commercial banks operating in Nassau and Suffolk counties, and second largest headquartered in either of these counties, has been expanding rapidly by means of *de novo* branching, as well as by merger. Thus, Security Bank is likely to establish a *de novo* office in closer proximity to Oceanside Bank's offices, absent this merger. In view of the relatively small size of Oceanside Bank, as well as the existence of other potential entrants, however, the effect of this merger on potential competition would not be substantial.

* * *

SOUTH JERSEY NATIONAL BANK, CAMDEN, N.J., AND THE MILLVILLE NATIONAL BANK, MILLVILLE, N.J.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Millville National Bank, Millville, N.J. (1270), with | $40, 887, 548 | 4 | ........... |
| and South Jersey National Bank, Camden, N.J. (1209), which had | 267, 672, 525 | 21 | ........... |
| merged Nov. 28, 1969, under charter and title of the latter bank (1209). The merged bank at date of merger had | 308, 613, 435 | ........... | 25 |

COMPTROLLER'S DECISION

On May 29, 1969, The Millville National Bank, Millville, N.J., and First Camden National Bank and Trust Company, Camden, N.J., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of "South Jersey National Bank."

First Camden National Bank and Trust Company, the charter bank, has IPC deposits of $211.6 million, and was originally organized in 1812. It operates 16 branches in Camden County, N.J., and one in Philadelphia.

Camden, N.J., across the Delaware River from Philadelphia, Pa., has a population of 117,000, and is the largest city in southern New Jersey. It is highly industrialized, with excellent highway, rail, air, and water transportation available. Steady employment is furnished residents of the area by both Camden County- and Philadelphia-based firms. The largest employers in the area are Radio Corp. of America and Campbell Soup Co., which employ 15,000 and 8,000 people respectively. Although the city of Camden has not experienced any significant growth since 1960, the county as a whole has grown 20 percent during this period. Keen competition is furnished within the area by the $309 million Camden Trust Company, Camden, N.J., the largest bank in the newly formed Third Banking District, and 75 other commercial banks with approximately 200 offices within the district. Additional competition is furnished by 15 commercial banks located in Philadelphia, Pa., nine of which are larger than the resulting bank. Various mortgage companies, credit unions, sales finance companies, personal loan companies, and savings and loan associations compete in the area with the commercial banks for savings dollars and profitable loans.

The Millville National Bank, Millville, N.J., the merging bank, has IPC deposits of $32.3 million, and was chartered in 1865. It operates its main office and two branches in Cumberland County.

Millville, N.J., with a population of 22,890, is located in the south-central part of the State, about 40 miles southeast of Philadelphia and Camden, and about the same distance southwest of Atlantic City. The area surrounding Millville is largely agricultural. The largest industrial employers in the Millville area are Wheaton Glass Co., employing about 2,700 persons, and the Armstrong Cork Co., employing about 1,500 persons. The Millville National Bank is the largest bank in Cumberland County, and is the 11th largest bank in the Third Banking District.

The proposed merger will make a broader range of banking services available to the residents of the south-central part of New Jersey than is now offered by the merging institutions. The $270,000 lending limit of The Millville National Bank has been inadequate to service the borrowing needs of the larger companies in the area. The lending limit of the resulting bank will be approximately $2.8 million, and, although still too small to fully service the needs of the largest companies, it should prove adequate to service the individual and medium-size businesses in southern New Jersey. Furthermore, the resulting bank will also offer residents and businesses in the Millville area such additional services as revolving check credit, combination construction and permanent mortgages, armored car service, EDP payroll service, EDP checking account reconcilement, and expanded trust services.

Competition will not be adversely affected by the merger. Since the head offices of the two banks are 40 miles apart, and their nearest branches 27 miles apart, there is no present competition between them which will be eliminated. The charter bank's second place ranking in size in Camden County and the Third Banking District, and its 11th place ranking in the Camden-Philadelphia trade area, will not change. Its relation to small competitors will not be significantly enhanced to their detriment. In Cumberland County and the Millville area, there will be no reduction in the number of banking alternatives. Potential competition in that area will not be affected since the charter bank cannot, by law, enter the Millville market through the *de novo* branching route. Present competition in that area, which is quite active already, will be stimulated through the introduction of the broader range of services and the larger lending limit of the charter bank.

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

SEPTEMBER 26, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

No significant competition presently exists between the banks proposing to merge, primarily because of the geographic distance between them. No deposit accounts in common are reported; a few construction loans in Cumberland County have been made by First Camden, but none of the banks located there provide this service. Other loans extended by First Camden in Cumberland County have been scattered, and are not considered significant.

Recent legislation in New Jersey broadens geographic areas for bank expansion beyond the former limits of county lines by dividing the State into three banking districts. Under this law, banks may branch within an entire district. However, the law retains community-wide home protection against *de novo* branching, and provides branch office protection in communities of less than 7,500 persons.

First Camden's opportunities for *de novo* entry into Cumberland County appear somewhat limited, but it is also a source of potential competiton through acquisition of one of the county's smaller banks.

Merger with one of the smaller banks in the county could increase the level of competition therein, as well as afford First Camden the entry it seeks. We note that each of the three smallest county banks operates an office in one of the county's three large cities, the county's most desirable local banking markets. First Camden is clearly a powerful potential competitor in whatever market it seeks to enter; should it be permitted to acquire a substantial bank with a leading share of local deposits, such as MNB, there would be a likelihood of permanent entrenchment of its position as one of the area's dominating banks. This undesirable effect is more probable where State branch banking law offers protection against *de novo* entry by outside banking institutions, thereby reducing still further the possibility that market forces will lead to deconcentration and increased competition for entrenched, leading banks in a market. Thus, it is particularly important that leading potential entrants such as First Camden enter by acquiring the smaller banks in the county, rather than the larger ones, and thereby offer potential new competition to the county's largest and ablest banks, such as MNB.

Acquisition of MNB by First Camden could also adversely affect potential competition in the Third Banking District generally. Under the new banking laws, with their greatly broadened sphere of permissible branching activity, the largest banks in the district are in a position to substantially increase their share of its banking markets. First Camden, the second largest of some 74 commercial banks operating in the district, controls about 10 percent of total deposits in district commercial banks. The five largest of these banks control about 42 percent of such deposits. Major merger activity by the largest banks could significantly increase this percentage, and possibly result in dominance of district commercial banking by a few very large institutions, whose development would preempt the growth of a larger number of able, district-wide competitors. Such an entrenched market structure, once achieved, would tend to be self-perpetuating, particularly in the context of continued home and branch office protection.

Acquisition of substantial independent banks, with leading shares of their local markets, would give undue impetus to the development of such a market structure (1) by eliminating banks most able to compete with the district's largest banks in these local markets; and (2) by eliminating the possibility that these leading local banks might become primary components of new banking organizations capable of competing with the district's largest banks for both large and small customers, either through affiliation with one another, or with bank holding companies controlling banks in other districts. Thus, First Camden's acquisition of MNB (the 11th largest bank in the Third District) would eliminate MNB as a possible major participant in a banking institution capable of competing with First Camden and the other largest Third District banks in Millville and Cumberland County, and other relevant local markets in the Third District. Such elimination is, as already noted, particularly undesirable in the context of continued home and branch office protection against *de novo* entry.

The proposed merger would eliminate First Camden, a leading commercial bank in the Third District, as one of the most probable potential entrants into Millville and Cumberland County through acquisition of a smaller bank, thereby enabling it to challenge (rather than entrench) MNB's leading position in these markets. In addition, MNB would be eliminated as a potential major element in a medium-sized bank competing, generally, in the Third District. For these reasons, we conclude that the proposed merger would have a significantly adverse effect on potential competition in Millville, Cumberland County, and the Third District, generally.

* * *

SEATTLE-FIRST NATIONAL BANK, SEATTLE, WASH., AND BANK OF TACOMA, TACOMA, WASH.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Bank of Tacoma, Tacoma, Wash., with | $18,668,000 | 4 | |
| was purchased Nov. 29, 1969, by Seattle-First National Bank, Seattle, Wash. (11280), which had | 1,955,819,000 | 131 | |
| After the purchase was effected, the receiving bank had | 1,974,487,000 | | 135 |

COMPTROLLER'S DECISION

On July 9, 1969, the Seattle-First National Bank, Seattle, Wash., applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the Bank of Tacoma, Tacoma, Wash.

The buying bank, the Seattle-First National, with IPC deposits of $1.5 billion, is located in Seattle, the largest city in the State. This bank, one of four statewide banks in Washington, operates 128 offices in 29 of the 39 counties in the State. It is not represented in the city of Tacoma, although it has offices in nine of the other larger cities in the State. The selling bank, the Bank of Tacoma, is located in Tacoma, the third largest city in Washington. This bank operates three branches in Tacoma and presently has IPC deposits of $11.9 million.

The major impact of this proposal will be felt in Tacoma, a city of 158,000, which has grown up around an excellent harbor. Tacoma is the location of many National industries, primarily related to forests and forest products and manufacturing, and two large military bases. It is one of the fastest growing areas in Washington, and its sound and diverse economy indicates future prosperity and continued growth.

Banking competition in Tacoma, or in Pierce County, in which it is located, is strong. The selling bank competes with four of the largest banks in Washington, including the National Bank of Washington, with deposits of $387 million; the Puget Sound National Bank, with deposits of $166 million; the Peoples National Bank of Washington, with deposits of $389 million; and the Bank of California of San Francisco, Calif., with deposits of $1.4 billion, which has offices in both Tacoma and Seattle. The proposal, when consummated, will introduce a fourth major banking force in the growing and prosperous city of Tacoma without unduly increasing the relative size or strength of the charter bank.

The selling bank, which was organized in 1963, has been in existence for less than 10 years. In accordance with Washington law, the State Supervisor of Banking has granted his permission to the bank to enter into the proposed transaction. Although the bank has maintained a satisfactory record of growth and profits, it has had difficulty keeping pace with the increasing credit demands of the growing industry in its market area. It increased its capital three times in 1965 and now maintains a very high loan to deposit ratio. Its low lending limit is inadequate to meet the needs of its customers. Furthermore, the bank has been hampered by management problems which stem from friction among members of the board of directors, inadequate training programs, and lack of successor management. The bank has had insufficient capital resources to provide trust services, economic research and counseling, international banking operations, or even computer services.

This proposal will have no adverse competitive effects. The banking structure in Washington is sufficiently diverse to preclude the dominance of any single bank in any area of banking. The applicant banks have very few common customers and their branches are located far enough apart to preclude more than an insignificant amount of direct competition between them. Furthermore, the charter bank is barred by Washington's home office protection law from branching *de novo* into Tacoma.

The proposal will affect only the Tacoma area. It will introduce into that city an additional aggressive bank with sufficient resources to compete with the large, full-service institutions presently operating there. It will replace the selling bank which, although it is presently operating at a profit, finds itself without the capital or resources to expand its operation and maintain a competitive stance with the other banks in its service area. No competition will be eliminated since the service areas of the applicant banks do not overlap; on the contrary, competition in Tacoma is expected to increase. The entry of the buying bank into the Tacoma market will provide an alternative credit source of sufficient magnitude to meet the credit requirements of the expanding local economy.

In light of the statutory criteria, the proposal appears to be in the public interest and without adverse competitive effects. It is, therefore, approved.

OCTOBER 30, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Both Tacoma Bank and Seattle-First have offices in Pierce County, but Seattle-First's offices are outside the city of Tacoma itself. The nearest one is in Puyallup, 8 miles east of Tacoma Bank's closest office, and the other is 3 miles further east in Sumner.

There is some competition between Tacoma Bank and Seattle-First which would be eliminated by the acquisition. However, there are some intervening banking offices between the closest offices of the merging banks.

The four largest banks in Pierce County together have over 80 percent of the deposits in the county, making it a highly concentrated banking market. Within Tacoma itself, the level of concentration is even higher. The combined market shares of Tacoma Bank (2.8 percent) and Seattle-First (3.1 percent) in Pierce County would be 5.9 percent. This merger would make the resulting bank the new fourth largest bank in the county, and increase the four bank concentration level by over 2 percent.

Under Washington State law, *de novo* branching is permitted only in incorporated communities without any banking office. Therefore, Seattle-First would only be able to enter the city of Tacoma itself by means of an acquisition of an existing bank. As the largest bank in the State, Seattle-First would be the most likely potential entrant into the city of Tacoma by this means. Since it is acquiring the smallest bank operating in the city of Tacoma, its entry does not represent any significant loss of potential competition in that market.

We should note, however, that this proposed merger represents a part of a trend towards concentration of bank deposits in the largest Washington commercial banks. Seattle-First is the largest banking organization in the State; it and one other bank already control 50 percent of all deposits in the State; and the five largest banking organizations control over 66 percent of such deposits.

Hence further acquisitions of viable banks by the State's leading banks tend to increase the existing competitive imbalance, and to foreclose potential development of independent banks capable of competing with Seattle-First and the other very large banks in the State of Washington. The seriousness of these effects is enhanced by the fact that *de novo* entry is effectively barred by Washington State law, thereby limiting the possibility for competitive forces to reduce market power in particular local markets.

For these reasons, we conclude that the proposed acquisition by Seattle-First would have an adverse effect on potential competition in the State of Washington.

* * *

HARTFORD NATIONAL BANK AND TRUST COMPANY, HARTFORD, CONN., AND LINCOLN BANK AND TRUST COMPANY, STAMFORD, CONN:

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Lincoln Bank and Trust Company, Stamford, Conn., with | $29, 575, 221 | 5 | .......... |
| and Hartford National Bank and Trust Company, Hartford, Conn. (1338), which had | 966, 860, 862 | 45 | .......... |
| merged Dec. 12, 1969, under charter and title of the latter bank (1338). The merged bank at date of merger had | 995, 928, 954 | .......... | 50 |

## COMPTROLLER'S DECISION

On August 15, 1969, the Hartford National Bank and Trust Company, Hartford, Conn., and the Lincoln Bank and Trust Company, Stamford, Conn., filed an application with the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

Hartford National Bank and Trust Company, Hartford, Conn., was organized in 1792, acquired a National charter in 1865, and now holds IPC deposits of $720 million. The bank presently operates 42 banking offices in six of Connecticut's eight counties, but concentrated principally in Hartford County in the north-central portion of the State, in New London County in the southeastern portion of the State, and in Litchfield County in the northwestern portion of the State. It has received approval to open three additional branches. Hartford, with a population estimated at 163,000, is the State capital, and is an important industrial and trade center. Manufacturing, especially of aircraft engines, parts, and equipment, and nonelectrical machinery, is of great importance to the local economy, while additional employment is found in the home offices of many important insurance carriers located in the city. In addition, because of the availability of excellent transportation facilities, the city has developed into an important center for wholesale and retail trade activity. In New London County, the bank's trade area is oriented principally toward defense-related industrial and service activities. The bank's service areas in Hartford and New London counties have both been marked by strong population growth in recent years. In Litchfield County, in northwestern Connecticut, the bank's trade area is predominantly of a rural-residential nature, but the presence of manufacturing establishments producing machinery, electrical equipment, instruments, and metal products also contribute greatly to the economy. In all of these areas, the charter bank competes with branches of statewide banks and the offices of locally-chartered banks.

Lincoln Bank and Trust Company, Stamford, Conn., was organized in 1918 as a Morris Plan Bank, acquired a National charter in 1962, and converted to a State charter in 1969. The bank now holds IPC deposits of $26 million at its main office and four branches, all of which are located in Stamford. Stamford, with a population estimated at 112,000, lies in Fairfield County in southwestern Connecticut, adjacent to Westchester County in New York. The residential towns of Darien and New Canaan, both with populations in excess of 22,000, are in the vicinity of Stamford. This prosperous area has seen rapid population growth in recent years, and counts manufacturing as its most important activity, with retail and wholesale trade activity, as well as financial activity, also making important contributions to its economy. Many of the inhabitants of this area commute to work in New York City.

There is no direct competition between the merging banks whose nearest offices are about 70 miles apart. It does not appear likely that competition could develop between these banks. The charter bank is precluded by home-office protection provisions of Connecticut banking law from *de novo* branch entry into Stamford, where all of the merging bank's branches are located. Entry of the charter bank into Greenwich, immediately south of Stamford, would be impossible for the same reason. *De novo* entry, by either bank, into New Canaan or Darien, the only towns adjoining Stamford into which branch entry would be legal, appears remote due to the high ratio of banking offices to population in these towns and the presence of zoning restrictions which provide little room for commercial expansion. Furthermore, due to the costs, distances, and legal restrictions involved, branch entry by the merging bank into areas now served by the charter bank cannot be viewed as a realistic possibility.

Approval of this application will not significantly increase banking concentration in Connecticut as the charter bank's share of the banking deposits in the State will be increased less than 0.1 percent. When the merger is consummated, the entry of the charter bank into the service area of the merging bank will enhance competition with the existing banking offices in this area, *viz* with branches of The State National Bank of Connecticut, Bridgeport, Conn., which, with deposits of $319 million, is the fourth largest bank in the State; with branches of the Union Trust Company, New Haven, Conn., which, with deposits of approximately $450 million, is the third largest bank in the State; and with The Stamford Fidelity Bank and Trust Company, Stamford, Conn., with deposits of $70 million. The resulting bank will also be in a better position to meet the competition from the much larger banks based in New York City, which compete for the banking business of the commuting residents of this area.

When the merger is consummated, the banking public in the service area of the merging bank will benefit from the availability of the trust services, international banking services, expanded lending services, municipal services, and other important banking services which will be made available through the charter bank. The resulting bank, with its greater lending limit, will be more responsive to the credit demands of this community. In addition, effectuation of the merger will make available greatly increased management resources now lacking in the merging bank.

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

NOVEMBER 6, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

A distance of about 68 miles separates the nearest offices of the participating banks, and the head offices are some 77 miles apart. Many banks operate in the intervening area, moreover, neither participating bank draws substantial business from areas immediately served by the other. Consequently, it does not appear that existing competition will be affected by consummation of the proposed transaction.

Connecticut law does not permit commercial banks to branch *de novo* into townships in which there are already located the home offices of other banks. Under this law, Stamford is closed to *de novo* branching by Hartford Bank, as is Greenwich, immediately to the west. However, Hartford Bank could make *de novo* entry into the townships of New Canaan and Darien which are adjacent to Stamford to the east.

Hartford Bank is a most likely potential entrant into the Stamford-New Canaan-Darien area. It is Connecticut's largest commercial bank and clearly possesses the resources for *de novo* branching. It has also shown an inclination toward expansion both via small acquisitions and via *de novo* entry. Since 1964, Hartford Bank has opened 12 *de novo* offices, and currently has approval to open three additional such offices. It would appear that the Stamford-New Canaan-Darien area is growing rapidly and is an attractive banking market for entry by Hartford Bank.

Moreover, the Stamford-New Canaan-Darien banking market is concentrated. Six commercial banks, controlling total deposits of $382.5 million, operate offices in this area. Five of these banks have their headquarters in Stamford. The three largest such banks hold some 89.2 percent of all bank deposits, and Lincoln Bank, the fourth largest, holds about 7.1 percent.

The overall effect of this proposal on competition will be adverse.

* * *

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The First National Bank of Quantico, Quantico, Va. (12477), with | $13, 948, 950 | 5 | |
| and Virginia National Bank, Norfolk, Va. (9885), which had | 912, 331, 648 | 92 | |
| merged Dec. 19, 1969, under charter and title of the latter bank (9885). The merged bank at date of merger had | 926, 284, 233 | | 97 |

COMPTROLLER'S DECISION

On September 2, 1969, Virginia National Bank, Norfolk, Va., applied to the Comptroller of the Currency for permission to merge with The First National Bank of Quantico, Quantico, Va., under the charter and with the title of the former.

Virginia National Bank, the charter bank, presently operates 89 branches and two military facilities, in 45 communities scattered throughout most of Virginia. The charter bank has total assets of $810 million. Although essentially a statewide bank, nearly two-thirds of its deposits are drawn from the Norfolk and Charlottesville area of the State. The First National Bank of Quantico, the merging bank, was established in 1923. This bank, with total assets of $13 million, is headquartered in Quantico, and operates three branches and a military facility in Prince William County. Ten years ago the merging bank was the largest bank in the county. Today it is the smallest of the four banks operating in the county.

The charter and merging banks are not in competition with each other, nor are they likely to compete in the future. Under Virginia law, the charter bank cannot branch *de novo* into Prince William County. The nearest offices of the charter bank to the merging bank are those in Alexandria and Arlington County, the closest of which is 17 road-miles from the merging bank's Woodbridge office. While not lessening existing competition, consummation of the proposed merger will strengthen competition among banks in Prince William County by substituting a strong successful bank for a less progressive one.

In addition to strengthening competition among banks in Prince William County, consummation of the proposed merger will serve the convenience and needs of its citizens. The merging bank has experienced difficulty attracting and keeping executive personnel. The bank's present executive officer is on loan from the charter bank. By contrast, the charter bank has demonstrated its ability to attract and retain top and midlevel management of the highest caliber.

Consummation of the proposed merger will enable the resulting bank to offer many sophisticated services that the merging bank has not been in a position to provide. The merger will also bring to Prince William County a banking institution that has demonstrated civic responsibility in all the communities it serves throughout Virginia.

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

NOVEMBER 19, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The nearest offices of VNB to Prince William County are the 11 offices recently acquired by merger with Commonwealth National Bank of Arlington, located in Arlington, Falls Church, and Alexandria. Quantico Bank's head office is more than 25 miles from any of those 11 offices, while the nearest branch of Quantico Bank is 17 miles from a VNB office. Within the intervening area are numerous banking alternatives. It is felt, therefore, that no substantial amount of direct competition will be eliminated by this merger.

Banking in Prince William County is concentrated. Four banks serve the county through 24 offices. Two of them are affiliates of major holding companies: American Bank ($24.3 million in deposits), an affiliate of Virginia Commonwealth Bankshares, is the largest bank in the county; and National Bank of Manassas ($14.9 million in deposits), an affiliate of First Virginia Bankshares, is the third largest bank in the county. In addition to Quantico, there is one other independent bank in the county: Peoples National Bank of Manassas. Of the four banks in the county, Quantico Bank has the smallest market share.

Under Virginia law, a bank headquartered in a city may only branch *de novo* into contiguous cities or 5 miles into contiguous counties, and a bank headquartered in a county may branch into contiguous cities but not into contiguous counties. Thus, VNB, headquartered in Norfolk, may only branch *de novo* into areas contiguous to Norfolk, and it may enter Prince William County only by acquisition. Furthermore, it may not open new offices in Prince William County after such a merger.

However, denial of this merger request would not necessarily exclude VNB from Prince William County. VNB could enter this rapidly growing but concentrated market by establishing a bank holding company and chartering a new bank as a subsidiary of the holding company. (Six of the largest banking organizations in Virginia consist of holding companies and their subsidiary banks.) In view of the projected economic growth of Prince William County, VNB's resources and capabilities, the proximity of VNB offices in Arlington, Falls Church, and Alexandria, and its demonstrated interest in expanding its office network into Northern Virginia markets, VNB must be regarded as one of the most likely potential entrants into Prince William County. Consummation of the instant merger would eliminate such potential competition.

Accordingly, we conclude that elimination of VNB as a potential entrant into Prince William County, via the holding company route, would have at least some adverse effect on potential competition in that rapidly growing but concentrated market.

* * *

THE FIRST JERSEY NATIONAL BANK, JERSEY CITY, N.J., AND BANK OF COMMERCE, NEWARK, N.J.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Bank of Commerce, Newark, N.J., with | \$71, 455, 473 | 6 | |
| and The First Jersey National Bank, Jersey City, N.J. (374), which had | 408, 151, 084 | 12 | |
| merged Dec. 26, 1969, under charter and title of the latter bank (374). The merged bank at date of merger had | 479, 606, 557 | | 18 |

COMPTROLLER'S DECISION

On August 18, 1969, The First Jersey National Bank, Jersey City, Hudson County, N.J., with IPC deposits of \$341.9 million, and the Bank of Commerce, Newark, Essex County, N.J., with IPC deposits of \$51.2 million, applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

The First Jersey National Bank was chartered April 9, 1864 under the name of the First National Bank of Jersey City. It remained so until July 1, 1968, when the name was changed to The First Jersey National Bank. The bank presently has total resources of \$438.8 million, and operates, in addition to its main office, 11 full-time branches plus a facility at the Military Ocean Terminal in Bayonne.

Jersey City, the headquarters of the charter bank, is located in the center of Hudson County, directly across the Hudson River from lower Manhattan. The county, which is a peninsula, has a population of over 600,000 people, and its largest city, Jersey City, has a population in excess of 250,000 persons. The county is primarily industrial, with over 30 percent of its 44 square miles of land area devoted to industrial purposes. Manufacturing in Hudson County produces electronics, wearing apparel, metals, machinery, and chemicals. This accounts for \$100 million in annual payrolls. Although heavily industrialized, the county has experienced little economic growth in the last 20 years, and in recent years, the population has declined slightly. A large portion of its land area is low meadows, flooded by coastal tidewater. Development of such land appears ready to take place in the near future, in view of the growing industrial and residential needs of burgeoning metropolitan New York City. Industry regards it as prime land because of its proximity to the Hudson River and Newark Bay, both of which accommodate ocean navigating vessels. Residential developers plan high-rent apartments, capitalizing on the county's nearness and accessibility to New York City, and the inability of New York to meet its own housing demands.

The Bank of Commerce, the merging bank, is a six-branch institution, with total assets of \$67.5 million, operating wholly within Newark, N.J. The bank was chartered in April 1902, as the West Side Trust Company. On November 23, 1956, it merged with the Bank of Commerce, under the charter of the West Side Trust Company, and assumed its present title.

Newark, with an estimated population of 410,000, is the most populous city in New Jersey, and the 30th largest city in the Nation. Located in Essex County, in the heart of industrialized northeast New Jersey, and less than 2 miles from New York City, Newark is the industrial and transportation center, as well as the leading financial city in the State. With a 612-acre port, Newark can handle ocean navigating vessels. Newark Airport, currently one of the Nation's busiest, anticipates continued need by the surrounding communities, and therefore has embarked on a $270 million expansion plan to increase capacity by 50 percent. Industrially, the city numbers among the top 30 municipalities in the United States in production per square mile. The industries concentrate primarily in chemicals, metals, machinery, electrical goods, textiles, printing, and foodstuffs. Not the least significant fact is that Newark is a leading brewery center. P. Ballentine & Son is headquartered in the city; Pabst Blue Ribbon and Anheuser-Busch presently are investing $60 million in production facilities. As a financial center, Newark boasts the State's three largest commercial banks, the largest savings and loan association, and the largest savings bank, as well as the headquarters of four major insurance companies and the principal office of the Hospital and Medical Service Plans of New Jersey. The city also serves as a major cultural center for New Jersey, with a large, modern branch of Rutgers University, an engineering college, and the New Jersey College of Medicine and Dentistry. Consideration of Newark with its first-class location, resources of people, transportation facilities, and economic capabilities would not be complete without pointing out that it is also a model example of a city beset by urban blight. However, assisted by Federal and State aid, the city presently is undergoing a residential, commercial, and industrial redevelopment encompassing more than 2,500 acres which, when completed in 1975, will represent an investment in excess of $1 billion of public and private funds.

There is no significant competition between the applicant institutions. Because New Jersey banking law forbade intercounty branching prior to July 17, 1969, neither bank was able to move into the other's territory. Moreover, the Bank of Commerce, with all six branches in Newark, chose to localize its activities to the immediate city. Although the Harrison branch of The First Jersey National Bank is but 1 mile from the principal office of the Bank of Commerce, the main offices of the two institutions are 7 miles apart. Distance in this case is misleading since Hudson County and, more specifically, Jersey City are separated from Newark by Newark Bay and the two rivers that discharge into the Bay. In retrospect, it appears that the pre-July 1969 banking law, the topography of the area, and the presence of numerous other large institutions which extend credit and services in northern New Jersey and nearby New York City account for the present lack of competition between the institutions. The applicants have only eight mutual borrowers, with total borrowings of $3 million; five of these eight are finance companies, which, by their nature, seek out many lines of credit. Competitive overlap of depositors between the two institutions is minimal. First Jersey is said to obtain about 3 percent of its deposits and 4 percent of its loans from Essex County; Bank of Commerce obtains less than 1 percent of its business from outside Essex County. While the new banking law allows the Bank of Commerce and First Jersey National Bank to branch into the other's service area, this does not appear to be practical. Commerce has neither the capital resources nor the management capability to permit such an aggressive plan. The First Jersey National Bank, while having the capital, would have very limited access to Essex County due to the home office protection rule. Only the small communities of Verona and Irvington, where no other bank has a home office, are available for branching purposes.

Approval of the proposed merger will not adversely affect area competition, nor will it unduly concentrate assets in the resulting bank. This application, if it is to be assessed realistically, must be viewed in its relation to metropolitan New York City. In the boroughs of Manhattan and Brooklyn there are 40 commercial banks recording total domestic deposits of $62.8 billion. Essex County currently has 17 commercial banks, with 113 offices, and total deposits in excess of $2.4 billion; five savings banks, with deposits of $1.4 billion; and 42 savings and loan associations, with aggregate deposits of $1.3 billion. In the immediate trade area of Newark, the merging bank is only a slight competitor in its own market. It is a $67 million bank situated in a city with the State's three largest commercial institutions, the $764 million First National State Bank, the $619 million Fidelity Union Trust Company, and the $600 million National Newark and Essex. Together, the three banks have almost $2 billion in deposits, which is practically all of the deposits of the city, and 15 percent of the $13.2 billion aggregate deposits of all New Jersey commercial banks. The addition of the $438 million charter bank into the Newark area certainly will not repress competition by unduly concentrating assets. On the contrary, it will strengthen rivalry by providing a viable competitor for three other Newark banks.

The merger is expected to be highly beneficial to the inhabitants of the resultant bank's service area. It will replace a small and relatively ineffective competitor with a highly competitive, full-service institution which will act as a catalyst to intensify competition among the other Essex County banks, especially the three large Newark banks. Likewise, the merger is a feasible alternative for the charter bank which is forbidden to branch into Newark under the home office protection clause of New Jersey's branching law.

The benefits from the merger will be innumerable. The management succession problem of the Bank of Commerce will be resolved. The merger will provide an alternative to the borrowing needs of the larger businesses in the area who presently look to the large Newark or New York City banks. The resulting bank will have a full scale trust department, whereas the merging bank had only a part-time trust officer. The customers of the resulting bank will be able to obtain Master Charge credit cards. Also, customers of the bank will be offered electronic data processing services. Additional services of First Jersey National include a travel service, a wide variety of savings and deposit programs, and an international division. Furthermore, the area development staff of the resulting bank, which assists industrial and commercial development, should be a welcome addition to the Newark community, to assist in effectuating and continuing the success of the urban renewal program now in progress.

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

November 20, 1969.



Although the merging banks are in different counties and metropolitan centers, their primary service areas are adjacent and closely connected by major railroads, including the Hudson "Tubes", and numerous bridges and highways, including the Pulaski Skyway and the New Jersey Turnpike.

Three of First Jersey's branches, in Kearney and Harrison, are close to the county line, at distances of 3,000 feet, 1, and 2 miles, respectively, from Commerce's head office in downtown Newark. First Jersey derives approximately $11.5 million in deposits, and $8.7 million in loans, from Essex County. There is, thus, a significant amount of direct competition between the two banks that will be eliminated by the proposed merger.

Both metropolitan areas here are highly concentrated. In the Jersey City SMSA, the four largest of 11 banks hold about 80 percent of total deposits and IPC demand deposits; of these First Jersey is the largest, with about one-third of total deposits and IPC demand deposits.

In the adjoining Newark SMSA, the three largest of 41 banks hold about 50 percent of total deposits and about 53 percent of IPC demand deposits. Commerce is the fifth largest bank; it has, however, only 1.6 percent total deposits and IPC demand deposits.

Under recent changes in New Jersey banking law, First Jersey is permitted to open bank offices in Essex County. The possibility of meaningful *de novo* entry, however, is substantially limited by the home office protection provisions of the new law which foreclose the opening of new offices in the city of Newark area and limit *de novo* opportunities to two relatively small suburban communities.

*De novo* entry by Commerce into Hudson County is now also permissible; because of its relative size and growth rate, however, it cannot be regarded as among the most likely entrants into the area.

The proposed merger will eliminate some direct and potential competition in metropolitan Newark, and may have some adverse effect on competition.

* * *

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Bank of Santa Ana, Santa Ana, Calif., with | $20, 523, 465 | 2 | |
| and United States National Bank, San Diego, Calif. (10391), which had | 508, 125, 667 | 54 | |
| merged Dec. 29, 1969, under charter and title of the latter bank (10391). The merged bank at date of merger had | 515, 818, 939 | | 56 |

COMPTROLLER'S DECISION

On October 3, 1969, the Bank of Santa Ana, Santa Ana, Calif., and United States National Bank, San Diego, 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 United States National Bank, with IPC deposits of $323 million, was first established in 1913. In addition to its main office, it operates 12 branches in San Diego County, 10 in Orange County, 27 in Los Angeles County, one in Riverside County, and two in San Bernardino County.

The service area of the charter bank encompasses all of San Diego County, with a population of 1.3 million, approximately one-half of whom reside in the city of San Diego. It also covers the counties of Orange, Los Angeles, Riverside, and San Bernardino. This five-county area has enjoyed dynamic growth, and represents the four primary market areas of Southern California. The economic base of San Diego, Orange, and Los Angeles counties is stable and highly diversified in agriculture, industry, foreign and domestic finance and trade, and many other commercial and service activities, including aircraft and aerospace research and development, fishing, tourism, oil production, manufacturing of all types, military establishments, and retail trade. The inland counties of Riverside and San Bernardino are alike, both geographically, and economically, and are officially designated as a standard metropolitan statistical area. Portions of these counties are mountainous and dotted with lakes, streams, and rivers, making them ideal resort and vacation areas. The counties have significant manufacturing facilities and large military installations within their boundaries. The economy of this area is principally dependent on wholesale and retail trade, with significant contributions from manufacturing, service industries, and construction.

The merging Bank of Santa Ana, with IPC deposits of $20 million, was organized in 1961. It operates one branch in Santa Ana, about 3 miles to the south of its head office, and has applied for permission to establish a second branch in Santa Ana. The bank has experienced satisfactory growth since its inception. This growth has not, however, been commensurate with the growth of the area it serves. While the bank conducts a general banking business, its commercial loans are oriented to real estate investments and transactions, and it does not provide trust services. The bank has limited lending capabilities and lacks full-service facilities. It is presently faced with a management succession problem.

A survey of deposit accounts conducted by the merging bank designates the Anaheim-Santa Ana-Garden Grove SMSA as the primary service area of the bank. This area comprises 782 square miles and has a population of 1.3 million, an increase of almost 600,000 people since 1960. This area has close economic and social ties with all of the counties in Southern California, and its residents enjoy a high degree of mobility resulting from the highly developed network of freeways and expressways throughout Los Angeles and Orange counties. This social and economic interchange, and ease of travel, make financial institutions in the Los Angeles-Long Beach SMSA readily available banking alternatives. The Anaheim-Santa Ana-Garden Grove Metropolitan Area is the second fastest growing metropolitan area in California. The economy of this area, which is the same as Orange County where it is located, can be best described as dynamic. Orange County, as a whole, has experienced phenomenal residential, commercial, and industrial growth since 1950, during which time its population has increased from 216,000 to a presently estimated 1.4 million. The economic emphasis has shifted from a predominantly agricultural economy to one well diversified in industry, manufacturing, services, and tourism.

There are 192 banking offices of 19 commercial banks within Orange County. In addition, there are 59 offices of 37 savings and loan associations and many other financial institutions in the county. In an area extending approximately 2 miles from the offices of the merging bank, there are 36 offices of 14 banks, including offices of California's largest statewide banks. The Bank of Santa Ana holds approximately 1 percent of the total commercial bank deposits in Orange County. The charter bank, through its 10 offices operating in the area, holds slightly less than 3.5 percent of the total commercial bank deposits in this market area. The resulting bank will have about 4.5 percent of the total bank deposits in the area.

Because of the common ownership and control of the participating banks, there is no competition presently existing between them to be eliminated by consummation of this merger. Moreover, the lending activities of the merging bank are principally geared to the small borrower, while the charter bank concentrates on the commercial and wholesale side of banking, as well as the retail side. In a sense, the banks could offer alternative banking sources to retail banking customers. However, there is an impressive number of banking alternatives in the area. What is needed is another viable and aggressive institution which will provide full banking services and strong competition to the larger banks in the area to help maintain a healthy competitive climate.

The impact of this merger on competition will not be adverse. Although one bank will be eliminated by the merger, a larger bank, more capable of competing with the much larger statewide banks operating in Orange County, will replace it. The combined institution will, however, still be far behind the Bank of America NT&SA, with 65 offices in the county, Security Pacific National Bank, with 38 offices; United California Bank, with 26 offices; and Crocker-Citizens National Bank, with 15 offices. The merger will have no competitive impact on the other market areas of the charter bank, which include the intensely banked Los Angeles and San Diego market areas.

Consummation of the proposed merger will benefit the communities in which the resulting bank will operate by introducing an institution capable of accommodating all legitimate credit requests. This merger will, besides solving the management succession problem at the merging bank, make available to the clientele of the Bank of Santa Ana the more sophisticated and extended services which the charter bank now offers to its customers, including trust services. Economies of scale from the combined operation will result.

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

November 26, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

U.S. National has 10 branches in the Anaheim-Santa Ana-Garden Grove SMSA; four of them are at distances of 1.1 to 5 miles from Santa Ana's main office.

Because of their geographic proximity, the two banks provide convenient alternatives to banking customers in the city of Santa Ana. Thus, the banks are in direct competition with another; this competition would be eliminated by the proposed merger. However, the area served by the two banks is also served by numerous offices of other banks, including the three largest California branch banking institutions.

The application claims, however, that there is a significant overlap of ownership interest in the two banks, attributable to the direct and indirect stock holdings of the present president and chairman of the board of U.S. National. No information is provided in the application, however, as to the time or circumstances under which these overlapping interests arose. From other information, we have concluded that any common ownership arose quite recently. Therefore, since this common ownership probably came about in contemplation of the proposed merger, should this merger not go through, it is likely that the common ownership will soon dissolve. Therefore, we believe the competitive factors should be considered.

In the Anaheim-Santa Ana-Garden Grove SMSA, the market shares of the applicant banks are relatively limited. The 10 branches of U.S. National hold $36 million, or 2.2 percent of total deposits, and $15 million, or 2.4 percent, of IPC demand deposits; Santa Ana's two offices hold only $15 million, less than 1 percent of total deposits, and $8.4 million, or 1.4 percent of IPC demand deposits. The three largest banks in the SMSA, however, hold 70 percent of total deposits and 66 percent of IPC demand deposits. Within the city of Santa Ana, U.S. National already has one office and it has four others in the vicinity. However, within Santa Ana, four other banks hold over 70 percent of commercial bank deposits, while Santa Ana Bank held around 5 percent. Altogether, 13 banks presently serve the city of Santa Ana; many are branches of major State or regional banks. Therefore, the increase in concentration which will result from this merger is not likely to be substantial.

* * *

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Kennewick National Bank, Kennewick, Wash. (15493), with | $3, 151, 116 | 1 | |
| was purchased Dec, 30, 1969, by Old National Bank of Washington, Spokane, Spokane, Wash. (4668), which had | 290, 858, 327 | 37 | |
| After the purchase was effected, the receiving bank had | 294, 009, 443 | | 38 |

COMPTROLLER'S DECISION

On June 30, 1969, Old National Bank of Washington, Spokane, Spokane, Wash., applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of Kennewick National Bank, Kennewick, Wash.

Spokane, home of the applicant bank, has a population of 190,000, making it the second largest city in the State. It is approximately 285 miles east of Seattle and 17 miles west of the Idaho State line. It is the heart of the region called the "Inland Empire", which includes eastern Washington, northern Idaho, and western Montana and supports an aggregate population of 1.2 million. The local economy is diversified but stable, being maintained primarily by lumbering, mining, agriculture, and the raising of livestock. There are more than 41,000 farms in the "Inland Empire", which, in 1968, had a cash income of some $600 million. The forest products industry has a stimulating impact, with a payroll of $120 million distributed among 28,000 workers. Manufacturing, while still second to agriculture and its related activities, is increasing, and now accounts for annual wages of some $100 million. Presently, over 350 manufacturing firms in and around Spokane employ about 13,000 people. Fairchild Air Force Base, with 4,700 permanent military and civilian personnel, and an annual payroll of $27 million, is 15 miles west of the city. Four transcontinental railroads, three airlines, and 35 carrier trucking firms serve the city's transportation needs.

Old National Bank of Washington, Spokane, the charter bank, was organized in 1891, and presently has IPC deposits of $232 million in its head office and 37 branches. It has the largest branch system in eastern Washington, and is the fifth largest bank in the State. It is a subsidiary of Washington Bancshares, Inc., Spokane, Wash., a registered bank holding company which controls one other bank, the First National Bank of Spokane, a $35 million institution with five branches.

Kennewick, the home of the selling bank, has a population of 17,000 people, and is situated some 150 miles southwest of Spokane and 230 miles southeast of Seattle, at the junction of Columbia and Yakima rivers. It is but one of three cities built around the concourse of the two rivers. Aggregately, Kennewick and the other two cities, Richland and Pasco, support over 100,000 people through agricultural and industrial activities. Two decades ago, this region was largely wasteland, but the institution of the Columbia Basin Project has helped to transform the area into productive farm land and a thriving manufacturing center. The Columbia River, navigable from the Pacific Ocean, the local Hanford Plutonium Plant, and an adequate source of water, have attracted some of the largest firms in the country, including U.S. Rubber Co., Atlantic-Richfield Corp., and Battelle Northwest Laboratories. These enterprises collectively employ almost 9,000 of the local citizenry. This is considered the fastest growing area in Washington and the recent construction of several hotels, hospitals, shopping centers, and industrial plants reinforces the present economic activity of the region.

The Kennewick National Bank, the selling institution, with IPC deposits of $2.4 million, was organized in 1965 under the guidance of the applicant bank. The goals of the selling bank are still largely unrealized. Deposits have been far lower than expected, earnings have been small, and no cash dividends have been paid to date. Until 2 years ago, excessive loan loss was a serious problem, but with the applicant bank management virtually taking over all the affairs of the selling bank, this problem has now been solved. Decisions of consequence are presently made by the applicant bank's management. The proposed acquisition will have little if any effect on competition between the two banks. Although the charter bank operates two facilities in Pasco and one in Richland, all of which are less than

10 miles from the selling bank in Kennewick, the Columbia and Yakima rivers offer a natural physical barrier to competitive interaction. A more important consideration is the present ties that exist between the management of the purchasing and selling banks. This has served to limit the effective competition between the two institutions.

The purchase of Kennewick National Bank will not unduly concentrate assets in the resulting bank, nor adversely affect the banking structure in the selling bank's trade area. The purchasing bank, with total deposits of $262 million, is the fifth largest bank in the State, holding approximately 6 percent of the statewide deposits. With the selling bank having total deposits of $2.9 million, which represents 0.1 percent of total State deposits, the resulting bank's asset structure remains virtually the same. The trade area of the selling bank, embracing the cities of Kennewick, Pasco, and Richland, is served by offices of six commercial banks, including the State's two largest institutions, Seattle-First National, with a branch in each tri-city, and National Bank of Commerce of Seattle, with branches in Kennewick and Richland. Together, the branches of these two banks alone account for $68 million of the area's deposits. Consummation of the proposed merger will add only the selling bank's $2.8 million in deposits to the $10 million deposited in the Pasco and Richland branches of the purchasing bank.

The competition eliminated by the acquisition will be negligible, and more than offset by the advantages that evolve. The management problems that presently exist will be resolved. Also, the people of Kennewick will be served by an institution that can offer more services than the selling bank presently affords. The applicant, in maintaining the selling bank as a branch, can more effectively serve Kennewick and its inhabitants, thereby overcoming the natural barrier of the rivers and their bridges, which limit access to and from the city.

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

NOVEMBER 24, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Old National, fifth largest bank in the State of Washington, maintains two branches in Pasco, 4 miles from Kennewick; a branch in Richland, 9 miles northwest; and another in Benton City, 20 miles west of Kennewick. Three of the largest banks in Washington State, based in Seattle and Tacoma, are represented by branches in Pasco, Kennewick, and Richland. Total deposits in the Tri-City area amount to $87.5 million. Eighty-five percent is shared by National Bank of Commerce, Seattle First National, and Peoples National Bank of Washington. Old National's share is 11.7 percent, and Kennewick Bank's 3.2 percent.

Although Old National's concentrated banking position in the State will not be affected, the proposed acquisition will eliminate the only independent bank remaining in the Tri-City area, as well as such competition as presently exists between Kennewick Bank and branches of Old National and others situated nearby.

Under State law, the entry of another bank into Kennewick or the Tri-City area by *de novo* branching is prohibited. Remington Rev. Wash. Stat. 30.40.020. Hence, a bank not presently serving this area can enter only by acquiring an existing bank. This merger will eliminate all other statewide banks not presently serving this area from the opportunity of serving this area by acquiring Kennewick Bank.

* * *

ZIONS FIRST NATIONAL BANK, SALT LAKE CITY, UTAH, AND UTAH NATIONAL BANK OF PROVO, PROVO, UTAH

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Utah National Bank of Provo, Provo, Utah (15054), with | $7, 225, 000 | 1 | |
| was purchased Dec. 30, 1969, by Zions First National Bank, Salt Lake City, Utah (4341), which had | 247, 538, 000 | 14 | |
| After the purchase was effected, the receiving bank had | 254, 763, 000 | | 15 |

COMPTROLLER'S DECISION

On June 26, 1969, Zions First National Bank, Salt Lake City, Utah, applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of Utah National Bank of Provo, Provo, Utah.

Zions First National Bank, the purchasing bank, with IPC deposits of $172.8 million, was organized in 1890. In addition to its head office in downtown Salt Lake City, this bank operates 14 branches, all but two of which are situated in Salt Lake County.

The purchasing bank primarily serves metropolitan Salt Lake City, which includes Salt Lake County and the southern part of Davis County, although it has no offices in that latter county. It also serves Spanish Fork, Utah, which is 65 miles south, through one branch, and Heber City, Utah, 50 miles southeast, by another branch office. Salt Lake City, the county seat of Salt Lake County, and the State capital, has an estimated metropolitan population of 490,000. It is Utah's major population, industrial and commercial center. The economy of the general vicinity is widely diversified in mining, manufacturing, transportation, agriculture, commerce, and military activities. Competing in this densely populated area are nine other banks, including offices of Utah's largest statewide banks. Although the purchasing bank is the third largest bank in the State, its operations are confined primarily to the Salt Lake City area. A number of other financial institutions also compete with the purchasing bank.

Utah National Bank of Provo, the selling bank, has IPC deposits of $4.9 million, and is a unit bank chartered in 1962. This bank has a high proportion of classified assets, is inadequately staffed, and its management is lacking in experience. It is not a full-service institution. Its lending limit appears inadequate to service its community's need for larger loans.

Provo, the home of the selling bank, is the county seat of Utah County, and the third largest city in Utah, with an estimated population of 44,200. Located about 45 miles south of Salt Lake City, Provo serves as a trading center for a population estimated at 124,966. While the Provo area is an important industrial area, the rest of Utah County is an important agricultural area of the State. Brigham Young University, with 23,000 students, and Utah Technical College are also located in Provo.

In addition to the selling bank, which has total deposits of $7 million, First Security Bank of Utah, N.A., the State's largest bank, with total deposits of $532.6 million; Walker Bank and Trust Company, the State's second largest bank, with total deposits of $279.5 million; Central Bank and Trust Company, with total deposits of $23.1 million; and the Orem State Bank, with total deposits of $4.2 million, compete in the area. Other financial institutions are also operative here.

The proposed transactions will benefit the Provo area by introducing, in place of the limited selling bank, another full-service institution capable of adequately serving the area's banking needs. The buying bank will be able to provide its Provo office with experienced management and adequate office staff. The need for refurbishing the existing banking facilities of the selling institution will also be met.

Competition will not be adversely affected by the transaction. Because the service areas of the two banks are widely separated, there is little competition between them. Such competition as there is between the selling bank and the closest two offices of the purchasing institution, which are about 12 miles apart, is deemed insignificant. Because of the small size of the selling bank in relation to the buying institution, there will be no effect in the Salt Lake City area. In the Provo area the merger will introduce an office of the State's third largest bank to compete with existing offices of the State's first and second largest banks. Through this acquisition, the purchasing bank will become more truly a statewide institution, with offices in two of the larger economic centers of the State, rather than a regional institution, with activities confined to but one section of the State. Its position as third largest bank in the State will remain unchanged.

Because of the peculiarities of the Utah statutes, this proposal cannot have an adverse effect on potential competition. Under the home office protection provision of State law, as long as Utah National Bank of Provo remains an independent organization, no other bank may open a *de novo* branch in the city. When the office of Utah National becomes a branch of the acquiring bank, the city will be open to *de novo* branching. Already, three banks have filed applications for four branches in Provo, thereby stimulating the competitive banking structure in the area.

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

AUGUST 19, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The closest office of Zions National to Provo is located 12 miles to the south in Spanish Fork. There is one bank in the intervening area. The proposed merger would not appear to eliminate a significant amount of existing competition.

Under Utah law, no bank may open a *de novo* branch office in Provo while Utah National remains an independent, locally-headquartered bank. Thus, while Zions National has the resources to be considered among likely potential entrants, it is legally barred from entering at the present time. Should Utah National became affiliated with any other bank, Zions National would be among the most likely potential *de novo* entrants into Provo. In view of its relatively modest resources, Utah National does not appear to be a likely *de novo* entrant into areas served by Zions National.

The proposed merger would eliminate home office protection from Provo, enabling any bank in the State to open new offices in the city.

* * *

BELLEFONTAINE NATIONAL BANK, BELLEFONTAINE, OHIO, AND THE FARMERS BANKING COMPANY, WEST LIBERTY, OHIO

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Farmers Banking Company, West Liberty, Ohio, with | $3, 548, 747 | 1 | |
| and Bellefontaine National Bank, Bellefontaine, Ohio (13749), which had | 13, 994, 116 | 2 | |
| merged Dec. 31, 1969, under charter and title of the latter bank (13749). The merged bank at date of merger had | 17, 542, 863 | | 3 |

COMPTROLLER'S DECISION

On September 30, 1969, The Farmers Banking Company, West Liberty, Ohio, and the Bellefontaine National Bank, Bellefontaine, Ohio, applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

Bellefontaine National Bank, with IPC deposits of $10.3 million, was chartered in 1933. It operates one in-town drive-in branch and has one out-of-town branch approved, but unopened in East Liberty.

The Farmers Banking Company, with IPC deposits of $2.5 million, was established August 12, 1892, and operates as a unit bank.

Bellefontaine, the county seat of Logan County, has a population of about 12,000. It is situated in west-central Ohio, 56 miles northeast of Dayton, Ohio, 56 miles northwest of Columbus, Ohio, and 96 miles south of Toledo. The economy is based primarily on industry, with 18 firms employing over 4,000 area residents. Several of the more prominent employers are Westinghouse Electric Corp., Rockwell Manufacturing Co., and H. K. Porter Co. As a county seat, it has a substantial number of retail outlets, as well as municipal offices, within its boundaries. In addition to the charter bank, Bellefontaine is also served by the $10.1 million Logan County Bank.

West Liberty, home of the $3.3 million merging bank, is located on the southern boundary of Logan County, 8 miles south of Bellefontaine. It has a population of 1,522 persons and a service area population of 7,500 persons. The economy is based primarily on agricultural pursuits, although a limited amount of industrial activity is conducted in the community itself. The merging bank is the only bank present.

Logan County has a population in excess of 35,000, of which 11,000 are employed in the county. Industry is the mainstay of the county, with agriculture of secondary importance. Of 295,048 acres of land in the county, 244,850 acres are farmland. Presently under construction in the eastern part of the county, and the western part of Union County, which is adjacent thereto, is a multimillion dollar Ohio Transportation Research Center. The facility is a joint venture of the Ohio Department of Highways and Ohio State University, with most of the cost being funded by the Federal Government. It is estimated that this facility will generate employment for 50,000 to 85,000 workers, and will bring into the area as many as 100,000 new residents in 5 to 10 years.

Banking competition in Logan County is generated by nine banks, operating 10 offices. The largest is the charter bank. The merging bank ranks fifth. In addition to the above competition, there are seven savings and loan associations located in the service area. In the aggregate, they hold $78.3 million in total resources, including $64.3 million in real estate mortgage loans.

There are also five credit unions and five personal loan companies, in Bellefontaine, competing for consumer-type loans, as well as several Federal agencies providing long-term financing for farmers.

This merger will provide the residents of West Liberty with an institution which will have an expanded lending limit and will offer more efficient service. The resulting bank will be in a better position to participate in the county expansion, incident to establishment of the Ohio Transportation Research Center, and the related industries that will follow. It will be the solution to the charter bank's management succession problem, expected on the retirement of that bank's senior officers.

The merger will not adversely affect competition. Although the merging banks operate in the same county, their service areas overlap only slightly and, as a consequence, there is only insignificant competition between them to be eliminated. In Bellefontaine, the charter bank will be able to remain competitive with The Logan County Bank when, and if, that bank becomes a subsidiary of BancOhio Corporation. The merging bank is the only bank in operation in West Liberty, and the merger will have no adverse competitive effect in that area. Countywide, the resulting bank will continue as the largest bank. Although the resulting bank will retain its number one ranking in size in the county, the $14 million Champaign National Bank, and the $14.6 million Citizens National Bank, both headquartered in Urbana, will provide significant competition.

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

November 26, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Bellefontaine National's head office is about 8 miles from Farmers' head office, and there are no other banking offices between them. There is, therefore some existing competition between the two banks which would be eliminated by the merger.

Nine banks operate 11 offices in Logan County as of June 30, 1968; Bellefontaine National ranked first in total deposits, with 27 percent, and the three largest banks in the county (including Bellefontaine) held 68 percent of total deposits. If the proposed merger were consummated, Bellefontaine National would have 34 percent, and the three largest banks would have 75 percent of total deposits in the county. The proposed merger would, therefore, result in a substantial increase in concentration in the Logan County commercial banking market.

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

* * *

Deposit Guaranty National Bank, Jackson, Miss., and City Bank & Trust Company, Natchez, Miss.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| City Bank & Trust Company, Natchez, Miss., with | $28, 746, 698 | 4 | |
| and Deposit Guaranty National Bank, Jackson, Miss. (15548), which had | 440, 122, 649 | 24 | |
| merged Dec. 31, 1969, under charter and title of the latter bank (15548). The merged bank at date of merger had | 467, 004, 304 | | 28 |

The "Comptroller's Decision" and the "Summary of Report by Attorney General" for this case appeared in the 1968 Annual Report under the heading "Approved, but in litigation". This merger was not consummated until 1969.

* * *

FIRST NATIONAL BANK OF SOUTH JERSEY, EGG HARBOR TOWNSHIP, N.J., AND THE SALEM NATIONAL BANK & TRUST COMPANY, SALEM, N.J.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| First National Bank of South Jersey[1], Egg Harbor Township, N.J. (8800), with | $240, 187, 057 | 20 | |
| and The Salem National Bank & Trust Company, Salem, N.J. (1326), which had | 14, 453, 013 | 1 | |
| consolidated Dec. 31, 1969, under charter of the latter bank (1326) and title "First National Bank of South Jersey." The consolidated bank at date of consolidation had | 254, 640, 070 | | 21 |

[1] Formerly Boardwalk National Bank, title changed Dec. 1, 1969.

COMPTROLLER'S DECISION

On August 7, 1969, The Boardwalk National Bank, Egg Harbor Township, N.J., applied to the Office of the Comptroller of the Currency for permission to consolidate with The Salem National Bank & Trust Company, Salem, N.J., under the charter of the latter and with the title "First National Bank of South Jersey."

Salem, N.J., with a population of 9,750, is the situs of the charter bank. Positioned in the southwestern corner of New Jersey, it is the county seat of a predominantly agricultural county of the same name. Salem County, with a population of 64,000, has 121,000 acres of land under cultivation. The approximately 1,200 vegetable and dairy farms in the county yield over $16 million in annual produce, much of which is contracted for by Seaboard Farms, one of the Nation's largest frozen food operations. While the industrial and manufacturing potential of the county as yet is largely unrealized, construction expenditures exceeding $25 million were planned, or initiated, in 1969 by such national firms as B. F. Goodrich, Monsanto Chemical, DuPont, and Radio Corporation of America, thus revealing the trend of the future. The Delaware River and the Chesapeake Bay are contiguous to this county, and are in part responsible for attracting the county's present large businesses, DuPont, Anchor Hocking Glass, H. I. Heinz, and Gaynor Glass, who together have a $63 million annual payroll, distributed among 10,000 employees.

Egg Harbor Township, N.J., home of the consolidating bank, is an area immediately west of Atlantic City, in the southern New Jersey resort region. Atlantic County, with an area of 566 square miles, supports over 177,000 people. The eastern portion of the county, with its popular beaches, is one of the major resort and convention centers of the United States; in 1968 alone, in excess of $59 million was spent for conventions. Several national hotel chains have built, or are planning to establish themselves, in and around Atlantic City. Yet, the county is not without its industrial base; located in eastern Atlantic County are Whitehall Laboratories, Lenox China, Prudential Insurance Co., Alberto-Culver Co., Pacemaker Corp., Wheaton Plastics, and the National Aviation Facilities Experimental Center Air Station, together employing over 5,000 persons. Whereas the eastern portion of the county is recreation and industry, the central and western portion continues to reflect the more prevalent agrarian economy. Truck farms, dealing in vegetables, apples, peaches, strawberries, and other fruits, predominate. It is evident, however, that industrialization of the cities is spreading to the agricultural sections as woodlands around the cities are being rapidly developed into industrial parks; this trend is expected to continue.

The Salem National Bank & Trust Company, a unit bank in Salem County, with IPC deposits of $10 million, was chartered in 1822 as the Salem Steam Mill and Banking Company. In 1825, the name was changed to The Salem Banking Company, and conversion to National bank status in 1865 resulted in the title of Salem National Banking Company, which in 1925 was changed to the present name.

The Boardwalk National Bank, organized in 1907, has enjoyed excellent growth since its inception, and presently records IPC deposits of $170.9 million in its 21 offices, all of which are located in Atlantic County. In anticipation of the proposed merger, this bank interchanged its head office in Atlantic City with a branch office in Black Horse Pike, Egg Harbor Township. Also, the bank received tentative approval to change its name to "First National Bank of South Jersey." The main office of the resulting bank will be in Egg Harbor.

Consolidation of the two banks will not adversely effect the banking structure in either bank's present trade area. Both applicants are located in the recently created Third Banking District of New Jersey, which comprises the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem. As of December 31, 1968, this bank district contained 75 commercial banks, operating 256 offices, and holding aggregate assets of $2.4 billion. The Boardwalk National Bank, with total assets of $227 million, is third only to the $300 million Camden Trust Company and the $257 million First Camden National Bank, both of Camden, N.J. However, because they are on opposite sides of the State, the Camden banks and Boardwalk National are not directly competitive. The Salem National Bank is the 42d largest bank operating in the Third Bank District; unlike the Boardwalk National, it is in direct competition with the two Camden banks. Consummation of the consolidation would not eliminate competition; rather, it would inject another bank into the western portion of the State to stimulate and promote more progressive banking competition with the present banks of the area.

Approval of the proposed consolidation will not unduly concentrate assets in the resulting bank. Although Boardwalk National is third largest in the district, with assets of $227 million, this represents only 9.1 percent of the total district deposits. Upon consolidating, the resulting bank will continue to rank third in assets, with $304 million, an increase of only $77 million or 0.5 percent of the total district deposits.

The proposed acquisition will have no effect on competition between the two applicant banks. Since they service different markets on the opposite sides of the State, competition is currently nonexistent. The principal offices of the two banks are 68 miles apart, and the closest operating facilities are separated by 40 miles. The applying banks have no depositors or borrowers in common.

The resulting bank will offer a broader range of services to the existing customers of the Salem National Bank. The lending limit will be in excess of $2 million, as compared to Salem National Bank's current limit of $137,000. This will put the resulting bank in a position to serve the present companies in the Salem area who have had to look to Camden, Wilmington, Philadelphia, and New York banks to satisfy their credit needs. The resulting bank will be able to solicit actively the accounts of future industry and business that may settle in the applicant banks' service areas. Trust department facilities will be enlarged in the Salem National Bank, and management succession now lacking at the Salem institution will be improved. In addition, computer service will be afforded the customers of Salem National Bank, and commercial mortgage and installment loan services will be expanded.

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

NOVEMBER 26, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Boardwalk and Salem concentrate operations in two distinct banking markets, Atlantic County and Salem County, respectively. There would appear to be little competition between them that would be eliminated by the proposed consolidation.

Boardwalk is presently the third largest of some 75 commercial banks in the Third Banking District. Its large deposit base and tradition of leadership in Atlantic County place it among those banks most able and most likely to enter new areas of the district. Consummation of the proposed merger would result in its entry into Salem County through merger with the third largest bank in the county, and the smaller of two operating offices in Salem itself. In view of Boardwalk's position as one of the very largest district banks, its entry into Salem County through merger with one of the county's smallest banks, or perhaps with a bank as yet unchartered, might contribute more to competition in the county than the proposed merger.

However, in view of the relative size of Salem as compared with other banks in the Third District, and the structure of the banking community in Salem County, we do not believe the proposed merger likely to have a significantly adverse effect on potential competition.

* * *

MARINE MIDLAND NATIONAL BANK OF SOUTHEASTERN NEW YORK, POUGHKEEPSIE, N.Y., AND MARINE MIDLAND TRUST COMPANY OF ROCKLAND COUNTY, NYACK, N.Y.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Marine Midland Trust Company of Rockland County, Nyack, N.Y., with | $86,495,299 | 12 | |
| and Marine Midland National Bank of Southeastern New York, Poughkeepsie, N.Y. (465), which had | 154,669,793 | 11 | |
| merged Dec. 31, 1969, under charter of the latter bank (465) and title "Marine Midland Bank of Southeastern New York, N.A." The merged bank at date of merger had | 241,165,093 | | 23 |

COMPTROLLER'S DECISION

On August 1, 1969, the Marine Midland Trust Company of Rockland County, Nyack, N.Y., and the Marine Midland National Bank of Southeastern New York, Poughkeepsie, N.Y., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title "Marine Midland Bank of Southeastern New York, N.A."

Both participating banks are subsidiaries of Marine Midland Banks, Inc., Buffalo, N.Y., a registered bank holding company which holds 98.5 percent of the stock of both banks. Both banks are in the Third Banking District of New York. The charter bank, with IPC deposits of $66 million, operates 11 offices in Dutchess, Sulivan, and Orange counties. The merging bank, with IPC deposits of $41.2 million, operates nine offices in Rockland County.

Forty-six commercial banks operate 311 offices in the Third Banking District in New York. The resulting bank will be third in size, and will compete with banks which are subsidiaries of other large holding companies. The applicant banks do not compete at all at present. Because they are commonly owned, the proposal represents an internal reorganization of the holding company system, and presents no competitive changes. The merger, therefore, is approved.

NOVEMBER 24, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the merging banks are 59 miles apart, and their closest offices are some 15 miles apart. The application indicates that the merging banks draw few deposits and loan accounts from each other's service areas.

However, the proposed merger will not eliminate any meaningful competition, as both banks are already owned by the same registered bank holding company.

* * *

THE CITIZENS NATIONAL BANK AND TRUST COMPANY, WELLSVILLE, N.Y., AND OLEAN TRUST COMPANY, OLEAN, N.Y.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Olean Trust Company, Olean, N.Y., with | $13,606,124 | 1 | |
| and The Citizens National Bank and Trust Company, Wellsville, N.Y. (4988), which had | 37,506,790 | 6 | |
| consolidated Dec. 31, 1969, under charter and title of the latter bank (4988). The consolidated bank at date of consolidation had | 51,112,914 | | 7 |

On September 8, 1969, the Olean Trust Company, Olean, N.Y., and The Citizens National Bank and Trust Company, Wellsville, N.Y., applied to the Comptroller of the Currency for permission to consolidate under the charter and with the title of the latter.

The Citizens National Bank and Trust Company, with IPC deposits of $29.2 million, and headquartered in Wellsville, was chartered in 1895, and operates branches in Alfred, Andover, Bolivar, Cuba, and Whitesville, all in Allegany County.

The village of Wellsville, with a population of about 6,000, lies midway between Hornell and Olean, both just beyond the boundary of Allegany County. The service area of the village includes most of Allegany County and a portion of northern Pennsylvania, encompassing a population of almost 45,000. The area's largest employers include Worthington Corp., manufacturing turbines, and Combustion Engineering, Inc., manufacturing air preheaters and heat exchangers, which together employ upward of 2,500 on annual payrolls approaching $20 million.

The Olean Trust Company, with IPC deposits of $10.7 million, was organized in 1914, and presently operates as a unit bank. This bank faces a management succession problem as both senior officers are approaching retirement age and there appears to be no one in the lower ranks capable of replacing them. Because most of its loans are in the consumer lending field, this bank is not an active competitor in the commercial, industrial, and mortgage lending fields, with the result that it more nearly resembles a credit union or finance company.

Olean, the largest city in Cattaraugus County, has a population of about 22,000. Located some 35 miles west of Wellsville, its service area encompasses a population upwards of 50,000. The area's largest employer is Acme Electronic Corp., manufacturing power conversion equipment, and employing some 1,200 on an annual payroll approximately $7 million. Clark Bros., Inc., a division of nationally-known Dresser Industries, Inc., which manufactures oil field equipment, is another large area employer.

Banking competition in the general area is quite keen, and has accelerated with the 1969 merger of The Union National Bank of Franklinville, in Cattaraugus County, and the First Trust Union Bank, headquartered in Wellsville; First Trust, with deposits of $43 million, is in direct competition with Citizens, and is the largest bank in Allegany County. Sixteen banking offices are located in Alleghany County. Should the present proposal be consummated, Citizens would still be smaller than First Trust Union Bank.

Olean Trust Company competes with both The Exchange Bank of Olean, which has deposits of $30 million and is a charter member of the $2.5 billion Bank of New York Co., Inc., and The First National Bank of Olean, which has deposits of $37 million. The First National has an application pending to consolidate with The First National Bank of Jamestown, Chautauqua County, a charter member of Lincoln First Banks, Inc., which has deposits of $1.2 billion. In the Ninth Banking District, which is comprised of eight counties, there is a population estimated at 1.7 million, served by 32 banks. The consolidating banks rank 10th and 15th largest, and hold 1 percent and 0.34 percent, respectively, of the total banking deposits in the district. Included among the institutions in the district, which is the largest geographical area in which each bank may branch, are five organizations larger than $1 billion each.

The proposed consolidation will primarily benefit the Olean area by solving the management succession problems of the Olean Trust Company, and by introducing, in place of that bank, a branch of a bank able and willing to make industrial, commercial, and mortgage loans, as the Olean Trust Company does not presently do to significant degree. This should have the effect of stimulating future economic growth, and meeting the needs for loans which anticipated growth should create.

The consolidation will have no adverse effect on competition. Since the nearest offices of the two banks are over 15 miles apart, there is little direct competition between them. In the Wellsville area, the consolidation will create an institution more capable of competing with the First Trust Union Bank, the county's largest, without placing the smaller banks operating there at a disadvantage. The consolidation will enable the Olean office of the resulting institution to more effectively compete with the other two banks operating there, both of which are larger than the Olean Trust Company. In the Ninth Banking District, the consolidation will not unduly disadvantage any other bank. Potential competition will not be affected since, under State law, neither bank can branch into the home office city of the other, and those cities into which either could branch, near to, and in competition with, any office of the other, cannot support an additional banking office.

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

NOVEMBER 24, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The Citizens National Bank and Trust Company ("Citizens National") operates its head office and five branches in Allegany County, N.Y. Olean Trust Company ("Olean Trust") operates its sole office in Olean, Cattaraugus County, N.Y.

The closest offices of these two banks are only 15 miles apart. There is little penetration of either bank into the other's county, however, and their loan portfolios differ substantially. In addition, there is another bank, located in Cuba. Despite these factors, some direct competition may be eliminated by the merger.

Applicable law prevents Citizens National from branching into Olean. Olean Trust, however, could establish a branch in any of the towns where a Citizens National branch is located. The only other avenue for potential competition is the possibility of cross-branching into smaller towns or villages which have no other commercial banks headquartered there. In view of the nature of the area and the existence of other potential entrants in the area, we conclude that the proposed merger is unlikely to have a significantly adverse effect on potential competition.

* * *

THE FIRST NATIONAL BANK OF ANCHORAGE, ANCHORAGE, ALASKA, AND THE FIRST BANK OF VALDEZ, VALDEZ, ALASKA

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The First Bank of Valdez, Valdez, Alaska with | $1, 253, 000 | 1 | |
| was purchased Dec. 31, 1969, by The First National Bank of Anchorage, Anchorage, Alaska (12072), which had | 114, 659, 000 | 13 | |
| After the purchase was effected, the receiving bank had | 115, 663, 000 | | 14 |

Because the selling bank was noninsured, the application was filed with and approved by the FDIC. No decision was issued by the Comptroller.

* * *

THE FIRST NATIONAL BANK OF OAKLAND, OAKLAND, MD., AND THE CITIZENS NATIONAL BANK OF WESTERNPORT, WESTERNPORT, MD., AND THE FIRST NATIONAL BANK OF BARTON, BARTON, MD.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Citizens National Bank of Westernport, Westernport, Md. (5831), with | $3, 445, 744 | 1 | |
| The First National Bank of Barton, Barton, Md. (6399), with | 1, 651, 486 | 1 | |
| and The First National Bank of Oakland, Oakland, Md. (5623), which had | 26, 008, 842 | 4 | |
| merged Dec. 31, 1969, under charter and title of the latter bank (5623). | | | |
| The merged bank at date of merger had | 31, 106, 072 | | 6 |

COMPTROLLER'S DECISION

On September 2, 1969, The First National Bank of Oakland, Oakland, Md., The First National Bank of Barton, Barton, Md., and The Citizens National Bank of Westernport, Westernport, Md., applied to the Office of the Comptroller of the Currency for permission to merge under the charter and with the title of "The First National Bank of Oakland," Oakland, Md.

The First National Bank of Oakland was organized in 1900, and now holds IPC deposits of $21.3 million. The bank operates branches in the small towns of Friendsville, McHenry, and Grantsville, all of which are in Garrett County, which lies in the western-most portion of Maryland, and is surrounded on three sides by West Virginia and Pennsylvania. Oakland, where the bank's main office is located, has a population of 1,977 and is in the western portion of Garrett County, near the border with West Virginia. The charter bank's market area, which includes adjoining portions of Pennsylvania and West Virginia, is a mountainous area whose economy depends principally on agricultural operations, coal mining, and tourism, although some manufacturing activity is also present.

The Citizens National Bank of Westernport was organized in 1901, and now holds IPC deposits of $2.6 million. This bank, which is not an aggressive competitor, maintains its single banking office in the city of Westernport, which has a population of 3,559, and lies in the southeastern tip of Allegany County, just east of Garrett County. The bank's service area, which includes adjoining portions of West Virginia, is largely dependent on industry, especially the manufacture of paper and wood products, with Westvaco (formerly the West Virginia Pulp and Paper Co.) the principal employer. In addition, various other national corporations operate plants in this area.

The First National Bank of Barton was organized in 1902, and now holds IPC deposits of $1.4 million. Barton, where the bank's single office is located, lies in the western portion of Allegany County, about 6 miles northeast of Westernport. The service area of this bank is also primarily dependent upon industry, and again, principally upon the operations of Westvaco, although some residents of this area commute to work in nearby Cumberland. This bank, which is not competitive in its interest rate structure on deposits, has shown little growth in recent years.

Since the office of the charter bank nearest to the offices of the merging banks are 25 and 31 miles apart, there is virtually no competition between the charter bank and the merging banks. While the merging banks' offices are separated by only 6 miles, no significant competition exists between them, as neither is an aggressive competitor. When the merger is consummated, the merging banks, as branches of the charter bank, will be able to meet more effectively the competition now encountered from such larger banks as The Garrett National Bank in Oakland, which, with deposits of $21 million, operates a branch in Bloomington, 2 miles west of Westernport; the First National Bank, Piedmont, W. Va., with deposits of $5.7 million, which is across the Potomac River from Westernport; and the Liberty Trust Company of Maryland in Cumberland, which, with deposits of $42.6 million, operates a branch in Lonaconing, 3 miles north of Barton. Approval of this application will not affect significantly the competitive position of the charter bank vis-a-vis its existing competitors.

When the merger is consummated, the banking public in the service areas of the merging banks will benefit from the improved range and quality of banking services which the charter bank will offer. The lending limit of the resulting bank will greatly exceed the lending limits of the merging banks, and will be more responsive to the credit needs of their communities, while consumer credit financing and trust services will be made available in these areas. As branches of the charter bank, the merging banks will offer increased interest rates on time and savings deposits, thereby enhancing their competitive position in these areas. Approval of this application will assure management continuity to the merging banks.

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

November 26, 1969.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

Barton Bank and Westernport Bank are located within 4 road-miles of one another in a sparsely populated section of western Maryland. There are no banks in the intervening area. Westernport Bank and Barton Bank are clearly direct competitors; we conclude that their merger with Oakland Bank would accordingly eliminate horizontal competition between them. These banks are the fourth and fifth largest of the five banking offices serving the southwest Allegany County market. Their combination as branches of Oakland Bank will still leave them with the smallest market share in the immediate area, holding about 21 percent of its total commercial bank deposits.

Maryland law imposes no barriers to branch banking. Oakland Bank has established three branches in outlying communities of Garrett County in the last 9 years. The proximity of Pennsylvania on the north and West Virginia on the south and west prevents expansion of Oakland Bank outside its home county, in any direction but east. Indeed, Oakland Bank's application not only emphasizes this fact, it also details the attractiveness of the Westernport-Barton area as a prospective target for the bank's expansion. A further indication of the market's appeal to Oakland Bank is provided by the fact that the bank's chief competitor, The Garrett National Bank in Oakland, already has a branch in the area.

While Oakland Bank would be among the most likely potential entrants into the southwest Allegany County market, it should be noted that the county's commercial banking industry has experienced little growth in recent years.

* * *

THE FIRST NATIONAL BANK OF RICEVILLE, RICEVILLE, IOWA, AND RICEVILLE STATE BANK, RICEVILLE, IOWA

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Riceville State Bank, Riceville, Iowa, with | $2, 073, 000 | 1 | ........... |
| was purchased Dec. 31, 1969, by The First National Bank of Riceville, Riceville, Iowa (8442), which had | 2, 972, 000 | 1 | ........... |
| After the purchase was effected, the receiving bank had | 4, 895, 000 | ........... | 1 |

## COMPTROLLER'S DECISION

On September 23, 1969, The First National Bank of Riceville, Riceville, Iowa, applied to the Office of the Comptroller of the Currency for permission to purchase the assets and assume the liabilities of the Riceville State Bank, Riceville, Iowa.

Riceville State Bank, the selling bank, was chartered under the laws of the State of Iowa in 1892. This bank, which operates no branches, has total resources of $1.8 million. Because of a poor loan loss record, the capital of the bank has not grown adequately to maintain a proper capital to deposit ratio.

The First National Bank of Riceville, the buying bank, was organized in 1907. This bank, which is in good condition, has $2.9 millon in total deposits and operates no branches.

Riceville, a community of 900 inhabitants, is located on the Howard-Mitchell County line. The town is primarily dependent upon agriculture and related pursuits, with feed grain crops being the principal product. Dairying and the raising of feeder cattle and hogs are also important factors. In general, farm land in the surrounding area is considerably below the Iowa average, both in value and production. Farm land in the area is valued at $175 to $350 per acre, compared to $800 for an average Iowa farm. Although the economy has been relatively stable and the city population fairly constant, the number of farms and farmers in the area have decreased, due to the trend to larger farm units. Most farms in the area average between 160 and 320 acres, and are steadily increasing in size. Per capita income is generally lower than the State average.

It is believed that with the trend to larger farm units, which will also create larger credit requirements, consolidation of many of the smaller banks within the State will occur in increasing numbers. Also, with both banks serving basically the same trade area, the proposed combination would create an immediate advantage in meeting these increased demands. No other new banking services are contemplated at the present time.

Consummation of this proposal will not have an adverse effect on competition. After this proposal is effected, residents of Riceville will have 12 banking alternatives within a radius of approximately 20 miles. Moreover, the resulting bank with its increased lending limit will be better able to serve the larger loan demands of Riceville residents.

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

NOVEMBER 28, 1969.

## SUMMARY OF REPORT BY ATTORNEY GENERAL

First National (total deposits: $2.6 million) and State Bank (total deposits: $1.9 million) are the only banks located in the town of Riceville, Iowa (population 900).

There are 11 banks surrounding Riceville, within a radius of 23 miles; five are in Howard County, the nearest located 12 miles southeast of Riceville; four are in Mitchell County, the nearest located 15 miles northwest of Riceville; and two are in the State of Minnesota, 12 miles north of Riceville. Since the maps showing the location of First National and State Bank customers indicate that a significant number live in the area between Riceville and the towns in which these banks are located, those banks would appear to compete to some degree with First National and State Bank for these customers.

The proposed merger's primary effect on competition, however, will be in Riceville and the area immediately around that town. It will consolidate the only two banks located in Riceville, and eliminate the direct competition existing between them. There is, furthermore, little opportunity to offset this loss of competition through the establishment of another banking office in Riceville since branching is prohibited under Iowa law. Thus, the proposed merger will have an adverse effect on competition in this area.

* * *

THE HARRISBURG NATIONAL BANK AND TRUST COMPANY, HARRISBURG, PA., AND THE CONESTOGA NATIONAL BANK, LANCASTER, PA: AND THE FIRST NATIONAL BANK OF YORK, YORK, PA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Conestoga National Bank, Lancaster, Pa. (3987), with | $88,407,238 | 8 | |
| The First National Bank of York, York, Pa. (197), with | 66,619,337 | 6 | |
| and The Harrisburg National Bank and Trust Company, Harrisburg, Pa. (580), which had | 216,367,917 | 14 | |
| consolidated Dec. 31, 1969, under charter of the latter bank (580) and title "The Commonwealth National Bank." The consolidated bank at date of consolidation had | 371,394,491 | | 28 |

COMPTROLLER'S DECISION

On February 10, 1969, The Harrisburg National Bank and Trust Company, Harrisburg, Pa., The Conestoga National Bank, Lancaster, Pa., and The First National Bank of York, York, Pa., applied to the Comptroller of the Currency for permission to consolidate under the charter of The Harrisburg National Bank and Trust Company and with the title of "The Commonwealth National Bank." A public hearing was held on this application in Harrisburg, Pa., on July 9 and 10, 1969.

A primary motive for the proposal is to establish a local banking institution, in south-central Pennsylvania, of sufficient size to keep pace with the burgeoning economy in the area. The three applicants are individually of insufficient size to generate the expansion necessary to provide the financial resources and services local customers now require. As a result, too many firms in the area take their financial business to major city banks, a consequence which works to the detriment of local banks and the regional economy.

While south-central Pennsylvania is the geographical area to be immediately affected by this proposal, it must be viewed in relation to all of southeast Pennsylvania, of which it is part both geographically and economically. Southeast Pennsylvania encompasses all, or most, of the 19 counties lying in the southeastern quadrant of the State. Within this quadrant are the following cities: Philadelphia, Harrisburg, York, Lancaster, Reading, Pottsville, Allentown, Bethlehem, Pottstown, Norristown, and Lebanon. The south-central area involved in this proposal includes 10 of the 19 counties, and the cities of Harrisburg, York, Lancaster, Reading, Pottsville, and Lebanon.

This south-central area of Pennsylvania, affected by this proposal, centers around the cities of Harrisburg, York, and Lancaster, in which the participating banks maintain their main offices. These cities form a triangle, with Harrisburg at the apex. York lies 25 miles south of Harrisburg and 22 miles west of Lancaster. Lancaster is 35 miles southeast of Harrisburg. Harrisburg, which is situated at the intersection of the Susquehanna River and the Pennsylvania Turnpike, is located 105 miles west of Philadelphia, 190 miles east of Pittsburgh, 85 miles northwest of Wilmington, Delaware, and 75 miles north of Baltimore, Maryland. It is only 55 miles west of Reading.

The transportation facilities available in this three-city area make it an ideal distribution point. The highway complex in the south-central Pennsylvania region is particularly attractive to industries seeking new sites. Harrisburg sits at the conjunction of Interstate 83, running south to Baltimore; the Pennsylvania Turnpike, that spans the State from Pittsburgh to Philadelphia; Interstate 81, that will join New Orleans to Canada; Interstate 78, that connects with Allentown and Bethlehem; and U.S. 15, that goes from Williamsport, Pa., to Frederick, Md., where it meets Interstate 70. A new interstate highway is now under construction between

Harrisburg and Lancaster. Because of the ease and convenience of transportation this complex of roads offers to industry and shippers, some 70 motor carriers have set up operations in Harrisburg. At this time, there are 30 freight terminals handling merchandise in and out of the city. Harrisburg, York, and Lancaster are each served by two railroads. Three commercial and two commuter airlines serve York and Harrisburg, and two airlines serve Lancaster.

Harrisburg is the capital of Pennsylanvia and the county seat of Dauphin County. Dauphin County is the hub of an eight-county area. It is bounded on the north by Northumberland County, on the northeast by Lebanon and Schuylkill counties, on the southeast by Lancaster County, on the south by York County, and on the west by Cumberland and Perry counties. With several thousand government employees in addition to the industrial population, Harrisburg comprises a mixed residential, diversified industrial, and commercial service center. Agricultural activities are still important in the surrounding county. Heavy industry, including steel plants and other manufacturing companies, has entered and expanded into the area in recent years. Industrial growth has led to an increase in population. From 1950 to 1960, the population of Dauphin County increased 11.4 percent to 220,000. The population of Harrisburg is 80,000.

Lancaster County is predominantly residential, with significant industrial and commercial activities. The surrounding area is heavily oriented to agricultural activity and related pursuits. Lancaster County leads the other 66 counties of the State in value of farm products sold. The city of Lancaster, 35 miles southeast of Harrisburg, has a population of 61,000, while the population of Lancaster County is 278,000. These population figures also reflect growth due to industrial expansion. In Lancaster County, from 1950 to 1960, the population increased 18.5 percent. Industrial growth has continued at such a pace that, from 1960 to 1967, industrial production jumped 62 percent. Between January 1961, and April 1968, total employment increased by more than 20 percent.

York County's economy, like that of Lancaster County, is mixed residential, diversified industrial, and agricultural. There are a large number of manufacturing companies in, and surrounding, the city. Due to industrial expansion, over 2,000 new jobs were created in the short period from January 1967 to October 1968. From 1950 to 1960, the population of York County increased 17.6 percent to 238,000. The population of the city of York is 55,000.

The industrialization of what was once a predominantly agricultural area has brought many changes in the three-city area. Labor is becoming scarce; in the three counties where the applicant banks are headquartered, total employment rose from 320,000 in 1960, to 355,000 in 1966, an increase of 11 percent. The Pennsylvania Industrial Development Authority (a State agency which has contributed to the creation of 125,000 new jobs in Pennsylvania over the last 13 years through its participation in the financing of new plants and the expansion of old ones) has made larger loans in this three-city area than anywhere else in the State. Population is also continuing to increase. In 1960 the population of Dauphin County and its seven contiguous counties was 1.2 million. It is expected to have increased to over 1.4 million in 1970, a rise of 16.67 percent.

The Harrisburg National Bank and Trust Company has its headquarters in Harrisburg. This bank, with IPC deposits of $137.3 million, is the second largest bank headquartered in the county, and the third largest bank operating in the county. It was founded in 1814, and took a National charter in 1864. In 1893 The Harrisburg Trust Company was established as an affiliate of the bank to handle its fiduciary business. In 1961, the two institutions merged. The Harrisburg National Bank and Trust Company now operates seven offices in Dauphin County, including its main office and one branch within the city of Harrisburg. It has four offices in Cumberland County, and one each in Lancaster, Perry, and York counties.

In the past 5 years, The Harrisburg National Bank and Trust Company has acquired three branches as a result of merging. In 1964 The First National Bank of New Bloomfield was forced to merge because a director, who was also the attorney who performed its legal services, was charged with a sizable misappropriation of funds. The 1966 merger with the Dillsburg National Bank followed an embezzlement of several hundred thousand dollars by its chief executive officer. In 1967, the First National Bank of Elizabethtown merged with the Harrisburg bank in order to remedy an inadequate lending limit, and to fulfill a need for modern equipment and technology. *De novo* branches have been opened by following customers to their residential area, in order to provide them with more convenient services.

Harrisburg is the headquarters for three other banks besides The Harrisburg National Bank and Trust Company, which has total deposits of $156.1 million. There is the Dauphin Deposit Trust Company, with total deposits of $174.6 million, which has 18 offices in the Harrisburg service area, six branches and its head office are in Harrisburg. Its farthest two branches are 39 miles away, in Hanover. The Dauphin National Bank, with total deposits of $2.4 million, and Fulton National Bank in Lancaster, with total deposits of $99 million, each have one office in Harrisburg. There are 84 other banks, including the Reading-based American Bank and Trust Co. of Pennsylvania, operating in the service area of Harrisburg. The American Bank & Trust Co., with total deposits of $329 million, has over 20 percent of the market, whereas The Harrisburg National Bank and Trust Company has less than 10 percent.

The Conestoga National Bank, headquartered in Lancaster, was organized in 1889. This bank, with present IPC deposits of $65 million, is the third largest bank in the city. It operates eight offices of which its main office and two branches are in the city of Lancaster, and five branches are in the county, within a radius of 10 miles of the main office. In the past 5 years, it has been involved in one merger and has opened three *de novo* branches in the immediate area, which is highly competitive. Its 1967 merger with the First National Bank of Landisville was precipitated by increasing pressure, by larger competitors in Landisville, to provide specialized services and to meet the convenience and needs of the community.

There are 16 banks operating in the service area of The Conestoga National Bank, which has total deposits of $66.1 million. The two larger Lancaster-based banks are The Lancaster County Farmers National Bank, which has total deposits of $105.1 million, and The Fulton National Bank of Lancaster, which has total deposits of $99 million. The former has 12 branches, four of which are outside of the city of Lancaster, but within a radius of 20 miles. The second largest Lancaster-based bank has nine branches, five are outside of the city of Lancaster and within a radius of 10 miles, and one is in Harrisburg.

The First National Bank of York, founded in 1864, now has IPC deposits of $48 million. This bank, which is third largest in size in its community, operates five branches in addition to its main office. The main office and one branch are in the city of York, and the other four branches are operating in the county. It has been involved in two mergers, one in 1937 and one in 1942. Since 1963, when a *de novo* branch was opened 4 miles west of its main office, the York applicant has had no branch or merger growth, one example of its conservative policies.

There are 11 banks in the service area of The First National Bank of York. Compared with its total deposits of $49.5 million, the National Bank & Trust Company of Central Pennsylvania has total deposits of $211.3 million, and The York Bank and Trust Company has total deposits of $122.4 million. The fourth York-based bank, the Drovers & Merchants National Bank, has total deposits of $36.8 million, and six branches, only two of which are outside the city of York. The largest York bank has 19 branches, 13 of which are outside of the city. The farthest two branches are 32 miles north in Middletown. The York Bank and Trust Company has 13 branches, of which five are up to 27 miles away from the city.

Under Pennsylvania law, banks may branch *de novo* and through merger in the county of their main office, and into contiguous counties. This means that the consolidated bank can branch in Dauphin County and the seven counties surrounding it, the same right as the charter bank now possesses. The charter bank presently has branches in only five of the eight counties. The resulting bank will have a total of 28 offices in the same five counties. Within the eight-county area in which the resulting bank can branch there are a total of 109 banks and 289 banking offices. Of the total deposits held in the banks in this eight-county area, not including savings banks and other nonbank financial institutions, the resulting bank will hold about 10 percent.

Within this eight-county area, The Harrisburg National Bank and Trust Company is the 4th largest bank; The Conestoga National Bank is 9th in size; and The First National Bank of York is 11th. The regional bank in Reading, the American Bank and Trust Company, is the largest bank now operating in this service area. A proposed consolidation of the National Bank & Trust Company of Central Pennsylvania in York, the Lancaster County Farmers National Bank in Lancaster, and the Reading Trust Company in Reading, will create the largest bank in the south-central region of the State, making the American Bank and Trust Company in Reading the second largest bank in the region, and the subject consolidated bank third. Within the State of Pennsylvania, which ranks 27th in the country for the share of deposits held by the first, second, and fifth largest banks, the participating banks are presently 19th, 46th, and 55th in size. The regional bank resulting from this consolidation will be the 13th largest bank in the State, and hold about 1 percent of the State's total deposits.

The Pennsylvania branch banking statute has an unusual impact on this proposal. Under the present laws, a bank may branch *de novo*, not only in the county in which its main office is situated, but also into contiguous counties. By reason of this State statute, the Harrisburg National Bank can branch *de novo* in eight counties, *viz.* Dauphin, York, Lancaster, Lebanon, Schuylkill, Northumberland, Perry, and Cumberland. By the same token, The Conestoga National Bank of Lancaster can branch *de novo* in the following counties: Lancaster, Lebanon, Berks, Chester, York, and Dauphin. The First National Bank of York can branch *de novo* into the counties of York, Lancaster, Dauphin, Adams, and Cumberland. Upon consummation of this proposal, the *de novo* branching rights of the resulting bank will be those now possessed by the Harrisburg National Bank; the other two banks will have conceded their rights to branch *de novo* into Adams, Berks, and Chester counties.

This realignment of *de novo* branching rights has significance in assessing this proposal. This yielding up of branching capabilities in two counties does not indicate a fear of increased competition which is clearly coming from the east, but rather a desire to focus south-central Pennsylvania banking activities in Harrisburg, under the control, and in the hands of, south-central business interests and residents. It is an attempt to construct a banking institution of sufficient size and strength in south-central Pennsylvania to withstand the impact of the intense banking competition that emanates from Pittsburgh, Philadelphia, and Reading, within the State, and from New York City, Wilmington, and Baltimore, outside the State.

The judgment of the management of the three participating banks to focus the operation of the resulting bank in Harrisburg cannot be questioned, because the management of three other banks in York, Lancaster, and Reading seek to form a bank that will focus its activity in Lancaster. The fact that the National Bank & Trust Company of Central Pennsylvania, the Lancaster County Farmers National Bank, and the Reading Trust seek to consolidate and retain Lancaster as the head office location of the resulting bank has little relevance to the subject proposal. The National Bank & Trust Company of Central Pennsylvania can now branch *de novo* in York, Adams, Cumberland, Dauphin, and Lancaster counties; the Reading Trust Company can branch in Berks, Lancaster, Lebanon, Schuylkill, Lehigh, Montgomery, and Chester counties; and the Lancaster County Farmers National Bank can branch in Lancaster, York, Dauphin, Lebanon, Berks, and Chester counties. Upon consummation of their proposed consolidation, the resulting bank will have its main office in Lancaster, with the same branching rights that the Lancaster County Farmers National Bank now has; the charter bank is, therefore, shifting the focal point of its right to branch one county eastward where it will be in closer competition with branch offices of the Philadelphia banks. These two three-bank consolidation proposals do not militate against each other, but serve to strengthen one another; each serves to centralize its banking market on a regional basis, while constructing institutions not only more responsive to local public needs, but also more impervious to competitive inroads by out-of-region banking institutions.

By virtue of modern transportation and communication facilities, there are close ties between the principal cities of Harrisburg, Lancaster, and York. All are served by the same television stations, radio stations, and newspapers which permeate the area. Despite this geographic unity, the existing service areas of the consolidating banks do not coincide, and there is practically no competition among them. Approximately 14 miles separate the nearest offices of any of the three banks, the Elizabethtown office of the Harrisburg bank and the Landisville office of the Lancaster bank. Moreover, there are many alternative banking offices between these two, as well as between all the other offices of the three participants. The branch of the Harrisburg bank which is in York County is 21.5 miles north of the closest branch of the First National Bank of York, and in a community which is commercially oriented to Harrisburg. The volume of business each derives from the areas of the other two banks is negligible. Less than a handful of individuals maintain accounts in any two of the subject banks. Any firm whose business would extend far enough geographically to cause competition between the banks is so large that it would go to a major city for its banking needs.

The applicants face active competition, in the mortgage market, from financial institutions other than commercial banks. Savings and loan associations throughout the area provide stiff competition for time deposits and mortgage loans. The total mortgages of the 34 savings and loan associations in the area amount to 29 percent of the total loans of the 109 commercial banks in the consolidated service area. Other competition in the mortgage lending field comes from insurance companies, eight of which have principal offices in the service areas of the applicants. Several other nationally-known companies are active in placing mortgages on residential properties in the area. There are also numerous mortgage companies maintaining offices in the service areas, which place loans with institutions outside the area.

In the consumer loan market, keen competition throughout the area is provided by small loan companies of national prominence. There are 40 sales finance and personal loan companies in the area, including four large ones. Factors from major eastern cities and government lending agencies are also active in the area. While no mutual savings banks are domiciled in the area, those in Philadelphia and New York City consider this area as part of their market.

Very aggressive competition comes from out-of-area metropolitan banks vying for the prime commercial and industrial business generated in the area. The large banks in Pittsburgh, Philadelphia, New York, and Baltimore canvass the area by direct mailing solicitation, newspaper advertisements, and traveling representatives. Recently, a Philadelphia bank installed a resident trust officer in Lancaster to solicit local trust accounts. Two other Philadelphia banks have commenced the operation of computer centers in this south-central Pennsylvania area. Another Philadelphia bank competes in this area through the Bank Americard, which it introduced into the York area, and which it promotes through full-page ads in local papers identifying it as Philadelphia-oriented. It is clear that the Philadelphia banks do compete with the participating banks and will continue to compete aggressively with the resulting bank.

One principal reason for this proposal is to form a bank of sufficient size to serve adequately the needs of the area, and to prevent the outflow of locally generated capital to the metropolitan areas. The credit demands of new and of expanding industries in the area have exceeded the lending capacities and servicing capabilities of the local commercial banks. As a result, the local banks have either lost prime accounts to the larger metropolitan banks competing in the area, or have had to participate with city banks, principally in Philadelphia, and to a lesser extent, in New York, Pittsburgh, and Baltimore. Since participation agreements often provide that the borrower maintain compensating balances of 15 to 20 percent of the total loan in the participating bank, substantial deposits have gone to the large city banks. Thus, the amount of lendable funds in local banks, available to local customers, is reduced, This proposal to establish a larger local bank in the region to serve larger credit demands will, in large part, obviate the need for participations with the city banks, and will enable the resulting bank to retain more of the locally-generated deposits to satisfy local needs of this growing economy.

Another principal reason for this proposal is the desire of the participants to form an institution of sufficient size as to be impervious to a takeover by a large city bank, in the event that statewide branching is authorized in Pennsylvania. If statewide branching becomes a reality, the large banks in Philadelphia and Pittsburgh can be expected to extend their branching system to every section of the State. Only through such proposals as this can regional banks, with orientation to local needs, be established with sufficient vitality to meet the growing competitive thrust of the city banks. This is a positive approach to potential competition.

The potential competition that could be developed between the participating banks through expansion of their separate branching systems is not significant. Branch expansion on the scale required to provide the growth and size needed by the participants to satisfy the needs of the local economy as they are being created, is neither feasible nor possible. To urge branch expansion by the separate participants in order to develop a potential competition between them at some distant time in the future is a negative approach that ignores the present needs of the local economy, and works to entrench the city banks in their dominant position in the State.

The establishment of *de novo* branches by the participating banks and other local banks, in the past, has minimized the opportunity for opening more *de novo* offices. Several recent applications for new charters and branches have been declined, particularly in the Lancaster and York areas. The argument that these areas are already well-banked, finds reasonable basis in statistics showing that the ratio of persons to banking offices has decreased substantially over the past 10 years. In Lancaster, the ratio has dropped from 6,300 to 5,400 persons per banking office, whereas in York it dropped from 6,100 to 4,800.

*De novo* branching by the applicants into one another's service areas is not feasible economically. With their present resources, none of them has the capacity to incur the great expense of penetrating a new area. Acquiring real estate, one of the major cost items, is difficult, as most of the favorable sites have already been taken.

There are other factors indicating incapacity to undertake *de novo* entry into one another's headquarters area. Due to recent rapid growth, the Harrisburg and Lancaster participating banks have experienced a thinning in their capital position, an important consideration in granting authority to open new offices. Both banks also have prospects of substantially increased investments in banking premises in the next few years. Since it was recently destroyed by fire, the Conestoga National Bank is having to rebuild its main office at an expected minimum cost of $1.5 million. The Harrisburg National Bank and Trust Company anticipates expenditures of at least $4 million in carrying out current office expansion plans.

Larger amounts of lendable funds are not all that is needed to meet local needs. Commercial, industrial, and agricultural customers need more specialized services than the applicants separately can provide. Here again, the only resort at present is to large metropolitan banks. To meet the convenience and needs of its customers, the consolidated bank will be able to draw on an increased staff of employees with time to specialize. The specialized services needed now include, accounts receivable, inventory financing, equipment leasing, corporate trusts, mobile home financing, modern lock-box services, correspondent banking, and data processing. The consolidated bank will be able to provide expanded and detailed trust services. The increased size of the resulting bank will enable it to create a credit card program in competition with the Philadelphia banks. The increased size will also enable the bank to underwrite bonds for local municipalities at more favorable rates.

The Conestoga National Bank presently has an excellent agricultural department whose services will be made available to all the offices of the resulting bank, this will enable them to give financial guidance and assistance to all farms in the area so they may reach their full potential. Since farming is conducted in every county in the proposed service area, such specialization in farm financing will be of great benefit.

Customers in the York area will gain more readily available funds in the consumer lending field. The First National Bank of York now has only $1 million in assets in installment credit. Some of the other services, not before offered by the York offices, will be a check guarantee card, additional alternatives for college loans, expertise in dealer financing for automobiles and mobile homes, professional investment specialists in the trust department, services provided by complete computer facilities, and specialists in business development and marketing.

The applicants are already community-oriented in some of their financial activities, and, on consummation of this proposal, will be able to increase this effort. They have participated actively in providing financing for local educational institutions. The two larger banks, besides participating in financing provided by the Pennsylvania Industrial Development Authority, have also participated in loans with the Pennsylvania Credit Corporation, a private lender formed in 1964 to help finance businesses which do not qualify for bank financing. With this consolidation, the resulting bank contemplates being able to make inner-city and urban development loans.

This proposal will consolidate the management teams of the three participating banks and will give the resulting bank the requisite depth of management to compete with larger banks. At present, the First National Bank of York is very conservatively managed. Not only has it had no branch or merger expansion program in recent years, but its security investment portfolio exceeds its loan portfolio in this present day of high loan demand. The management of this York bank is centered in its president who, after 40 years of service, contemplates retirement. He has no competent, trained successor. The low salary schedules of this bank, so common in the banking industry, and so unattractive to young people choosing a career, will be corrected in large measure in the resulting bank.

The Harrisburg and Lancaster applicants have young and progressive senior management, but lack depth at the middle management level, which has been strained by *de novo* branch expansion. A loss of top management in any one bank would necessitate hiring from the outside, thereby creating personnel and promotion problems and salary dislocations. The ability to acquire and train management personnel will be increased with size by reaching a capacity to pay more, and to provide greater opportunities for advancement and the assumption of responsibility.

The tremendous expansion of the economy in south-central Pennsylvania has created a need for regional banks. Due to the lack of existing competition between the applicants, and the improbability of potential competition developing in the reasonably foreseeable future, and because of the immediacy of the need, the proposed consolidation is the most suitable means of achieving the desired goal. It is also in the public interest to provide the specialized, adequate commercial and improved consumer services that will come as a result. At every level, the convenience and needs of the area will be better served. Not only will a larger regional financial institution be able to meet the challenge of an expanding economy and the encroachment of the large city banks, but it will also be able to offer an impetus to such economic expansion and provide better competition in so doing.

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

SEPTEMBER 26, 1969.

### SUMMARY OF REPORT BY ATTORNEY GENERAL

The areas primarily affected by the proposed consolidation are Dauphin, Lancaster, and York counties in south-central Pennsylvania.

Harrisburg National is the second largest bank headquartered in Dauphin County, and the third largest in the area comprising Dauphin, Lancaster, and York counties. Conestoga is the third largest bank headquartered in Lancaster County; York Bank is the fourth largest bank headquartered in York County. Commonwealth National Bank, the resulting institution, would become the largest bank in the tri-county area, in terms of total deposits, by a substantial margin.

There would appear to be some existing competition among the three banks which would be eliminated by the proposed consolidation.

Under Pennsylvania law, Harrisburg National could be permitted to establish *de novo* branches in both Lancaster and York counties; it appears to be one of the most likely potential entrants into either of the market areas served by Conestoga or York Bank.

Harrisburg National would appear to be the second largest potential entrant eligible to branch or merge into the city of York and elsewhere in York County. Commercial banking in York County is concentrated; as of June 30, 1966, what are now the four largest banks held nearly 80 percent of county IPC demand deposits. York Bank, the fourth largest, held over 10 percent of such deposits. Harrisburg National presently operates one office in the northern part of York County, and this would probably facilitate more substantial *de novo* entry into the county as a whole, including those areas presently served by York Bank.

Harrisburg National is also one of the largest banks eligible to branch or merge into the city of Lancaster and elsewhere in Lancaster County. Banking is slightly less concentrated in Lancaster County than in York County, but as of June 30, 1966, the three largest banks held approximately 58 percent of county IPC demand deposits; Conestoga, the third largest, held over 12 percent of such deposits. Harrisburg National presently operates one office in northwestern Lancaster County. This would again probably facilitate more substantial *de novo* entry into the county, as a whole, including those areas served by Conestoga.

While neither Conestoga nor York Bank is as large as Harrisburg National, each is legally eligible to branch into Dauphin County, and would appear to possess sufficient resources to do so. Commercial banking in Dauphin County is highly concentrated; as of June 30, 1966, the three largest banks held approximately 80 percent of county IPC demand deposits. Harrisburg National, the second largest, held 25 percent of such deposits.

Thus, the most serious effect of the proposed consolidation would be to eliminate Harrisburg National as a probable potential entrant into either York or Lancaster counties, as a whole. In addition, it would eliminate both Conestoga and York Bank as potential entrants into the highly concentrated Dauphin County market, as well as into each other's markets. Each of the three banks possesses sufficient resources to branch *de novo* into the market areas of the other two, and thereby create the potential for greater competition among them. In the alternative, each might enter the markets of the others by merger with one of the smaller banks located therein, and such entry would have a lesser impact on potential competition. The seriousness of this effect is made clear by the fact that the resulting bank, which would control some 19 percent of the total deposits in the Harrisburg-Lancaster-York tri-county area, would not only be larger than all the banks operating in the area, but would be larger than all but one of the banks eligible to enter any part of the area.

Thus, it appears that the most important sources of potential competition in each of these three counties must come primarily from banks headquartered within the tri-county area, rather than outside. Accordingly, we conclude that the proposed merger would have a significantly adverse effect on potential competition, particularly in York County, and to a lesser extent in Lancaster and Dauphin counties.

* * *

THE MILLIKIN NATIONAL BANK OF DECATUR, DECATUR, ILL., AND THE MILLIKIN TRUST COMPANY, DECATUR, ILL.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Millikin Trust Company, Decatur, Ill., with | $1, 160, 296 | 1 | |
| and The Millikin National Bank of Decatur, Decatur, Ill. (5089), which had | 86, 295, 476 | 2 | |
| merged Dec. 31, 1969, under charter and title of the latter bank (5089). The merged bank at date of merger had | 86, 673, 609 | | 2 |

COMPTROLLER'S DECISION

On July 23, 1969, The Millikin Trust Company, Decatur, Ill., and The Millikin National Bank of Decatur, Decatur, Ill., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the latter.

The Millikin National Bank of Decatur, with IPC deposits of $59.7 million, was originally organized in 1860. The Millikin Trust Company was organized in 1915, by shareholders of The Millikin National Bank of Decatur, to engage in the trust business because Illinois law, at the time, prohibited commercial banks from engaging in such business. It has operated since then as an adjunct of the charter bank, offering only trust services, and housed in the same building.

Decatur, the home of both institutions, is the county seat of Macon County, and is 130 miles northeast of St. Louis, Mo., and 175 miles south of Chicago. The population of Decatur is 88,358, while the population of Macon County, which is considered the charter bank's market area, is 125,400. While Decatur is a highly diversified industrial city, the surrounding area is composed of rich and productive farm land.

Banking competition in the Decatur area is considered strong and demanding. Six other banks, with total resources of $171.1 million, along with three savings and loan associations, with total resources of $120 million, compete vigorously for deposits. The main competitors of the subject banks are the Citizens National Bank, with total resources of $76.4 million, and the First National Bank, with total resources of $51.6 million. Both banks have active trust departments with total trust assets of $15.5 million, in the Citizens National Bank, and $23.7 million, in the First National Bank.

Consummation of this merger will have no adverse competitive effects. The two institutions are presently affiliated through common ownership, and each offers different kinds of services. The merger should enhance competition between the resulting bank and other commercial banks offering trust services.

This merger will combine two affiliated institutions. It will eliminate some duplication of expenses and, consequently, lower costs, with the result that the public should benefit through better and more efficient service. In addition, the combination of the two institutions will reflect increased flexibility in the future in the rotation and development of personnel and will help insure successor management, in both the commercial and trust activities, to a greater extent than is now feasible.

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

November 21, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Because Millikin Bank's operations are restricted to commercial banking without exercise of trust powers and Trust Company handles only fiduciary accounts, the proposed merger would not effect existing competition.

No adverse effects on potential competition are likely either. When Trust Company was organized, National banks were not permitted to engage in trust business. Since revision of the law, most banks in Illinois have merged with the corporations they originally established to handle fiduciary accounts. Trust Company is one of the last State banks exercising only trust powers in Illinois. Because operations at Trust Company are so closely tied in with those of Millikin Bank (both occupy the same building and utilize the same computer), the possibilities of either expanding into the other's field of activity are remote. Moreover, 55 percent of the shares of each institution are owned and controlled by the trustees of a charitable trust established by the founder.

In view of the long-standing common control of application banks and the interrelationships of their distinct operations, we conclude that the proposed merger would not be likely to have any significant adverse effects on competition.

* * *

The National Bank of Logansport, Logansport, Ind., and The Twelve Mile State Bank, Twelve Mile, Ind.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The Twelve Mile State Bank, Twelve Mile, Ind., with | $7,213,926 | 2 | |
| and The National Bank of Logansport, Logansport, Ind. (13580), which had | 48,492,001 | 2 | |
| merged Dec. 31, 1969, under charter and title of the latter bank (13580). The merged bank at date of merger had | 55,462,090 | | 4 |

COMPTROLLER'S DECISION

On September 22, 1969, The National Bank of Logansport, Logansport, Ind., applied to the Comptroller of the Currency for permission to merge with The Twelve Mile State Bank, Twelve Mile, Ind., under the charter and with the title of the former.

The National Bank of Logansport, the charter bank, was organized in 1931, and has total assets of approximately $46 million. The main office of the charter bank and its one branch are located in Logansport, the county seat of Cass County.

The Twelve Mile State Bank, the merging bank, was organized in 1911, and has total assets of approximately $7 million. The merging bank, which is headquartered in the town of Twelve Mile, 12 miles northeast of Logansport, operates its only branch in Galveston, 17 miles southeast of Logansport. Both offices are located in Cass County.

The city of Logansport has a population of approximately 21,000. The population has remained constant for the past 20 years. The economy of Logansport and the surrounding area is heavily dependent on light industry, with branch plants of several national concerns contributing significantly.

The towns of Twelve Mile and Galveston, where the merging bank has offices, have populations of 280 and 1,100, respectively. The economy of Twelve Mile is farm-oriented; the only businesses in town are small retail stores, a grain elevator, and two automobile dealerships. Although Galveston is somewhat dependent on farming, because of its proximity to Kokomo, many of its residents commute there to work in the many industrial plants.

The charter bank faces strong competition within its service area, which includes Cass County and parts of the surrounding counties. In this area, there are 19 banks within 25 miles of Logansport. The charter bank is now, and, after this merger, will remain the second largest bank in the service area.

Competition between the subject banks is minimal. The merging bank is essentially a community service institution. As it does not actively compete for the charter bank's customers, any effective competition which does exist stems from the charter bank's solicitation of merging bank's customers.

Consummation of this proposed merger will serve the convenience and needs of residents of Twelve Mile. First, the legal lending limit of the merging bank is $52,500, which is not enough to satisfy the seasonal borrowing requirements of some of their larger customers. The lending limit of the merged institution will be over $400,000. Second, improved trust services will be available to residents of Twelve Mile. Third, a potential management succession problem will be eliminated at the merging bank.

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

NOVEMBER 28, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

TMSB's home office in Twelve Mile (population 280) is 12 miles northeast of NBL; no banking alternatives intervene. TMSB's Galveston (population 1,100) branch is 16 miles southeast of NBL; The Cass County State Bank, a unit bank in Walton (population 1,079), is midway between Galveston and Logansport. No banking alternatives intervene in the 26 miles separating the two offices of TMSB in eastern Cass County.

Moreover, both banks have similar loan portfolios with 65 percent of TMSB's loans and 76 percent of NBL's loans being either mortgage loans or loans to individuals.

Indiana branching laws prohibit *de novo* branching outside the home county, or into cities where a bank has its home office. NBL is not, therefore, a potential *de novo* entrant into Twelve Mile. The State branching law, however, is no bar to NBL's *de novo* entry into Galveston. NBL, by opening its single branch in October 1968, has demonstrated the aptitude and capacity for *de novo* branching. Therefore, NBL could increase the level of competition between itself and TMSB in the future. Furthermore, nothing apparently would prohibit TMSB from branching into the newer suburban areas of Logansport, and thereby increasing competition in that community.

We conclude that the proposed merger would eliminate substantial direct and potential competition for both loans and deposits in Cass County.

As of June 29, 1968, Cass County was served by five banks, with eight offices, controlling $75.2 million of deposits (including IPC demand deposits of $21.4 million). NBL now controls approximately 52 percent of total deposits and approximately 54 percent of IPC demand deposits in the county. The proposed merger, if consummated, would unite the county's first and fourth largest banks; the resulting bank would control approximately 60 percent of total deposits, and approximately 58 percent of IPC demand deposits in Cass County.

Thus, Cass County is a highly concentrated banking market in which NBL, and The Farmers & Merchants

State Bank, Logansport, control nearly 76 percent of total county deposits.

Furthermore, if the proposed merger were approved, the resulting bank would have 50 percent of the banking offices in the central and eastern sections of Cass County; and the county's second largest bank would have three of the four remaining offices in the area. However, several banks operate offices near the Cass County line in the adjacent counties of Howard and Miami.

This merger would eliminate substantial direct and potential competition for both loans and deposits between the merging banks; increase concentration in a duopolistic banking market; eliminate one of the few banks able to offer effective competition to that duopoly; and create the potential for triggering mergers of other small banks within the market. We conclude it would have an adverse effect on competition in eastern Cass County, and in that county as a whole.

* * *

THE UNION NATIONAL BANK OF PITTSBURGH, PITTSBURGH, PA., AND PEOPLES UNION BANK AND TRUST COMPANY, N.A., MCKEESPORT, PA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Peoples Union Bank and Trust Company, National Association, McKeesport, Pa. (15671), with | $207, 255, 053 | 18 | ............ |
| and The Union National Bank of Pittsburgh, Pittsburgh, Pa. (705), which had | 584, 998, 480 | 36 | ............ |
| consolidated Dec. 31, 1969, under charter and title of the latter bank (705). | | | |
| The consolidated bank at date of consolidation had | 792, 206, 864 | ............ | 54 |

COMPTROLLER'S DECISION

On August 11, 1969, the Peoples Union Bank and Trust Company, National Association, McKeesport, Pa., and The Union National Bank of Pittsburgh, Pittsburgh, Pa., applied to the Office of Comptroller of the Currency for permission to consolidate under the charter and with the title of the latter.

The charter bank, with total resources of $554 million, is headquartered in downtown Pittsburgh, and operates 36 offices in five counties. It serves the central and western portions of Allegheny County, the central and northern portions of Beaver County, the central portion of Butler County, the central and northeastern portions of Washington County, and northwestern Westmoreland County. The consolidating bank, with $193 million in resources, maintains its head office in McKeesport, and operates 17 offices in the southeastern portion of Allegheny County, the eastern part of Washington County, and the western and northwestern sections of Westmoreland County.

Under Pennsylvania law, banks may establish branches only in the same county in which its principal office is located or in a county contiguous thereto. Together, the two applicant banks may only branch in the five counties in which they are presently located, and in Armstrong County. Four of the six counties are included in the Pittsburgh SMSA. These six counties, which are more than half the size of either New Jersey or Massachusetts, form a natural consumer trading area, and contain 2.6 million people. It is the area designated as "Northern Appalachia" by the Appalachian Regional Commission. Its metropolitan center is the city of Pittsburgh, a city with a population of 604,000. The terrain of the area is rugged and hilly, which has tended to cluster industrial development into distinct zones. These industrial clusters have attracted concentrations of population and banking offices have tended to follow the population growth, although the population growth has lagged behind the Nation's average rate of increase for several decades. A decline in population has been marked in the older river valley communities such as McKeesport. Lack of opportunities for employment and deteriorating housing and other physical conditions are factors contributing to this trend.

The area is highly industrialized, producing over one-fifth of the nation's annual steel output, as well as significant amounts of fabricated metal products and non-electrical and electrical machinery.

There are 51 commercial banks in the six-county area of Northern Appalachia. The three largest banks, Mellon Bank, Pittsburgh National Bank, and Western Pennsylvania National Bank, hold approximately 81 percent of the total deposits and assets of all banks in the six-county area. The fourth largest bank, Union National, together with the combined resources of Peoples Union, will hold approximately 9 percent. During the past 10 years, the deposits held by the three largest banks increased from 78.9 percent to 80.8 percent. By contrast, the consolidating banks together would have held more than 11 percent of the area's total deposits and assets in 1959, although at the present time the figure is slightly over 9 percent. The consolidation will combine the 10th and 20th largest banks in Pennsylvania, which are the 4th and 5th largest commercial banks in six-county area. It will increase the number of banks operating throughout this regional banking market from three to four.

During the past 10 years, Union National has attempted to compete regionally with the three larger Pittsburgh banks. It presently operates in about half of the local banking markets comprising the regional market. However, its share of the regional market has been declining steadily, despite its efforts to improve services and to stimulate competition with the larger, more broadly based Pittsburgh banks. In the six-county area, its position, relative to all of the banks operating there, has declined during the past 10 years, from 8.2 percent of total deposits to 6.7 percent.

Peoples Union Bank maintains offices in 5 of the 18 local banking markets within the six-county area. Within this operating area it holds 2.3 percent of the total assets of all banks in total deposits, and 2.2 percent of total loans. This compares with 3.0 percent of total deposits in 1959.

The consolidation will not affect the banking structure within the 18 local markets. The resulting bank will continue to be either the third or fourth largest bank in the largest of these local markets, and will have no effect on the smaller local markets.

Competition from other types of financial institutions is considerable throughout the State of Pennsylvania. This can be seen from the following table:

Total Assets of Financial Intermediaries at Year-end

[dollars in billions]

| Financial intermediary: | *1960* | *1967* | *Rate of growth (percent)* |
|---|---|---|---|
| Commercial banks | $257.6 | $451.0 | 75 |
| Life insurance companies | 119.6 | 177.2 | 48 |
| Savings and loan associations | 71.5 | 143.6 | 101 |
| Mutual savings banks | 40.6 | 66.4 | 64 |
| Fire and casualty companies | 30.1 | 43.8 | 46 |
| Finance companies | 25.0 | 46.6 | 86 |
| Investment companies | 17.0 | 44.7 | 163 |
| Credit unions | 5.7 | 12.9 | 126 |
| Noninsured pension funds | 36.8 | 86.9 | 136 |
| State and local pension funds | 19.7 | 41.4 | 110 |
| Total | 623.6 | 1,114.5 | |

Source: *Savings and Loan Fact Book*, 1968, p. 53.

Over 150 savings and loan associations do business in the six-county area. The majority of assets held by these savings and loan associations are held by those headquartered in Allegheny County. In the mortgage loan area, the insured savings associations in the Pittsburgh Standard Metropolitan Statistical Area held mortgage loans of $1.6 billion at the end of 1967. These associations offer 4.75 percent interest on savings accounts, whereas banks are limited by law to 4 percent on savings accounts. Approximately 400 credit unions were located in the six-county area as of year-end 1968. These credit unions have share accounts of $142.8 million, loans of $107.8 million, and total assets of $165.1 million. Although there is only one mutual savings bank within the six-county area, the Dollar Savings Bank, with savings accounts totaling more than $332 million, four of its six branches are located very close to branches of Union National. Since the Dollar Savings Bank currently pays dividends of 5 percent on passbook savings, it provides great competition for savings dollars to Union National. It also is active in the field of mortgage lending. There were 200 small loan companies and 229 consumer discount licensees in the six-county area as of December 31, 1966. Their assets amount to many millions of dollars, but figures on loans are not available. In addition, competition is offered by insurance companies and by commercial banks located outside of the six-county area.

The applicant banks are in a difficult position competitively. The dominant Mellon Bank, which holds more than half of the deposits of all commercial banks in the six-county area under consideration, continues to capture an ever increasing share of the banking business. In addition, the growing competitive activity of noncommercial banking institutions has made further inroads into the financial markets in this area. Union National Bank is unable to grow fast enough to compete with the Mellon Bank and the other two large Pittsburgh banks operating throughout its service area. Peoples Union Bank, faced with a declining economy, is deteriorating. A combination of their resources, locations, and talents will enable the resulting bank to complete the competitive thrust Union National Bank has undertaken to provide by offering more convenient services at lower cost to the local markets within the six-county area.

There is no significant competition between Union National Bank and Peoples Union Bank. Peoples Union Bank is headquartered in McKeesport, in the southeastern portion of Allegheny County, and its branches are clustered in and around McKeesport and spread eastward into Westmoreland County. Union National Bank is located in Pittsburgh, and its branches extend north and west of the area served by Peoples Union Bank. Only 1.3 percent of all checking account customers of both banks have deposits with both banks. This represents only 1.6 percent of Union National Bank's total demand deposits, and 0.5 percent of Peoples Union Bank's total demand deposits. Similar fractional percentages obtain in the area of savings accounts. Likewise, there are very few customers living in the service area of one bank who maintain accounts with the other bank. At least 80 percent of all depositors of each bank live in areas contiguous to the various banking offices of that bank. Only 1 percent of the checking accounts of Union National Bank were derived from the Peoples Union Bank depositor concentration area. Only 2 percent of Peoples Union Bank accounts were derived from the Union National Bank depositor concentration area. Some of these accounts represent chain stores operating in the various local markets within the six-county area. Union National Bank offers free checking accounts and draws a larger proportion of its depositors and deposits from outside the six-county area than does Peoples Union Bank. However, very few of these depositors or deposits come from Peoples Union Bank's depositor concentration area.

The closest branch offices of the two consolidating banks are the Pleasant Hills office of Union National Bank and the Glassport office of Peoples Union Bank. The two branches are 7 miles apart by the shortest highway route between them. Less than 1 percent of the checking accounts at Pleasant Hills were derived from the service area of the Glassport branch. Only 3.4 percent of the checking accounts at Glassport, representing 3 percent of the demand deposits in that branch, came from the service area of the Pleasant Hills office. Even in the area of trust accounts, competition between the two banks is minimal. Peoples Union Bank maintains only a small and very localized trust department. Union National Bank, on the other hand, solicits new accounts for its considerable trust departments from a wide area. However, less than 1 percent of its trust accounts come from McKeesport, the surrounding towns, and Westmoreland County.

There is very little possibility of potential competition between the two consolidating banks. All of Union National Bank's *de novo* branches have been located north and west of Pittsburgh, with one exception. None has been in the direction of Peoples Union Bank's service area. Union National Bank has insufficient capital to branch extensively or quickly into new areas, both as a practical matter and because of capital investment restrictions under the National Bank Act. Union National Bank presently has a higher percentage of its total assets invested in bank buildings than any other of the five largest banks in the six-county area. The improvement and modernization of its existing banking offices is a matter of higher priority for the foreseeable future. Further, Union National Bank's policy of expanding its service areas into the six-county region by the introduction of price competition, rather than a large scale branching policy, makes branching into Peoples Union Bank's service area unlikely. Furthermore, the McKeesport area is adequately banked, and its economic situation makes it an unlikely area for *de novo* branches, particularly from banks located outside the area. The economic outlook of McKeesport is not promising. It is fully-developed, for all practical purposes, and an improvement in its situation can be calculated only on a long-term basis. Westmoreland County, although it has a brighter economic promise, is a considerable distance from the existing offices of Union National Bank. Branch offices are badly needed within Union National Bank's depositor concentration area to relieve overcrowded conditions in existing branch offices, and to provide convenient banking outlets for its customers, and in the northern regions of Allegheny County, which have the greatest population growth potential. Conversely, Peoples Union Bank, with its capital fund limitations and declining market share, has no plans, and little capability, to branch *de novo* into the intensively competitive banking markets near Pittsburgh.

The proposed consolidation will stimulate, rather

383-814—70——11

than diminish, competition in the six-county area. Union National Bank's free checking account services will be followed by the resulting bank and extended into the area presently served by Peoples Union Bank. Secondly, the competitive and desirable lending policies followed by Union National Bank, based upon the needs of individual markets within the six-county area, will be extended to the McKeesport area which needs such individualized attention. Quarterly compounding of interest on regular savings accounts will be extended to the areas served by Peoples Union Bank. Finally, the combined resources of the resulting bank will result in an increased lending ability and more diversified and experienced personnel which will benefit the entire six-county area.

Union National Bank's competitive policies have benefited the public in the areas it serves. The free checking account is a response to the proliferation of bank credit cards offered by the large Pittsburgh banks. It has resulted in reduced service charges in the Pittsburgh area while service charges by commercial banks for demand deposits have been increasing in other metropolitan areas of the United States during the past 6 years. Union National Bank has not increased its time rates as quickly as other banks in the Pittsburgh area. Further, it has actively pursued a policy of granting high-risk loans in cooperation with the Small Business Administration. The bank has cooperated with the Small Business Administration, particularly in advancing funds to entrepreneurs in minority groups in the Pittsburgh community, and is active in making loans to college students. Union National Bank is the only bank of the five largest banks in the six-county area which compounds interest quarterly on savings accounts.

The consolidation will extend these benefits to the entire area to be served by the resulting bank and will promote the convenience and needs of the public in other ways as well. The consolidation will maintain the benefits of local ownership and eliminate the risk of takeover of the Peoples Union Bank in McKeesport by outside interests. Local influences and problems will be considered and local interest will be benefited. Service charges on checking accounts will be eliminated for the depositors of Peoples Union Bank. Other free services offered by Union National Bank will be extended to the customers of Peoples Union Bank. For example, Union National Bank makes no charge to depositors for stock payment orders on checks. Further, it provides investment counseling services for individuals in businesses, without charge to the customer. Other banking services, such as buy and sell orders for securities with brokers, are less expensive to customers of Union National Bank than to customers of other banks. Union National Bank's policy of compounding interest quarterly will continue and be extended to the customers of Peoples Union Bank. Furthermore, the consolidation will result in a fourth area-wide bank which will be a new entrant into the regional banking markets now dominated by three Pittsburgh-based banks, particularly the ubiquitous Mellon Bank. This fourth competitor, which has proven price-oriented policies and a deliberate goal of capturing an increased share of the market of the large banks, will likely lead to an eventual deconcentration of the market now controlled by the Mellon Bank in the six-county area.

One of the major local areas to be benefited by the merger is the urban renewal project in McKeesport that is being substantially financed by Peoples Union Bank which is unable to invest in the long term mortgage loans required by this project. The resources of Union National Bank will therefore be available for this part of the project. The consolidation will also provide a vehicle within the six-county area with the ability to shift capital within the area as seasonal or local demands arise. Banking hours will be extended, and management will be of greater depth and diversity so as to provide better advice and consultation to local commercial borrowers. Trust services, presently rather limited in the service area of Peoples Union Bank, will be expanded and diversified for both corporate and personal accounts.

Other new services are planned after the consolidation. The resulting bank hopes to act as underwriter, agent, or principal in connection with municipal bond issues, and to establish an international department for the benefit of its customers having business transactions outside of the United States. Both of these services will provide competition to the large Pittsburgh banks.

The proposal will improve the competitive structure of banking in the six counties served by the applicant banks.

In the light of applicable statutory criteria the proposal appears to be in the public interest. The consolidation is, therefore, approved.

NOVEMBER 28, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Union's offices are located in downtown Pittsburgh and in areas to the north and west of the city itself. Peoples operates no offices in Pittsburgh; its branches are clustered around McKeesport and in areas to the south and east of the Central Pittsburgh area. The closest offices of the merging banks are approximately 7 miles apart; numerous banking alternatives intervene.

Although the banks are located in different sections of the Greater Pittsburgh Area, there is clearly some competition between them. The application indicates that a limited number of depositors maintain accounts with both banks. Further, the application indicates that Union draws over 2,000 demand accounts, representing approximately $2.5 million, from areas where Peoples' depositors are concentrated; in like manner, Peoples draws nearly 1,000 demand accounts, representing approximately $1.4 million, from areas where Union's depositors are concentrated. While these accounts represent minor percentages of the total number of demand accounts in each bank, they involve substantial sums of money.

The amount of direct competition would of course be increased if either bank were to branch more extensively into the service area of the other as permitted by Pennsylvania law. The best possibility along these lines would appear to be Union's potential *de novo* entry into McKeesport. McKeesport, however, is one of the less attractive sections of the Pittsburgh area; the area's dominant bank, Mellon National Bank and Trust Company, has not yet entered McKeesport, and Union seems less likely to do so.

Union and Peoples, while substantially smaller than the three largest banks in the area, are two of a very small number of banks capable of serving customers who require the services of a relatively large bank. In addition, they are the most likely sources of increased competition to the three banks which already operate offices regionally, as well as to one another. While their merger would instantly create another bank serving the entire region, it would eliminate the possibility of both banks achieving future regional status, either through *de novo* branching, or through merger with small banks in diverse sections of the area.

The four largest banks in the six-county area presently control over 87 percent of commercial bank deposits therein. The proposed merger would increase this percentage to approximately 90 percent.

In view of the elimination of competition that will be effected by the proposed merger, and of the fact that the merging banks, while substantially smaller than existing regional competitors, nonetheless are clearly the two banks most capable of providing increased competition on a regional basis, we conclude that the proposed merger would have an adverse effect on competition.

* * *

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

THE FIRST NATIONAL BANK OF MEMPHIS, MEMPHIS, TENN., AND THE SECOND NATIONAL BANK OF MEMPHIS, MEMPHIS, TENN.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The First National Bank of Memphis, Memphis, Tenn. (336), with | $785,611,198 | 30 | ............ |
| and The Second National Bank of Memphis, Memphis, Tenn. (336), which had | 250,000 | 0 | ............ |
| merged Jan. 17, 1969, under charter of the latter bank (336) and title "The First National Bank of Memphis." The merged bank at date of merger had | 785,618,398 | ............ | 30 |

COMPTROLLER'S DECISION

On October 23, 1968, The First National Bank of Memphis, Memphis, Tenn., and The Second National Bank of Memphis (organizing), Memphis, 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 First National Bank of Memphis, organized in 1864, has total assets of $706 million in its main office and 28 branches.

The Second National Bank of Memphis is being organized to provide a means to transfer ownership of The First National Bank of Memphis to The First National Holding Corporation, a Tennessee corporation. The First National Holding Corporation owns all the outstanding shares of capital stock of The Second National Bank of Memphis except the directors' qualifying shares. Prior to the merger, The Second National Bank of Memphis will not function as a commercial bank.

There will be no adverse effect on competition resulting from consummation of the proposed merger. The First National Bank of Memphis is the only operating bank involved in this proposed transaction. The resulting bank will conduct the same banking business at the same locations and with the same name as the First National Bank of Memphis. The proposed merger is simply a corporate restructuring which allows all the assets and liabilities of The First National Bank of Memphis to pass and vest in 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 29, 1968.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

FIRST & MERCHANTS NATIONAL BANK, RICHMOND, VA., AND MAIN STREET NATIONAL BANK, RICHMOND, VA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| First & Merchants National Bank, Richmond, Va. (1111), with | $720, 703, 097 | 52 | |
| and Main Street National Bank, Richmond, Va. (1111), which had | 246, 924 | 0 | |
| merged Feb. 26, 1969, under charter of the latter bank (1111) and title "First & Merchants National Bank." The merged bank at date of merger had | 720, 710, 297 | | 52 |

COMPTROLLER'S DECISION

On November 29, 1968, First & Merchants National Bank, Richmond, Va., and Main Street National Bank (organizing), Richmond, Va., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and the title of the former.

First & Merchants National Bank has total resources of $712 million and operates 56 offices in 19 communities in the State of Virginia.

Main Street National Bank is being organized to provide the means by which ownership of First & Merchants National Bank will be transferred to the First and Merchants Corporation. No commercial banking operations will be conducted by Main Street National Bank prior to this merger.

Since this merger involves only one operating commercial banking institution, First and Merchants National Bank, there can be no adverse effect on competition resulting from consummation of this proposed merger.

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

JANUARY 27, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

SOUTHERN CALIFORNIA FIRST NATIONAL BANK, SAN DIEGO, CALIF., AND FIRST NATIONAL BANK OF SAN DIEGO, SAN DIEGO, CALIF.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Southern California First National Bank, San Diego, Calif. (3050), with | $664, 673, 990 | 46 | |
| and First National Bank of San Diego, San Diego, Calif. (3050), which had | 257, 270 | 0 | |
| merged Feb. 28, 1969, under charter of the latter bank (3050) and title "Southern California First National Bank." The merged bank at date of merger had | 664, 931, 259 | | 46 |

COMPTROLLER'S DECISION

On November 12, 1968, the Southern California First National Bank, San Diego, Calif., and the First National Bank of San Diego (organizing), San Diego, Calif., 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 Southern California First National Bank, San Diego, Calif., with IPC deposits of $422 million, operates 44 banking offices, all of which are located in San Diego, Orange, and Los Angeles counties.

The First National Bank of San Diego (organizing), San Diego, Calif., is a nonoperating institution which was organized as a step in the corporate reorganization of the merging bank. With the exception of directors' qualifying shares, all of the stock of the charter bank is owned by the Southern California First National Corporation, a California corporation.

Since the charter bank is a nonoperating institution, approval of this application will have no effect on competition. Service to the public will not be affected by this transaction as the resulting bank will operate through the personnel and physical facilities of the merging bank. Approval of the merger will, however, facilitate the corporate reorganization of the merging bank.

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

JANUARY 21, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

WELLS FARGO BANK, N.A., SAN FRANCISCO, CALIF., AND WF NATIONAL BANK, SAN FRANCISCO, CALIF.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Wells Fargo Bank, National Association, San Francisco, Calif. (15660), with | $5, 156, 980, 705 | 252 | |
| and WF National Bank, San Francisco, Calif. (15660), which had | 258, 250 | 0 | |
| merged Feb. 28, 1969, under charter of the latter bank (15660) and title "Wells Fargo Bank, National Association." The merged bank at date of merger had | 5, 156, 989, 337 | | 252 |

COMPTROLLER'S DECISION

On December 6, 1968, Wells Fargo Bank, National Association, San Francisco, Calif., applied to the Office of the Comptroller of the Currency for permission to merge into the WF National Bank (organizing), San Francisco, Calif., under the charter of the latter and with the title of the former.

Wells Fargo Bank, National Association, as of June 29, 1968, had total deposits of $4.15 billion and total assets of $4.8 billion. The WF National Bank (organizing) was organized on December 2, 1968. The WF National Bank (organizing) is, with the exception of the directors' qualifying shares, a wholly-owned subsidiary of Wells Fargo and Company. Wells Fargo and Company was organized on November 15, 1968, under California law, with the primary purpose being to act as a holding company of a bank and other financial institutions. Upon consummation of the proposed merger it will become a one-bank holding company.

The management of the continuing bank will be the same as that of the merging bank. The proposed merger involves a single operating bank. Accordingly, there is no question as to the effect on competition between the parties to the proposed merger.

The proposed merger is deemed to be in the public interest and will result in improved services to the present and potential customers of the continuing bank. Applying the statutory criteria, we conclude that the proposed merger promotes the public interest without lessening competition, and the application is, therefore, approved.

JANUARY 28, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

FIRST NATIONAL BANK OF EASTERN NORTH CAROLINA, JACKSONVILLE, N.C., AND FINANCIAL NATIONAL BANK, JACKSONVILLE, N.C.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| First National Bank of Eastern North Carolina, Jacksonville, N.C. (14676), with | $91, 878, 827 | 24 | |
| and Financial National Bank, Jacksonville, N.C. (14676), which had | 600, 000 | 0 | |
| merged Mar. 14, 1969, under charter of the latter bank (14676) and title "First National Bank of Eastern North Carolina." The merged bank at date of merger had | 92, 937, 631 | | 24 |

COMPTROLLER'S DECISION

On December 30, 1968, the First National Bank of Eastern North Carolina, Jacksonville, N.C., and the Financial National Bank (organizing), Jacksonville, N.C., 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 Eastern North Carolina, the merging bank, is headquartered in Jacksonville, N.C., and has 25 offices located primarily in the eastern third of the State. This bank, with total resources of $87 million and IPC deposits of $63 million, was chartered in 1952.

Financial National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the 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 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 10, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

WORCESTER COUNTY NATIONAL BANK, WORCESTER, MASS., AND COUNTY BANK OF WORCESTER, N.A., WORCESTER, MASS.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Worcester County National Bank, Worcester, Mass. (79), with | $303, 301, 094 | 28 | |
| and County Bank of Worcester, National Association, Worcester, Mass. (79), which had | 247, 488 | 0 | |
| merged Mar. 21, 1969, under charter of the latter bank (79) and title "Worcester County National Bank." The merged bank at date of merger had | 303, 308, 294 | | 28 |

COMPTROLLER'S DECISION

On November 29, 1968, the Worcester County National Bank, Worcester, Mass., and the County Bank of Worcester, National Association (organizing), Worcester, 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.

The Worcester County National Bank, headquartered in Worcester, Mass., has 28 offices located in Worcester County. This bank, with total resources of $298 million and IPC deposits of $225 million, was established in 1804.

County Bank of Worcester, National Association, is being organized to provide a vehicle to transfer ownership of Worcester County National Bank to Worcester Bancorp, Incorporated. County Bank of Worcester, National Association, will not be operating as a commercial bank prior to the merger.

Because the Worcester County National 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 previously conducted by the merging bank.

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

JANUARY 31, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

NATIONAL BANK OF COMMERCE TRUST AND SAVINGS ASSOCIATION, LINCOLN, NEBR., AND CAPITAL CITY NATIONAL BANK, LINCOLN, NEBR.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| National Bank of Commerce Trust and Savings Association, Lincoln, Nebr. (7239), with | $144, 600, 028 | 2 | |
| and Capital City National Bank, Lincoln, Nebr. (7239), which had | 245, 909 | 0 | |
| merged Mar. 24, 1969, under charter of the latter bank (7239) and title "National Bank of Commerce Trust and Savings Association." The merged bank at date of merger had | 144, 607, 228 | | 2 |

COMPTROLLER'S DECISION

On January 2, 1969, the National Bank of Commerce Trust and Savings Association, Lincoln, Nebr., and the Capital City National Bank (organizing), Lincoln, 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.

National Bank of Commerce Trust and Savings Association, the merging bank, has two offices in Lincoln, Nebr., and total resources of $147 million and IPC deposits of $89 million.

Capital City National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the NBC Company, a Nebraska 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.

FEBRUARY 20, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate organization and as such will have no effect on competition.

* * *

HOUSTON NATIONAL BANK, HOUSTON, TEX., AND MILAM NATIONAL BANK, HOUSTON, TEX.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Houston National Bank, Houston, Tex. (9353), with | $278, 571, 881 | 1 | |
| and Milam National Bank, Houston, Tex. (9353), which had | 250, 000 | 0 | |
| merged Mar. 27, 1969, under charter of the latter bank (9353) and title "Houston National Bank." The merged bank at date of merger had | 278, 571, 881 | | 1 |

COMPTROLLER'S DECISION

On January 13, 1969, the Houston National Bank, Houston, Tex., and the Milam National Bank (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.

Houston National Bank, the merging bank, is headquartered in Houston, Tex., and has no branches. This bank, with total resources of $291 million and IPC deposits of $206.4 million, was originally chartered in 1889.

Milam National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Houston National Company. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same 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 25, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

### American National Bank and Trust Company of Chicago, Chicago, Ill., and American National Bank of Chicago, Chicago, Ill.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| American National Bank and Trust Company of Chicago, Chicago, Ill. (13216), with | $929, 700, 752 | 2 | ............ |
| and American National Bank of Chicago, Chicago, Ill. (13216), which had | 245, 980 | 0 | ............ |
| merged Mar. 31, 1969, under charter of the latter bank (13216) and title "American National Bank and Trust Company of Chicago." The merged bank at date of merger had | 929, 707, 952 | ............ | 2 |

#### COMPTROLLER'S DECISION

On December 20, 1968, American National Bank and Trust Company of Chicago, Chicago, Ill., and American National Bank of Chicago (organizing), Chicago, Ill., 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 and Trust Company of Chicago has IPC deposits of $574.7 million and operates no branches.

The American National Bank of Chicago is being organized to provide a vehicle to transfer ownership of American National Bank and Trust Company of Chicago to Anbatco, Inc. The American National Bank of Chicago will not be operating prior to the merger.

Because the American National Bank and Trust Company of Chicago is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger.

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

FEBRUARY 24, 1969.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

### Continental Illinois National Bank and Trust Company of Chicago, Chicago, Ill. and Continental National Bank, Chicago, Ill.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Continental Illinois National Bank and Trust Company of Chicago, Chicago, Ill. (13639), with | $6, 459, 040, 299 | 1 | ............ |
| and Continental National Bank, Chicago, Ill. (13639), which had | 250, 000 | 0 | ............ |
| consolidated Mar. 31 1969, under charter of the latter bank (13639) and title of "Continental Illinois National Bank and Trust Company of Chicago." The consolidated bank at date of consolidation had | 6, 459, 065, 927 | ............ | 1 |

#### COMPTROLLER'S DECISION

On December 9, 1968, Continental Illinois National Bank and Trust Company of Chicago, Chicago, Ill., and Continental National Bank (organizing), Chicago, Ill., 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 former.

The Continental Illinois National Bank and Trust Company of Chicago has IPC deposits of $3.1 billion. It operates no domestic branches but a number of foreign branches.

The Continental National Bank is being organized to provide a vehicle to transfer ownership of Continental Illinois National Bank and Trust Company of Chicago to the Conill Corp. The Continental National Bank will not be operating as a commercial bank prior to the consolidation.

Because Continental Illinois National Bank and Trust Company of Chicago is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from the proposed transaction.

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

FEBRUARY 3, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

NATIONAL BANK OF TULSA, TULSA, OKLA., AND UNION SECURITY NATIONAL BANK OF TULSA, TULSA, OKLA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| National Bank of Tulsa, Tulsa, Okla. (13679), with | $354, 672, 800 | 1 | |
| and Union Security National Bank of Tulsa, Tulsa, Okla. (13679), which had | 250, 000 | 0 | |
| merged Mar. 31, 1969, under charter of the latter bank (13679) and title "National Bank of Tulsa." The merged bank at date of merger had | 354, 922, 800 | | 1 |

COMPTROLLER'S DECISION

On January 6, 1969, the National Bank of Tulsa and the Union Security National Bank of Tulsa (organizing), applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The National Bank of Tulsa, the merging bank, is headquartered in Tulsa and operates no branches. This bank, with total resources of $354 million and IPC deposits of $264 million, was originally chartered in 1933.

Union Security National Bank of Tulsa, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to NBT 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.

FEBRUARY 17, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Southern National Bank of Houston, Houston, Tex. (14916), with | $126, 815, 827 | 1 | |
| and Southern Bank, National Association, Houston, Houston, Tex. (14916), which had | 248, 500 | 0 | |
| merged Mar. 31, 1969, under charter of the latter bank (14916) and title "Southern National Bank of Houston." The merged bank at date of merger had | 126, 823, 027 | | 1 |

COMPTROLLER'S DECISION

On January 9, 1969, the Southern National Bank of Houston, Houston, Tex., and the Southern Bank, National Association (organizing), Houston, Tex., 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 Southern National Bank of Houston, Houston, Tex., was organized in 1960 and presently holds IPC deposits of approximately $64 million.

The Southern Bank, National Association (organizing), Houston, Tex., is a nonoperating institution which was organized as a step in the corporate reorganization of the merging bank. With the exception of the directors' qualifying shares, all of the stock of the charter bank is owned by the Southern National Corporation, a Texas corporation.

Since the charter bank is a nonoperating institution, approval of this application will have no effect on competition. Service to the public will not be affected by this transaction as the resulting bank will operate through the personnel and physical facilities of the merging bank. Approval of the merger will, however, facilitate the corporate reorganization of the merging bank.

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

FEBRUARY 28, 1968.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

WESTERN PENNSYLVANIA NATIONAL BANK, PITTSBURGH, PA., AND WILLIAM PENN NATIONAL BANK, PITTSBURGH, PA.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Western Pennsylvania National Bank, Pittsburgh, Pa. (2222), with | $851, 552, 513 | 71 | |
| and William Penn National Bank, Pittsburgh, Pa. (2222), which had | 257, 308 | 0 | |
| merged Mar. 31, 1969, under charter of the latter bank (2222) and title "Western Pennsylvania National Bank." The merged bank at date of merger had | 851, 802, 513 | | 71 |

COMPTROLLER'S DECISION

On November 4, 1968, the Western Pennsylvania National Bank and the William Penn National Bank (organizing) applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Western Pennsylvania National Bank, the merging bank, is headquartered in Pittsburgh and has 64 offices, most of which are in Allegheny County. This bank has total resources of $820 million and IPC deposits of $597 million.

William Penn National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Western Pennsylvania National Bank 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, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, SAN FRANCISCO, CALIF., AND B.A. NATIONAL BANK, SAN FRANCISCO, CALIF.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Bank of America National Trust and Savings Association, San Francisco, Calif. (13044) with | $19, 169, 246, 713 | 953 | ............ |
| and B.A. National Bank, San Francisco, Calif. (13044), which had | 264, 000 | 0 | ............ |
| merged Apr. 1, 1969, under charter of the latter bank (13044) and title "Bank of America National Trust and Savings Association." The merged bank at date of merger had | 19, 169, 256, 269 | ............ | 953 |

COMPTROLLER'S DECISION

On January 3, 1969, the Bank of America National Trust and Savings Association, San Francisco, Calif., and the B.A. 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.

Bank of America National Trust and Savings Association, the merging bank, is headquartered in San Francisco, and has 948 offices located throughout California. This bank has total resources of $23.3 billion and IPC deposits of $13 billion.

B.A. National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Bankamerica 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.

FEBRUARY 27, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

### The Mechanics National Bank of Worcester, Worcester, Mass., and Mechanics National Bank, Worcester, Mass.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The Mechanics National Bank of Worcester, Worcester, Mass. (1135), with...... | $89,750,485 | 8 | ........... |
| and Mechanics National Bank, Worcester, Mass. (1135), which had........... | 257,200 | 0 | ........... |
| merged Apr. 7, 1969, under charter of the latter bank (1135) and title "The Mechanics National Bank of Worcester." The merged bank at date of merger had. | 89,998,749 | ........... | 8 |

COMPTROLLER'S DECISION

On January 9, 1969, The Mechanics National Bank of Worcester, Worcester, Mass., and the Mechanics National Bank (organizing), Worcester, 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.

The Mechanics National Bank of Worcester, the merging bank, is headquartered in Worcester, Mass., and has seven offices located throughout Worcester County. This bank, with total resources of $88.7 million and IPC deposits of $66.5 million, was originally chartered in 1848.

Mechanics National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Mechanics Bancorp, Incorporated. 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 now 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 4, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

### The First National Bank of Atlanta, Atlanta, Ga., and Atlanta National Bank, Atlanta, Ga.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The First National Bank of Atlanta, Atlanta, Ga. (1559), with................. | $957,115,115 | 21 | ........... |
| and Atlanta National Bank, Atlanta, Ga. (1559), which had................... | 250,000 | 0 | ........... |
| merged Apr. 8, 1969, under charter of the latter bank (1559) and title "The First National Bank of Atlanta." The merged bank at date of merger had........... | 957,129,503 | ........... | 21 |

COMPTROLLER'S DECISION

On December 20, 1968, The First National Bank of Atlanta, Atlanta, Ga., and the Atlanta National Bank (organizing), Atlanta, Ga., 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 Atlanta, the merging bank, is headquartered in Atlanta and has 20 offices located throughout Atlanta and nearby Decatur. This bank, with total resources of $811.8 million and IPC deposits of $632.6 million, was originally chartered in 1865.

Atlanta National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the First National Holding

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.

FEBRUARY 7, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

CROCKER-CITIZENS NATIONAL BANK, SAN FRANCISCO, CALIF., AND CROCKER BANK, N.A., SAN FRANCISCO, CALIF.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Crocker-Citizens National Bank, San Francisco, Calif. (1741), with | $4, 753, 796, 838 | 276 | |
| and Crocker Bank, National Association, San Francisco, Calif. (1741), which had | 240, 283 | 0 | |
| merged Apr. 21, 1969, under charter of the latter bank (1741) and title "Crocker-Citizens National Bank." The merged bank at date of merger had | 4, 753, 726, 161 | | 276 |

COMPTROLLER'S DECISION

On January 20, 1969, the Crocker-Citizens National Bank, San Francisco, Calif., and the Crocker Bank, National Association (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.

Crocker-Citizens National Bank, the merging bank, is headquartered in San Francisco, and has offices located throughout California. This bank, with total resources of $4.9 billion and IPC deposits of $3.4 billion, was originally chartered in 1870.

Crocker Bank, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Crocker 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.

MARCH 11, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

### Hartford National Bank and Trust Company, Hartford, Conn., and Pearl Street National Bank, Hartford, Conn.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Hartford National Bank and Trust Company, Hartford, Conn. (1338), with | $1, 008, 771, 877 | 43 | |
| and Pearl Street National Bank, Hartford, Conn. (1338) which had | 1, 249, 970 | 0 | |
| merged Apr. 30, 1969, under charter of the latter bank (1338) and title "Hartford National Bank and Trust Company." The merged bank at date of merger had | 1, 009, 021, 847 | | 43 |

COMPTROLLER'S DECISION

On December 10, 1969, the Hartford National Bank and Trust Company, Hartford, Conn., and the Pearl Street National Bank (organizing), Hartford, Conn., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Hartford National Bank and Trust Company, the merging bank, is headquartered in Hartford, Conn., and has 41 offices. This bank has total resources of $971.5 million and IPC deposits of $679 million.

Pearl Street National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Hartford 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.

February 4, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

### Maryland National Bank, Baltimore, Md., and Bay National Bank, Baltimore, Md.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Maryland National Bank, Baltimore, Md. (13745), with | $1, 061, 723, 366 | 93 | |
| and Bay National Bank, Baltimore, Md. (13745), which had | 250, 985 | 0 | |
| merged Apr. 30, 1969, under charter of the latter bank (13745) and title "Maryland National Bank." The merged bank at date of merger had | 1, 062, 453, 693 | | 93 |

COMPTROLLER'S DECISION

On January 3, 1969, the Maryland National Bank, Baltimore, Md., and the Bay National Bank (organizing), Baltimore, Md., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Maryland National Bank, the merging bank is headquartered in the city of Baltimore and has 91 offices located throughout the State of Maryland. This bank, with total resources of $957 million and IPC deposits of $748 million, was chartered on August 4, 1933.

Bay National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Maryland National Corporation, a holding company. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name 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 13, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

NATIONAL BANK AND TRUST COMPANY, CHARLOTTESVILLE, VA., AND NB NATIONAL BANK, CHARLOTTESVILLE, VA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| National Bank and Trust Company, Charlottesville, Va. (10618), with | $95, 786, 577 | 16 | |
| and NB National Bank, Charlottesville, Va. (10618), which had | 255, 000 | 0 | |
| merged Apr. 30, 1969, under charter of the latter bank (10618) and title "National Bank and Trust Company." The merged bank at date of merger had | 95, 793, 927 | | 16 |

COMPTROLLER'S DECISION

On January 11, 1969, the National Bank and Trust Company, Charlottesville, Va., and the N.B. National Bank (organizing), Charlottesville, 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.

National Bank and Trust Company, the merging bank, is headquartered in Charlottesville, Va., and has 17 offices in Charlottesville and other sections of Virginia. This bank, with total resources of $95.6 million and IPC deposits of $74.7 million, was originally chartered in 1914.

N.B. National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the N.B. 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 11, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

PITTSBURGH NATIONAL BANK, PITTSBURGH, PA., AND NEW NATIONAL BANK, PITTSBURGH, PA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Pittsburgh National Bank, Pittsburgh, Pa. (252), with | $1, 643, 390, 716 | 82 | |
| and New National Bank, Pittsburgh, Pa. (252), which had | 240, 000 | 0 | |
| merged Apr. 30, 1969, under charter of the latter bank (252) and title "Pittsburgh National Bank." The merged bank at date of merger had | 1, 643, 630, 716 | | 82 |

COMPTROLLER'S DECISION

On November 15, 1968, the Pittsburgh National Bank, Pittsburgh, Pa., and the New National Bank (organizing), Pittsburgh, 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.

The Pittsburgh National Bank, headquartered in Pittsburgh, Pa., has 89 offices throughout Allegheny, Beaver, Butler, Washington, and Westmoreland counties. This bank, with total resources of $1.6 billion and IPC deposits of $1.2 billion, was chartered in 1863 as the Second National Bank of Pittsburgh and became known as Pittsburgh National Bank in 1959.

New National bank is being organized to provide a vehicle to transfer ownership of Pittsburgh National Bank to Pittsburgh National Corporation. New National Bank will not be operating as a commercial bank prior to the merger.

Because Pittsburgh National 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 now 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 30, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

THE FULTON NATIONAL BANK OF ATLANTA, ATLANTA, GA., AND THE BANK OF THE SOUTH N.A., ATLANTA, GA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Fulton National Bank of Atlanta, Atlanta, Ga. (9617), with | $435, 098, 332 | 17 | |
| and The Bank of the South National Association, Atlanta, Ga. (9617), which had | 248, 473 | 0 | |
| merged May 1, 1969, under charter of the latter bank (9617) and title "The Fulton National Bank of Atlanta." The merged bank at date of merger had | 435, 105, 532 | | 17 |

COMPTROLLER'S DECISION

On January 16, 1969, The Fulton National Bank of Atlanta, Atlanta, Ga., and The Bank of the South National Association (organizing), Atlanta, Ga., 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 Fulton National Bank of Atlanta, the merging bank, is headquartered in Atlanta and has 17 offices throughout Atlanta and nearby Decatur. This bank, with total resources of $434.2 million and IPC deposits of $254.6 million, was originally chartered in 1909.

The Bank of the South National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to The Fulton 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.

MARCH 6, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

## The Johnson County National Bank and Trust Company, Prairie Village, Kans., and Johnson County Bank, N.A., Prairie Village, Kans.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The Johnson County National Bank and Trust Company, Prairie Village, Kans. (14420), with | $51,136,244 | 1 | ........... |
| and Johnson County Bank, National Association, Prairie Village, Kans. (14420), which had | 120,000 | 0 | ........... |
| merged May 1, 1969, under charter of the latter bank (14420) and title "The Johnson County National Bank and Trust Company." The merged bank at date of merger had | 51,256,244 | ........... | 1 |

### COMPTROLLER'S DECISION

On January 21, 1969, The Johnson County National Bank and Trust Company, Prairie Village, Kans., and the Johnson County Bank, National Association (organizing), Prairie Village, 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.

The Johnson County National Bank and Trust Company, the merging bank, is headquartered in Prairie Village, Kans., and has no branches. This bank, with total resources of $49.7 million and IPC deposits of $39.3 million, was originally chartered in 1939.

Johnson County Bank, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Johnson County 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 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 11, 1969.

### SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

## The Indiana National Bank of Indianapolis, Indianapolis, Ind., and Tower National Bank, Indianapolis, Ind.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The Indiana National Bank of Indianapolis, Indianapolis, Ind. (984), with | $977,555,590 | 33 | ........... |
| and Tower National Bank, Indianapolis, Ind. (984), which had | 238,500 | 0 | ........... |
| merged May 12, 1969, under charter of the latter bank (984) and title "The Indiana National Bank." The merged bank at date of merger had | 977,562,790 | ........... | 33 |

### COMPTROLLER'S DECISION

On January 6, 1969, The Indiana National Bank of Indianapolis, Indianapolis, Ind., and Tower National Bank (organizing), Indianapolis, Ind., applied to the Office of the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The Indiana National Bank of Indianapolis has IPC deposits of $604 million and operates 33 branches.

The Tower National Bank is being organized to provide a vehicle to transfer ownership of The Indiana National Bank of Indianapolis to the Indiana National Corporation. The Tower National Bank will not be operating as a commercial bank prior to the merger.

Because The Indiana National Bank of Indianapolis is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger.

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

MARCH 4, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

RHODE ISLAND HOSPITAL TRUST COMPANY, PROVIDENCE, R.I., AND RHODE ISLAND HOSPITAL TRUST NATIONAL BANK, PROVIDENCE, R.I.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Rhode Island Hospital Trust Company, Providence, R.I., with | $569, 463, 074 | 29 | |
| and Rhode Island Hospital Trust National Bank, Providence, R.I. (15723), which had | 247, 246 | 0 | |
| merged May 29, 1969, under charter and title of the latter bank (15723). The merged bank at date of merger had | 569, 710, 320 | | 29 |

COMPTROLLER'S DECISION

On February 21, 1969, the Rhode Island Hospital Trust National Bank (organizing), Providence, R.I., applied to the Office of the Comptroller of the Currency for permission to merge with the Rhode Island Hospital Trust Company, Providence, R.I., under the charter and with the title of the former.

The Rhode Island Hospital Trust Company, the merging bank, is located in Providence, R.I., a city of 187,000 people. The bank was chartered as a State bank in 1867 and is presently the second largest bank in Rhode Island, with IPC deposits of $430.6 million. At the time of application it had 28 branches, including three facilities operated at the U.S. Naval Base, Newport, the Rhode Island Hospital, and Providence College. The resulting bank will continue to operate the 28 branches, and permission is being sought to convert the naval facility to full branch status.

The Rhode Island Hospital Trust National Bank is being organized to transfer ownership of the merging bank to the R.I.H.T. Corporation. Prior to merger the organizing bank will not be operational. With the exception of 500 directors' qualifying shares, all shares of the resulting bank will be owned by the R.I.H.T. Corporation.

Because the Rhode Island Hospital Trust Company is the only operating bank in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will continue to conduct the merging bank's business at the present locations under the title of the Rhode Island Hospital Trust National Bank.

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

APRIL 10, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

THE FIRST JERSEY NATIONAL BANK, JERSEY CITY, N.J., AND SECOND JERSEY NATIONAL BANK, JERSEY CITY, N.J.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The First Jersey National Bank, Jersey City, N.J. (374), with | $418,645,205 | 12 | |
| and Second Jersey National Bank, Jersey City, N.J. (374), which had | 250,000 | 0 | |
| merged May 29, 1969, under charter of the latter bank (374) and title "The First Jersey National Bank." The merged bank at date of merger had | 418,895,205 | | 12 |

COMPTROLLER'S DECISION

On January 27, 1969, The First Jersey National Bank, Jersey City, N.J., and the Second Jersey National Bank (organizing), Jersey City, 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 First Jersey National Bank, the merging bank, is headquartered in Jersey City, N.J., and has 13 offices in New Jersey. This bank, with total resources of $454 million and IPC deposits of $371.2 million, was originally chartered in 1864.

Second Jersey National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the First Jersey 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.

MARCH 12, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

COMMONWEALTH NATIONAL BANK, BOSTON, MASS., AND COMMONWEALTH BANK, N.A., BOSTON, MASS.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Commonwealth National Bank, Boston, Mass. (15399), with | $43,194,287 | 6 | |
| and Commonwealth Bank, National Association, Boston, Mass. (15399), which had | 250,136 | 0 | |
| merged May 31, 1969, under charter of the latter bank (15399) and title "Commonwealth National Bank." The merged bank at date of merger had | 43,201,537 | | 6 |

COMPTROLLER'S DECISION

On February 14, 1969, the Commonwealth National Bank, Boston, Mass., and the Commonwealth Bank, National Association (organizing), Boston, 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.

Commonwealth National Bank, the merging bank, is headquartered in Boston and has five offices in Boston and one in nearby Chelsea. This bank, with total resources of $46.6 million and IPC deposits of $38.1 million, was originally chartered in 1964.

Commonwealth Bank, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Commonwealth 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 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 26, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

NEWPORT NATIONAL BANK, NEWPORT BEACH, CALIF., AND NEWPORT BANK, N.A., NEWPORT BEACH, CALIF.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Newport National Bank, Newport Beach, Calif. (15235), with | $61,227,665 | 9 | |
| and Newport Bank, N.A., Newport Beach, Calif. (15235), which had | 125,000 | 0 | |
| merged May 31,1969, under charter of the latter bank (15235) and title "Newport National Bank." The merged bank at date of merger had | 61,352,665 | | 9 |

COMPTROLLER'S DECISION

On March 10, 1969, the Newport National Bank, Newport Beach, Calif., and the Newport Bank, N.A. (organizing), Newport Beach, 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.

Newport National Bank, the merging bank, is headquartered in Newport Beach and operates seven offices in Newport and surrounding towns. This bank, with total resources of $57 million and IPC deposits of $55 million, was originally chartered in January 1964.

Newport Bank, N.A., the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Newport 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.

APRIL 18, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

## Canal National Bank, Portland, Maine, and Middle Street National Bank, Portland, Maine

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Canal National Bank, Portland, Maine (941), with | $100, 247, 343 | 23 | |
| and Middle Street National Bank, Portland, Maine (941), which had | 241, 125 | 0 | |
| merged June 2, 1969, under charter of the latter bank (941) and title "Canal National Bank." The merged bank at date of merger had | 101, 350, 325 | | 23 |

### COMPTROLLER'S DECISION

On December 6, 1968, the Middle Street National Bank (organizing), Portland, Maine, applied to the Office of the Comptroller of the Currency for permission to merge with the Canal National Bank, Portland, Maine, under the charter of the former and with the title of the latter.

The Canal National Bank, the merging bank, is located in Portland, Maine, a city of 71,000 people. The bank was organized in 1803 and has been a National bank since 1865. Presently, as one of the largest banks in Maine, it has IPC deposits of $69.1 million in its main office and 22 branches.

The Middle Street National Bank, Portland, Maine, duly organized October 15, 1968, as a National bank under Federal law, has an authorized capital stock of $5.4 million divided into 540,000 shares. With the exception of 500 directors' qualifying shares, all remaining shares will be owned by United Bancorp of Maine, a holding company. The organizing bank has no financial or branch history due to its recent inception. It will not operate as a commercial bank since its sole function is to act as a vehicle to form a one-bank holding company.

Recognizing that the Canal National 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 continue to conduct the merging bank's business at the present locations under the title of the Canal National Bank.

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

February 5, 1969.

### SUMMARY OF REPORT BY ATTORNEY GENERAL

The merger is part of a transaction which will result in a presently existing bank becoming a subsidiary of a one-bank holding company. Thus, the merger is merely part of a corporate reorganization and as such will have no effect on competition.

* * *

## The American National Bank of Austin, Austin, Tex., and Ambank, N.A., Austin, Tex.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The American National Bank of Austin, Austin, Tex. (4322), with | $152, 855, 713 | 1 | |
| and Ambank, National Association, Austin, Tex. (4322), which had | 250, 000 | 0 | |
| merged June 2, 1969, under charter of the latter bank (4322) and title "The American National Bank of Austin." The merged bank at date of merger had | 153, 105, 713 | | 1 |

### COMPTROLLER'S DECISION

On February 24, 1969, The American National Bank of Austin, Austin, Tex., and Ambank, National Association (organizing), Austin, Tex., 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 American National Bank of Austin, Austin, Tex., was organized in 1890 and now holds IPC deposits of $67 million.

Ambank, National Association (organizing), Austin, Tex., is a nonoperating institution which was organized as a step in the corporate reorganization of the merging bank. With the exception of directors' qualifying shares, all of the stock of the charter bank is owned by American First Corporation, a Texas corporation.

Since the charter bank is a nonoperating institution, approval of this application will have no effect on competition. Service to the public will not be affected by this transaction as the resulting bank will operate through the personnel and physical facilities of the merging bank. Approval of the merger will, however, facilitate the corporate reorganization of the merging bank.

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

April 30, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

This merger is merely part of a corporate reorganization which will make American National Bank of Austin a wholly-owned subsidiary of a one-bank holding company and as such will have no effect on competition.

* * *

The Chase Manhattan Bank (N.A.), New York, N.Y., and The Chase Bank of New York (N.A.), New York, N.Y.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Chase Manhattan Bank (National Association), New York, N.Y. (2370) with | $17,765,426,232 | 155 | ........... |
| and The Chase Bank of New York (National Association), New York, N.Y (2370) which had | 250,000 | 0 | ........... |
| merged June 4, 1969, under charter of the latter bank (2370) and title "The Chase Manhattan Bank (National Association)." The merged bank at date of merger had | 17,765,434,232 | ........... | 155 |

COMPTROLLER'S DECISION

On February 17, 1969, The Chase Manhattan Bank (National Association) and The Chase Bank of New York (National Association) (organizing), applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The Chase Manhattan Bank (National Association), the merging bank, is headquartered in New York City and has offices located throughout New York City and Nassau and Westchester counties. This bank has total resources of $19.3 billion and IPC deposits of $9 billion.

The Chase Bank of New York (National Association), the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to The Chase Manhattan 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.

April 14, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

LINCOLN NATIONAL BANK, PHILADELPHIA, PA., AND LOCUST STREET NATIONAL BANK, PHILADELPHIA, PA.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Lincoln National Bank, Philadelphia, Pa. (15393), with | $51,096,262 | 2 | |
| and Locust Street National Bank, Philadelphia, Pa. (15393), which had | 240,000 | 0 | |
| merged June 17, 1969, under charter of the latter bank (15393) and title "Lincoln National Bank." The merged bank at date of merger had | 51,336,262 | | 2 |

COMPTROLLER'S DECISION

On March 11, 1969, the Locust Street National Bank (organizing), Philadelphia, Pa., applied to the Office of the Comptroller of the Currency for permission to merge with the Lincoln National Bank, Philadelphia, Pa., under the charter of the former and with the title of the latter.

The Lincoln National Bank, the merging bank, is located in Philadelphia, Pa., a city of 2.1 million. The bank was chartered September 1964, and presently has IPC deposits of $34.8 million. At the time of the application it had one active branch, one approved but inactive facility, and an application pending for a third facility.

The Locust Street National Bank, Philadelphia, Pa., owned by Lincoln National Company, is being organized as a means to transfer ownership of the Lincoln National Bank to the Lincoln National Company. Prior to the merger, the organizing bank will not be operational. With the exception of the director's qualifying shares, all of the shares of the resulting bank will be owned by the Lincoln National Company.

Because the Lincoln National Bank is the only operating bank in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will continue to conduct the merging bank's business at the present locations under title of the Lincoln National Bank. The application is, therefore, approved.

APRIL 24, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

THE PEOPLES NATIONAL BANK OF LONG ISLAND, PATCHOGUE, N.Y., AND PEOPLES BANK OF LONG ISLAND, N.A., PATCHOGUE, N.Y.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The Peoples National Bank of Long Island, Patchogue, N.Y. (12788), with | $70,352,406 | 8 | |
| and Peoples Bank of Long Island, National Association, Patchogue, N.Y. (12788), which had | 125,500 | 0 | |
| merged June 20, 1969, under charter of the latter bank (12788) and title of "The Peoples National Bank of Long Island." The merged bank at date of merger had | 70,365,108 | | 8 |

COMPTROLLER'S DECISION

On December 13, 1968, The Peoples National Bank of Long Island, Patchogue, N.Y., and the Peoples Bank of Long Island, National Association (organizing), Patchogue, 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 Peoples National Bank of Long Island, the merging bank, is headquartered in Patchogue and has nine offices throughout Suffolk County. This bank has total resources of $64 million and IPC deposits of $47 million.

The Peoples Bank of Long Island, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Bankers Trust 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.

MAY 13, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

THE CITIZENS AND SOUTHERN NATIONAL BANK OF SOUTH CAROLINA, CHARLESTON, S.C., AND CITIZENS NATIONAL BANK, CHARLESTON, S.C.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Citizens and Southern National Bank of South Carolina, Charleston, S.C. (14425), with | $318, 366, 695 | 55 | ............ |
| and Citizens National Bank, Charleston, S.C. (14425), which had | 250, 000 | 0 | ............ |
| merged June 30, 1969, under charter of the latter bank (14425) and title "The Citizens and Southern National Bank of S.C." The merged bank at date of merger had | 318, 375, 395 | ............ | 55 |

COMPTROLLER'S DECISION

On March 21, 1969, The Citizens and Southern National Bank of South Carolina, Charleston, S.C., and the Citizens 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 of the former.

The Citizens and Southern National Bank of South Carolina, the merging bank, is headquartered in Charleston, and has 47 offices located throughout South Carolina. This bank, with total resources of $296.6 million and IPC deposits of $223.7 million, was originally chartered in 1874.

Citizens National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Citizens and Southern Corporation. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

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

MAY 15, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

THE FIRST NATIONAL BANK AND TRUST COMPANY OF TULSA, TULSA, OKLA., AND THE FIRST BANK AND TRUST COMPANY OF TULSA, N.A., TULSA, OKLA.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The First National Bank and Trust Company of Tulsa, Tulsa, Okla. (5171), with | $418, 309, 922 | 1 | ............ |
| and The First Bank and Trust Company of Tulsa, National Association, Tulsa, Okla. (5171), which had | 255, 968 | 0 | ............ |
| merged July 1, 1969, under charter of the latter bank (5171) and title "The First National Bank and Trust Company of Tulsa." The merged bank at date of merger had | 418, 565, 890 | ............ | 1 |

COMPTROLLER'S DECISION

On February 3, 1969, The First National Bank and Trust Company of Tulsa, Tulsa, Okla., and The First Bank and Trust Company of Tulsa, National Association (organizing), Tulsa, Okla., 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 and Trust Company of Tulsa, the merging bank, is headquartered in Tulsa. This bank, with total resources of $455 million and IPC deposits of $311 million, was originally chartered in 1895.

The First Bank and Trust Company of Tulsa, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the First Tulsa 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 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 2, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

THE FIRST NATIONAL BANK OF SOUTH CAROLINA, COLUMBIA, S.C., AND WASHINGTON STREET NATIONAL BANK, COLUMBIA, S.C.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The First National Bank of South Carolina, Columbia, S.C. (13720), with | $236, 793, 768 | 41 | ............ |
| and Washington Street National Bank, Columbia, S.C. (13720), which had | 240, 000 | 0 | ............ |
| merged July 19, 1969, under charter of the latter bank (13720) and title "First National Bank of South Carolina." The merged bank at date of merger had | 236, 800, 968 | ............ | 41 |

COMPTROLLER'S DECISION

On January 31, 1969, The First National Bank of South Carolina, Columbia, S.C., and the Washington Street National Bank (organizing), Columbia, S.C., filed an application with the Comptroller of the Currency for permission to merge under the charter of the the latter and with the title of the former.

The First National Bank of South Carolina, Columbia, S.C., holds IPC deposits of $163 million in its main office and 42 branches.

The Washington Street National Bank (organizing), Columbia, S.C., is a nonoperating institution which was organized as a step in the corporate reorganization of the merging bank. With the exception of directors' qualifying shares, all of the stock of the charter bank is owned by First Bankshares Corporation of South Carolina, a South Carolina corporation.

Since the charter bank is a nonoperating institution, approval of this application will have no effect on competition. Service to the public will not be affected by this transaction as the resulting bank will operate through the personnel and physical facilities of the merging bank. Approval of the merger will, however, facilitate the corporate reorganization of the merging bank.

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

MARCH 10, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

ST. LOUIS COUNTY NATIONAL BANK, CLAYTON, MO., AND COUNTY NATIONAL BANK, CLAYTON, MO.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| St. Louis County National Bank, Clayton, Mo. (14538), with | $155, 994, 399 | 2 | |
| and County National Bank, Clayton, Mo. (14538), which had | 120, 000 | 0 | |
| merged July 31, 1969, under charter of the latter bank (14538) and title "St. Louis County National Bank." The merged bank at date of merger had | 156, 114, 399 | | 2 |

COMPTROLLER'S DECISION

On April 28, 1969, the St. Louis County National Bank, Clayton, Mo., and the County National Bank (organizing), Clayton, Mo., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

St. Louis County National Bank, the merging bank, is headquartered in Clayton, Mo., and has no other offices. This bank, with total resources of $154 million and IPC deposits of $128 million, was originally chartered in November 1945.

County National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the County National Bancorporation. The charter bank will not be operating as a commercial bank prior to the merger.

Because the merging bank is the only operating bank involved in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the merging bank.

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

JUNE 23, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

PROVIDENT NATIONAL BANK, PHILADELPHIA, PA., AND SOWER NATIONAL BANK, PHILADELPHIA, PA.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Provident National Bank, Philadelphia, Pa. (15422), with | $948, 727, 022 | 35 | ............ |
| and Sower National Bank, Philadelphia, Pa. (15422), which had | 255, 000 | 0 | ............ |
| merged Aug. 13, 1969, under charter of the latter bank (15422) and title "Provident National Bank." The merged bank at date of merger had | 948, 982, 022 | ............ | 35 |

COMPTROLLER'S DECISION

On May 13, 1969, the Provident National Bank, Philadelphia, Pa., and the Sower National Bank (organizing), Philadelphia, 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.

Provident National Bank, the merging bank, is headquartered in Philadelphia, Pa., and has 37 offices located throughout southeastern Pennsylvania. This bank has total resources of $958.8 million and IPC deposits of $750.2 million.

Sower National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Provident 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.

JULY 3, 1969.

SUMMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

THE FIRST NATIONAL BANK OF CHICAGO, CHICAGO, ILL., AND FIRST CHICAGO BANK, N.A., CHICAGO, ILL.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The First National Bank of Chicago, Chicago, Ill. (8), with | $5, 429, 899, 596 | 1 | ............ |
| and First Chicago Bank, National Association, Chicago, Ill. (8) which had | 254, 184 | 0 | ............ |
| merged Aug. 15, 1969, under charter of the latter bank (8) and title "The First National Bank of Chicago." The merged bank at date of merger had | 5, 430, 153, 780 | ............ | 1 |

COMPTROLLER'S DECISION

On March 10, 1969, The First National Bank of Chicago, Chicago, Ill., and the First Chicago Bank, National Association (organizing), Chicago, Ill., 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 First National Bank of Chicago, Chicago, Ill., was organized in 1863 and now holds IPC deposits of nearly $4 billion.

The First Chicago Bank, National Association (organizing), Chicago, Ill., is a nonoperating institution which was organized as a step in the corporate reorganization of the merging bank. With the exception of directors' qualifying shares, all of the stock of the charter bank is owned by First Chicago Corporation, a Delaware corporation.

Since the charter bank is a nonoperating institution, approval of this application will have no effect on competition. Service to the public will not be affected by this transaction as the resulting bank will operate through the personnel and physical facilities of the merging bank. Approval of the merger will, however, facilitate the corporate reorganization of the merging bank.

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

April 18, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

THE FIRST NATIONAL BANK AND TRUST COMPANY IN STEUBENVILLE, STEUBENVILLE, OHIO, AND SECOND NATIONAL BANK IN STEUBENVILLE, STEUBENVILLE, OHIO

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The First National Bank and Trust Company in Steubenville, Steubenville, Ohio (2160), with | $80, 293, 403 | 6 | |
| and Second National Bank in Steubenville, Steubenville, Ohio (2160), which had | 115, 950 | 0 | |
| merged Sept. 2, 1969, under charter of the latter bank (2160) and title "The First National Bank and Trust Company in Steubenville." The merged bank at date of merger had | 80, 409, 353 | | 6 |

COMPTROLLER'S DECISION

On May 6, 1969, The First National Bank and Trust Company in Steubenville, Steubenville, Ohio, and the Second National Bank in Steubenville (organizing), Steubenville, 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 and Trust Company in Steubenville, the merging bank, is headquartered in Steubenville, Ohio, and has six offices throughout Jefferson County. This bank has total resources of $78.3 million and IPC deposits of $63.6 million.

Second National Bank in Steubenville, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the First Steuben Bancorp, 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 24, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

### The Merchants National Bank of Cedar Rapids, Cedar Rapids, Iowa, and Iowa National Bank of Cedar Rapids, Cedar Rapids, Iowa

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The Merchants National Bank of Cedar Rapids, Cedar Rapids, Iowa (2511), with | $161, 136, 638 | 2 | ........... |
| and Iowa National Bank of Cedar Rapids, Cedar Rapids, Iowa (2511), which had | 250, 000 | 0 | ........... |
| merged Sept. 2, 1969, under charter of the latter bank (2511) and title of "The Merchants National Bank of Cedar Rapids." The merged bank at date of merger had | 161, 386, 638 | ........... | 2 |

#### COMPTROLLER'S DECISION

On February 24, 1969, The Merchants National Bank of Cedar Rapids, Cedar Rapids, Iowa, and the Iowa National Bank of Cedar Rapids (organizing), Cedar Rapids, Iowa, 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 Merchants National Bank of Cedar Rapids, the merging bank, is headquartered in Cedar Rapids, and has two offices in Cedar Rapids. This bank, with total resources of $161.7 million and IPC deposits of $101.3 million, was originally chartered in 1881.

Iowa National Bank of Cedar Rapids, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Banks of Iowa, 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 7, 1969.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

### The Boatmen's National Bank of St. Louis, St. Louis, Mo., and Riverfront National Bank, St. Louis, Mo.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The Boatmen's National Bank of St. Louis, St. Louis, Mo. (12916), with | $292, 222, 372 | 1 | ........... |
| and Riverfront National Bank, St. Louis, Mo. (12916), which had | 243, 541 | 0 | ........... |
| merged Sept. 8, 1969, under charter of the latter bank (12916) and title "The Boatmen's National Bank of St. Louis." The merged bank at date of merger had | 292, 465, 914 | ........... | 1 |

#### COMPTROLLER'S DECISION

On April 10, 1969, the Riverfront National Bank (organizing), St. Louis, Mo., applied to the Office of the Comptroller of the Currency for permission to merge with The Boatmen's National Bank of St. Louis, St. Louis, Mo., under the charter of the former and with the title of the latter.

The Boatmen's National Bank of St. Louis, the merging bank, is located in St. Louis, a city of some

700,000 people. The bank presently has IPC deposits of $269.6 million, making it the third largest bank in St. Louis.

The Riverfront National Bank, St. Louis, Mo., owned by the Boatmen's Bancshares, Inc., is being organized as a means to transfer ownership of the Boatmen's National Bank of St. Louis to the Boatmen's Bancshares, Inc. With the exception of the directors' qualifying shares, all shares of the resulting bank will be owned by the Boatmen's Bancshares, Inc.

Because the Boatmen's National Bank of St. Louis is the only operating bank in the proposed transaction, there can be no adverse effect on competition resulting from consummation of the proposed merger. The resulting bank will continue to conduct the merging bank's business at the present location under title of The Boatmen's National Bank of St. Louis. The application is, therefore, approved.

June 23, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

### Franklin National Bank, Mineola, N.Y., and Franklin Bank of New York (N.A.), Mineola, N.Y.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Franklin Bank of New York (National Association), Mineola, N.Y. (12997), with | $248, 380 | 0 | |
| and Franklin National Bank, Mineola, N.Y. (12997), which had | 2, 665, 516, 746 | 86 | |
| consolidated Sept. 22, 1969, under charter and title of "Franklin National Bank." The consolidated bank at date of consolidation had | 2, 665, 765, 126 | | 86 |

COMPTROLLER'S DECISION

On July 18, 1969, Franklin National Bank, Mineola, N.Y., and Franklin Bank of New York (National Association) (organizing), Mineola, N.Y., applied to the Comptroller of the Currency for permission to consolidate under the charter and with the title of the former.

Franklin National Bank, the charter bank, is headquartered in Mineola, and has 82 offices throughout New York City and Long Island, N.Y. This bank, with total resources of $2.7 billion and IPC deposits of $1.6 billion, was originally chartered in 1926.

Franklin Bank of New York (National Association), the new bank, is being organized to provide a vehicle to transfer ownership of the charter bank to the Franklin New York Corporation. The new bank will not be operating as a commercial bank prior to the consolidation.

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 consolidation. The resulting bank will conduct the same banking business at the same locations and with the same name as presently used by the charter bank.

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

August 21, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

NATIONAL BANK OF WESTCHESTER, WHITE PLAINS, N.Y., AND NATIONAL BANK OF WESTCHESTER, WHITE PLAINS, WHITE PLAINS, N.Y.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| National Bank of Westchester, White Plains, N.Y. (10525), with | $453, 114, 339 | 33 | |
| and National Bank of Westchester, White Plains, White Plains, N.Y. (10525), which had | 246, 758 | 0 | |
| merged Sept. 26, 1969, under charter of the latter bank (10525) and title "National Bank of Westchester." The merged bank at date of merger had | 453, 361, 097 | | 33 |

COMPTROLLER'S DECISION

On February 25, 1969, the National Bank of Westchester, White Plains, N.Y., and the National Bank of Westchester, White Plains (organizing), White Plains, 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.

National Bank of Westchester, the merging bank, is headquartered in White Plains, and has 33 offices throughout Westchester County and one in Dutchess County. This bank, with total resources of $480.4 million and IPC deposits of $347.4 million, was originally chartered in 1833.

National Bank of Westchester, White Plains, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to Lincoln First 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.

AUGUST 25, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan of Lincoln First Banks, Inc., a registered bank holding company incorporated in New York, to acquire New Bank as a wholly-owned subsidiary.

Considered in and of itself, and apart from any possible subsequent acquisition of New Bank by Lincoln First Banks, the instant merger is merely part of a corporate reorganization and as such will have no effect on competition.

* * *

CENTRAL NATIONAL BANK AND TRUST COMPANY OF ENID, ENID, OKLA., AND BROADWAY NATIONAL BANK OF ENID, ENID, OKLA.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Central National Bank and Trust Company of Enid, Enid, Okla. (12044), with | $39, 816, 455 | 2 | |
| and Broadway National Bank of Enid, Enid, Okla. (12044), which had | 250, 000 | 0 | |
| merged Sept. 30, 1969, under charter of the latter bank (12044) and title "Central National Bank & Trust Co., of Enid." The merged bank at date of merger had | 39, 816, 455 | | 2 |

COMPTROLLER'S DECISION

On June 2, 1969, the Central National Bank and Trust Company of Enid, Enid, Okla., and the Broadway National Bank of Enid (organizing), Enid, Okla., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Central National Bank and Trust Company of Enid, the merging bank, is headquartered in Enid and has an additional office in Enid. This bank, with total resources of $36.5 million and IPC deposits of $28.2 million, was originally chartered in 1921.

Broadway National Bank of Enid, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Central Service 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.

JULY 30, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

CENTRAL NATIONAL BANK IN CHICAGO, ILL., AND CENTRAL BANK OF CHICAGO, N.A., CHICAGO, ILL.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Central National Bank in Chicago, Chicago, Ill. (14362), with | $447,723,953 | 1 | ............ |
| and Central Bank of Chicago, National Association, Chicago, Ill. (14362), which had | 248,480 | 0 | ............ |
| merged Sept. 30, 1969, under charter of the latter bank (14362) and title "Central National Bank in Chicago." The merged bank at date of merger had | 447,731,153 | ............ | 1 |

COMPTROLLER'S DECISION

On February 11, 1969, the Central National Bank in Chicago, Chicago, Ill., and the Central Bank of Chicago, National Association (organizing), Chicago, Ill., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Central National Bank in Chicago, the merging bank, is headquartered in Chicago, Ill. This bank, with total resources of $471.9 million and IPC deposits of $331.4 million, was originally chartered on July 31, 1936.

Central Bank of Chicago, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Central National Chicago 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.

MARCH 27, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

CENTRAL-PENN NATIONAL BANK OF PHILADELPHIA, BALA-CYNWYD, PA., AND BROAD AND WALNUT NATIONAL BANK, BALA-CYNWYD, PA.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Central-Penn National Bank of Philadelphia, Bala-Cynwyd, Pa. (723), with | $449, 904, 308 | 24 | |
| and Broad and Walnut National Bank, Bala-Cynwyd, Pa. (723), which had | 250, 107 | 0 | |
| merged Sept. 30, 1969, under charter of the latter bank (723) and title "Central Penn National Bank." The merged bank at date of merger had | 450, 154, 415 | | 24 |

COMPTROLLER'S DECISION

On May 22, 1969, the Central-Penn National Bank of Philadelphia, Philadelphia, Pa., and the Broad and Walnut National Bank (organizing), Philadelphia, Pa., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of "Central Penn National Bank."

Central-Penn National Bank of Philadelphia, the merging bank, is headquartered in Philadelphia and has 24 offices throughout Greater Philadelphia. This bank, with total resources of $457.7 million and IPC deposits of $352.5 million, was originally chartered in 1828.

Broad and Walnut National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the CP 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 is used by the merging bank.

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

JULY 9, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

FIRST SECURITY NATIONAL BANK OF BEAUMONT, BEAUMONT, TEX., AND SECURITY NATIONAL BANK, BEAUMONT, TEX.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| First Security National Bank of Beaumont, Beaumont, Tex. (4017), with | $145, 145, 768 | 1 | |
| and Security National Bank, Beaumont, Tex. (4017), which had | 257, 200 | 0 | |
| merged Sept. 30, 1969, under charter of the latter bank (4017) and title "First Security National Bank of Beaumont." The merged bank at date of merger had | 145, 402, 968 | | 1 |

COMPTROLLER'S DECISION

On April 29, 1969, the First Security National Bank of Beaumont, Beaumont, Tex., and the Security National Bank (organizing), Beaumont, 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 Security National Bank of Beaumont, the merging bank, is headquartered in Beaumont, Tex., and has no other offices. This bank, with total resources of $142 million and IPC deposits of $59 million, was originally chartered on April 9, 1889.

Security National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the First Security 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.

July 3, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

THE SECURITY NATIONAL BANK OF SIOUX CITY, SIOUX CITY, IOWA, AND IOWA SECURITY NATIONAL BANK, SIOUX CITY, IOWA

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Security National Bank of Sioux City, Sioux City, Iowa (3124), with | $82, 046, 366 | 3 | |
| and Iowa Security National Bank, Sioux City, Iowa (3124), which had | 250, 000 | 0 | |
| merged Sept. 30, 1969, under charter of the latter bank (3124) and title "The Security National Bank of Sioux City, Iowa." The merged bank at date of merger had | 82, 296, 366 | | 3 |

COMPTROLLER'S DECISION

On May 20, 1969, The Security National Bank of Sioux City, Sioux City, Iowa, and Iowa Security National Bank (organizing), Sioux City, Iowa, 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 Security National Bank of Sioux City, Iowa."

The Security National Bank of Sioux City was chartered in 1884 and now holds IPC deposits of about $53 million.

The Iowa Security National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Security National Corporation. The charter bank will not be operating as a commercial bank prior to the merger.

Since the charter bank is a nonoperating institution, approval of this application will have no effect on competition. Service to the public will not be affected by this transaction as the resulting bank will operate through the personnel and physical facilities of the merging bank. Approval of the merger will, however, facilitate the corporate reorganization of the merging bank.

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

July 16, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

### THE LIBERTY NATIONAL BANK AND TRUST COMPANY OF OKLAHOMA CITY, OKLAHOMA CITY, OKLA., AND LIBERTY BANK, N.A., OKLAHOMA CITY, OKLA.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The Liberty National Bank and Trust Company of Oklahoma City, Oklahoma City, Okla. (11230), with | $415, 894, 411 | 1 | |
| and Liberty Bank, National Association, Oklahoma City, Okla. (11230), which had | 240, 000 | 0 | |
| merged Oct. 1, 1969, under charter of the latter bank (11230) and title "The Liberty National Bank and Trust Company of Oklahoma City." The merged bank at date of merger had | 415, 901, 611 | | 1 |

#### COMPTROLLER'S DECISION

On May 27, 1969, The Liberty National Bank and Trust Company of Oklahoma City, Oklahoma City, Okla., and the Liberty Bank, National Association (organizing), Oklahoma City, Okla., 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 and Trust Company of Oklahoma City, the merging bank, is headquartered in Oklahoma City, and is a single office bank. This bank, with total resources of $419.9 million and IPC deposits of $238.5 million, was originally chartered in 1918.

Liberty Bank, National Association, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Liberty 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 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.

AUGUST 6, 1969.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

### LINCOLN NATIONAL BANK AND TRUST COMPANY OF FORT WAYNE, FORT WAYNE, IND., AND ALLEN COUNTY NATIONAL BANK, FORT WAYNE, IND.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Lincoln National Bank and Trust Company of Fort Wayne, Fort Wayne, Ind. (7725), with | $272, 352, 471 | 7 | |
| and Allen County National Bank, Fort Wayne, Ind. (7725), which had | 248, 448 | 0 | |
| merged Oct. 31, 1969, under charter of the latter bank (7725) and title "Lincoln National Bank and Trust Company of Fort Wayne." The merged bank at date of merger had | 272, 359, 971 | | 7 |

### COMPTROLLER'S DECISION

On April 17, 1969, the Lincoln National Bank and Trust Company of Fort Wayne, Fort Wayne, Ind., and the Allen County National Bank (organizing), Fort Wayne, 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.

Lincoln National Bank and Trust Company of Fort Wayne, the merging bank, is headquartered in Fort Wayne, Ind., and has six offices throughout Allen County. This bank, with total resources of $252.3 million and IPC deposits of $203.8 million, was originally chartered in May 1905.

Allen County National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Lincoln Tower 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.

SEPTEMBER 17, 1969.

### SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

## THE PHILADELPHIA NATIONAL BANK, PHILADELPHIA, PA., AND PNB NATIONAL BANK, PHILADELPHIA, PA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Philadelphia National Bank, Philadelphia, Pa. (539), with | $2,015,620,546 | 52 | |
| and PNB National Bank, Philadelphia, Pa. (539), which had | 250,000 | 0 | |
| merged Nov. 1, 1969, under charter of the latter bank (539) and title "The Philadelphia National Bank." The merged bank at date of merger had | 2,046,298,456 | | 52 |

### COMPTROLLER'S DECISION

On February 13, 1969, The Philadelphia National Bank, Philadelphia, Pa., and the PNB National Bank (organizing), Philadelphia, 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.

The Philadelphia National Bank, the merging bank, is headquartered in Philadelphia, and has 49 offices throughout the Greater Philadelphia Area. This bank, with total resources of $2 billion and IPC deposits of $1.3 billion, was originally chartered in 1859.

PNB National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the PNB 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.

APRIL 2, 1969.

### SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

### First National Bank of Huntsville, Huntsville, Tex., and Walker County National Bank, Huntsville, Tex.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| First National Bank of Huntsville, Huntsville, Tex. (4208), with | $16, 181, 495 | 1 | |
| and Walker County National Bank, Huntsville, Tex. (4208), which had | 120, 000 | 0 | |
| merged Dec. 1, 1969, under charter of the latter bank (4208), and title of "First National Bank of Huntsville." The merged bank at date of merger had | 16, 188, 795 | | 1 |

#### COMPTROLLER'S DECISION

On July 16, 1969, the First National Bank of Huntsville, Huntsville, Tex., and the Walker County National Bank (organizing), Huntsville, 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 Huntsville, the merging bank, is headquartered in Huntsville, Tex. This bank, with total resources of $17 million and IPC deposits of $10.6 million, was originally chartered in 1890. The Walker County National Bank, the charter bank, is being organized to provided a vehicle to transfer ownership of the merging bank to First Huntsville 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.

August 29, 1969.

#### SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

### Scarsdale National Bank and Trust Company, Scarsdale, N.Y., and The Scarsdale National Bank & Trust Company, Scarsdale, N.Y.

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| Scarsdale National Bank and Trust Company, Scarsdale, N.Y. (11708), with | $73, 302, 900 | 5 | |
| and The Scarsdale National Bank & Trust Company, Scarsdale, N.Y. (11708), which had | 123, 221 | 0 | |
| merged Dec. 5, 1969, under charter of the latter bank (11708) and title "Scarsdale National Bank and Trust Company." The merged bank at date of merger had | 73, 426, 121 | | 5 |

#### COMPTROLLER'S DECISION

On September 9, 1969, Scarsdale National Bank and Trust Company and The Scarsdale National Bank & Trust Company (organizing), applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Scarsdale National Bank and Trust Company, the merging bank, is headquartered in Scarsdale. This bank, with total resources of $76.9 million and IPC deposits of $64.5 million, was originally chartered in 1920.

The Scarsdale National Bank & Trust Company, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the Charter 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.

NOVEMBER 4, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which Charter New York Corporation, a registered bank holding company, proposes to acquire all of the voting shares of The Scarsdale National Bank & Trust Co. (organizing), a nonoperating institution and as a contemporaneous transaction, to effect the merger of Scarsdale National Bank & Trust Co. into The Scarsdale National Bank & Trust Co. (organizing). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a nonoperating institution; as such, and without regard to acquisition of the surviving bank by Charter New York Corporation, the proposed merger would have no effect on competition.

* * *

THE FIRST NATIONAL BANK OF TOPEKA, TOPEKA, KANS., AND THE SECOND NATIONAL BANK OF TOPEKA, TOPEKA, KANS.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The First National Bank of Topeka, Topeka, Kans. (3078), with | $155,429,588 | 2 | |
| and The Second National Bank of Topeka, Topeka, Kans. (3078), which had | 250,000 | 0 | |
| merged Dec. 5, 1969, under charter of the latter bank (3078) and title "The First National Bank of Topeka." The merged bank at date of merger had | 155,429,588 | | 2 |

COMPTROLLER'S DECISION

On July 31, 1969, The Second National Bank of Topeka and The First National Bank of Topeka applied to the Office of 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 Topeka, the merging bank, is headquartered in Topeka, Kans. The bank has total resources of $158.9 million and IPC deposits of $90.6 million.

The Second National Bank of Topeka, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to First Topeka Bankshares, Inc. 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.

OCTOBER 1, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

THE FULTON COUNTY NATIONAL BANK AND TRUST COMPANY OF GLOVERSVILLE, GLOVERSVILLE, N.Y., AND THE FULTON COUNTY NATIONAL BANK AND TRUST COMPANY, GLOVERSVILLE, N.Y.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The Fulton County National Bank and Trust Company of Gloversville, Gloversville, N.Y. (3312), with | $25,640,683 | 3 | |
| and The Fulton County National Bank and Trust Company, Gloversville, N.Y. (3312), which had | 120,492 | 0 | |
| merged Dec. 5, 1969, under charter and title of the latter bank (3312). The merged bank at date of merger had | 25,761,175 | | 3 |

COMPTROLLER'S DECISION

On August 29, 1969, The Fulton County National Bank and Trust Company (organizing), Gloversville, N.Y., applied to the Office of the Comptroller of the Currency for permission to merge with The Fulton County National Bank and Trust Company of Gloversville, Gloversville, N.Y., under the charter and with the title of the former.

The Fulton County National Bank, the merging bank, is located in Gloversville, N.Y., a city of 21,741. The bank was chartered in 1852 and presently has IPC deposits of $21.2 million. At the time of the application it had three branches in addition to its main office.

The Fulton County National Bank and Trust Company, owned by Charter New York Corporation, a holding company, is being organized as a means to transfer ownership of The Fulton County National Bank and Trust Company of Gloversville 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 title of The Fulton County National Bank and Trust Company.

The application is, therefore, approved.

NOVEMBER 4, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed merger is part of a plan under which Charter New York Corporation, a registered bank holding company, proposes to acquire all of the voting shares of Fulton County National Bank and Trust Company (organizing), a nonoperating institution and as a contemporaneous transaction, to effect the merger of Fulton County National Bank & Trust Company of Gloversville into Fulton County National Bank and Trust Company (organizing). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a nonoperating institution; as such, and without regard to acquisition of the surviving bank by Charter New York Corporation, the proposed merger would have no effect on competition.

* * *

THE CITY NATIONAL BANK AND TRUST COMPANY OF KANSAS CITY, KANSAS CITY, MO., AND CITY BANK, N.A., KANSAS CITY, MO.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The City National Bank and Trust Company of Kansas City, Kansas City, Mo. (13936), with | $360,124,521 | 2 | |
| and City Bank, National Association, Kansas City, Mo. (13936), which had | 301,961 | 0 | |
| merged Dec. 19, 1969, under charter of the latter bank (13936) and title "The City National Bank and Trust Company of Kansas City." The merged bank at date of merger had | 360,133,521 | | 2 |

COMPTROLLER'S DECISION

On September 19, 1969, The City National Bank and Trust Company of Kansas City, Kansas City, Mo., and the City Bank, National Association (organizing), Kansas City, Mo., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

The City National Bank and Trust Company of Kansas City, the merging bank, is headquartered in Kansas City, and is a unit bank. This bank, with total resources of $370.2 million and IPC deposits of $236.7 million, was originally chartered in 1913.

City Bank, National Association (organizing), is being organized to provide a vehicle to transfer ownership of the merging bank to Missouri Bancshares, Inc., a Missouri corporation. The charter bank will not operate 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 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 19, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

COMMERCIAL NATIONAL BANK & TRUST COMPANY, MUSKOGEE, OKLA., AND COMMERCIAL BANK, N.A., MUSKOGEE, OKLA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Commercial National Bank & Trust Company, Muskogee, Okla. (12890), with... | $32, 609, 338 | 2 | ............ |
| and Commercial Bank, National Association, Muskogee, Okla. (12890), which had. | 124, 054 | 0 | ............ |
| merged Dec. 31, 1969, under charter of the latter bank (12890) and title "Commercial National Bank & Trust Company." The merged bank at date of merger had................ | 32, 733, 391 | ............ | 2 |

COMPTROLLER'S DECISION

On August 8, 1969, the Commercial National Bank & Trust Company, Muskogee, Okla., and the Commercial Bank, National Association (organizing), Muskogee, Okla., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Commercial National Bank & Trust Company, the merging bank, is headquartered in Muskogee, Okla. The city is 50 miles southeast of Tulsa, Okla., and has an estimated population of 42,000. The merging bank, organized February 25, 1926, has enjoyed steady and stable growth, and presently its assets total $30.9 million with IPC deposits of $22.6 million.

Commercial Bank, National Association, the charter bank, organized April 14, 1969, is being utilized as a means of transferring ownership of the merging bank to the Commercial Landmark Corporation which owns all shares of the new bank with the exception of 500 director's qualifying shares. The charter bank has not been 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 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 19, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

FARMERS AND MERCHANTS NATIONAL BANK, WINCHESTER, VA., AND APPLE CITY NATIONAL BANK, WINCHESTER, VA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Farmers and Merchants National Bank, Winchester, Va. (6084), with | $69, 838, 382 | 12 | |
| and Apple City National Bank, Winchester, Va. (6084), which had | 150, 000 | 0 | |
| merged Dec. 31, 1969, under charter of the latter bank (6084) and title "Farmers and Merchants National Bank." The merged bank at date of merger had | 69, 988, 382 | | 12 |

COMPTROLLER'S DECISION

On June 25, 1969, Farmers and Merchants National Bank and Apple City National Bank (organizing) applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of the former.

Farmers and Merchants National Bank, the merging bank, is headquartered in Winchester, Va. This bank has total resources of $66.5 million and IPC deposits of $52.5 million.

Apple City National Bank, the charter bank, is being organized to provide a vehicle to transfer ownership of the merging bank to the F&M National Corporation. 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 proposal. 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 6, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

[This merger] * * * is part of a transaction which will result in a presently existing bank becoming a wholly-owned subsidiary of a one-bank holding company. Thus, * * * [it] is merely a part of a corporate reorganization and as such will have no effect on competition.

* * *

# *III. Additional approvals*

A. Approved, but in litigation.

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

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Fidelity National Bank of Twin Falls, Twin Falls, Idaho (11100), with | $22, 944, 424 | 4 | |
| and The Idaho First National Bank, Boise, Idaho (1668), which had | 403, 224, 078 | 48 | |
| applied for permission to merge Oct. 25, 1968, under charter and title of the latter bank (1668). The application was approved Jan. 22, 1969. The pending merger was challenged by Justice Department Feb. 14, 1969, and is presently in litigation. | | | |

On October 25, 1968, The Idaho First National Bank, Boise, Idaho, with deposits of $357 million, and Fidelity National Bank of Twin Falls, Twin Falls, Idaho, with deposits of $20 million, applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

Idaho, the 13th largest State in area, ranks only 43d in population. The estimated 1967 population of the State was 699,000. The number of people per square mile in Idaho is eight, as compared to 341 per square mile in Maryland and 255 per square mile in Pennsylvania. The major portion of Idaho's populace, *viz.* 72.9 percent, is centered in the Snake River Plain, which extends across the southeastern part of the State from Lewis Falls to Idaho Falls. While the State is at present sparsely populated, it is anticipated that its population will grow in direct proportion to the greater utilization of the State's irrigation potentialities. The lumber industry is of major importance to the economy of the State, being second only to agriculture. Scenic beauty and abundance of wildlife combine to make tourism the third most important industry. Mining is also an important element; the mining of phosphate rock has recently experienced a sharp rise and has produced the ancillary effect of promoting the growth of the chemical industry in Idaho. Additionally, manufacturing, dominated by food processing, is growing in importance. A significant percentage of those employed in Idaho derive their livelihood from various Federal Government activities, including the care of extensive federally-owned land.

Generally, Idaho is divided into six major trade centers: Coeur d'Alene, in the north; Lewiston, in the north-central region; Boise, in the south; Twin Falls-Burley, in the south-central region; and Idaho Falls and Pocatello, in the east. The south-central trade center is made up of four counties: Cassia, Jerome, Minidoka, and Twin Falls. Agriculture dominates the economy of this area. The census population of the four-county area is slightly in excess of 84,000, and almost half of these people reside in Twin Falls County. In other words, the population of Twin Falls County is approximately equal to that of the other three counties combined. Additionally, Twin Falls County is by far the most industrialized of the four counties, having within its borders 57 manufacturing plants, most of which are engaged in food processing activities. In 1963, these four counties had 14.6 percent of the retail trade in the State, and approximately 75 percent of that trade was handled in the towns of Twin Falls, Burley, and Jerome. Twin Falls, the fourth largest city in the State, is the marketing locale for the nine counties in Magic Valley and is the most important trading area in the south-central trade area.

The charter bank, The Idaho First National Bank, is headquartered in Boise, Idaho, and presently operates 48 offices in virtually every section of the State. It is the largest of the commercial banks headquartered in the State of Idaho.

The merging bank, Fidelity National Bank of Twin Falls, has its head office in the city of Twin Falls. It operates two branch offices, one in Hazelton, 14 miles to the east, and the other in Filer, 8 miles to the west of the city of Twin Falls. Fidelity National Bank of Twin Falls limits almost all of its activities to the needs of the agricultural segment of the community as evidenced by the fact that 72 percent of its loans are farm loans. Moreover, the merging bank has no trust department, offers no FHA or VA real estate loans, has only nominal consumer installment loans, has no specialists outside of agriculture, and offers no credit card.

This merger will not significantly affect the statewide competitive posture of the charter bank. The 26 commercial banks headquartered in Idaho presently operate 165 banking offices—not included in the 165 offices are four branch offices which have not as yet been opened but for which applications have been approved—or a population per banking office ratio of slightly in excess of 4,200 as compared with a national average of more than 6,200 persons per banking office. The charter bank competes vigorously with several aggressive and progressive statewide banking institutions. The main source of this competition comes from: First Security Bank of Idaho, National Association, the second largest commercial bank in Idaho, with $326 million in deposits and 50 offices scattered throughout the State; Bank of Idaho, the third largest bank in the State, with $120 million in deposits and 20 offices throughout the State; and Idaho Bank and Trust Company, the fourth largest bank in the State, with deposits of $68 million and with eight offices in an arc stretching from Boise through Burley to Pocatello. First Security Bank of Idaho, N.A., is a subsidiary of the First Security Corporation, Salt Lake City, Utah, an organization with almost $820 million in deposits. Bank of Idaho is a member of the $8 billion Western Bancorporation, the largest bank holding company in the country. Because of their membership in these large organizations and the benefits deriving therefrom, both First Security Bank of Idaho, N.A., and Bank of Idaho exert a competitive force in the State far in excess of that normally exerted by commercial banks of comparable size which are not so affiliated. Spirited competition is also generated in the northern half of the State by financial institutions headquartered in Spokane, Wash. These Spokane-based institutions owe their presence as a competitive force in the State largely to a history of inadequate transportation links between the northern and southern sections of the State. Consequently, Spokane, 50 miles to the west of Coeur d'Alene and easily accessible to residents of northern Idaho, became the cultural and business center for northern Idaho. Savings and loan associations, with deposits of $271 million as of December 31, 1967, and other financial institutions located within the State are important competitive statewide factors.

The merging bank, Fidelity National Bank of Twin Falls, is in direct competition with several commercial banks with offices in the city of Twin Falls and its local environs. First Security Bank of Idaho, N.A., has a branch in Twin Falls. Twin Falls Bank and Trust Company, the fifth largest bank in the State with assets of $24 million, has its head office and a branch within the geographic limits of the city of Twin Falls and another branch approximately 5 miles to the east in the town of Kimberly. Having received permission from the State authorities, Bank of Idaho is expected to open a *de novo* branch in the city of Twin Falls in the spring of 1969.

The main offices of The Idaho First National Bank and Fidelity National Bank of Twin Falls are approximately 130 miles apart. The charter bank has a branch office in Buhl, in Twin Falls County, 9 miles to the west of the merging bank's branch at Filer; a branch in Wendell, in Gooding County, 16 miles to the north of Filer; and a branch in Rupert, in Minidoka County, 29 miles to the east of the merging bank's branch in Hazelton. Based upon the proximity of the offices at Buhl and Filer, it might appear that the participating banks are competitors. However, analysis of the facts establishes that any direct competition which exists between the two banks is so minute as to be insignificant. A study of the participants' records shows that there is less than 3 percent penetration of one bank into the other's service area, and that the degree of commonality of accounts between the two banks is less than 1 percent. Competition on so small a scale is tantamount to no competition at all.

Whether this merger will substantially lessen potential competition between the participating banks turns on the question of whether it is reasonable for The Idaho First National to enter the city of Twin Falls via the *de novo* branch office route. The charter bank has applied to this Office on two occasions for permission to open a *de novo* branch in the city of Twin Falls. It withdrew its first application in August 1959. The second application was denied on April 2, 1963. Additionally, since 1962, The First National Bank of Idaho has made four applications and two requests for reconsideration for permission to open a *de novo* branch in the town of Burley. All of these requests have been denied, the latest denial was in July 1968. Denial of these applications was based primarily on the ground that the area was adequately banked at that time, and that the establishment of an additional branch unit was not warranted. It would seem that the only substantial change in the operative facts upon which these denials were based is the anticipated opening of a *de novo* branch office by Bank of Idaho in the city of Twin Falls. In summary, it appears that *de novo* branching by the charter bank is not a reasonable alternative as a means of entering the city of Twin Falls.

This proposed merger will have a procompetitive effect on the service area in question. At present, First Security Bank of Idaho, N.A., is the only full-service bank in the city of Twin Falls. Bank of Idaho will offer vigorous competition when its recently approved *de novo* branch office in the city of Twin Falls is in full operation. In like manner, the introduction into the area of a third competitor, The Idaho First National Bank, pursuant to this merger, will stimulate competition for First Security Bank, of Idaho, N.A., and Bank of Idaho by providing another alternative to which the residents may look for a full range of banking services.

This proposed merger is in the public interest. Because of its heavy concentration on farm loans, Fidelity National Bank of Twin Falls has not served the other banking needs of the community. The resultant bank, however, will offer a trust department, FHA and VA real estate loans, consumer installment loans, specialists in fields other than agriculture, a credit card and other banking services. In short, a bank of limited service capabilities will be replaced by a full-service bank. Moreover, the decrease in the number of farms concomitant with the increase in the size of existing farms has created need for lending capability in excess of that of the merging bank. The higher lending limit available as a result of this merger would serve to meet that need and thereby benefit the service area concerned as well as the economy of the entire State.

Effectuation of this merger will neither significantly alter the degree of concentration or unsettle the banking structure in the State, or in the merging bank's service area, nor give The Idaho First National Bank a marked advantage over its competitors. On the contrary, not only are any slightly adverse competitive effects outweighed by the procompetitive effects of this merger proposal, but also the convenience and needs of the community are promoted and the public interest is served.

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

JANUARY 22, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

This merger involves the first and sixth largest banks in Idaho.

The closest offices of the merging banks are 9 and 17 miles apart, with no banks in the intervening area. The three First National offices located within 50 miles of any Fidelity branch have 186 accounts drawn from areas in which Fidelity operates, and Fidelity has 174 accounts drawn from areas in which these three First National branches are located; these branches of the merging banks have 20 common accounts. It would appear, in view of the scope of operations of the merging banks, the proximity of their branches, and the absence of intervening banks, that there is some direct competition that would be eliminated by this merger.

Three banks operate in Twin Falls: Fidelity, Twin Falls Bank and Trust Company (total deposits, $24.3 million), and First Security National Bank (total deposits, $326.4 million), the second largest bank in Idaho. Five banks operate in Twin Falls County as a whole. As of June 30, 1966, Fidelity had the second largest share, or 36 percent, of IPC deposits in Twin Falls and the second largest share, or 30 percent, of such deposits in the county as a whole; First National held the third largest share, or 11 percent, of county IPC deposits. If this merger were consummated, First National would hold 41 percent of such deposits in Twin Falls County and two banks would hold about 85 percent of such deposits.

Idaho law permits statewide *de novo* branching. First National, the largest bank in the State, with 34 percent of State deposits, appears to be the most likely potential entrant into Twin Falls; this of course, would increase the existing competition between First National and Fidelity.

According to the application, First National has made numerous efforts to gain *de novo* entry into the Twin Falls area over the past 10 years, but all of these requests have been denied by the Comptroller of the Currency due to the low ratio of population to banking offices existing in this area. However, we note that Bank of Idaho (total deposits, $119 million), the third largest bank in the State and a subsidiary of Western Bancorporation, has been authorized to open a branch in Twin Falls by State authorities. Therefore, we conclude that First National, as the State's largest bank, is still a possible *de novo* entrant into Twin Falls.

This merger will eliminate some direct competition between the merging banks and will substantially enhance the high degree of concentration in Twin Falls County. It will also eliminate the potential for enhanced competition which would flow from *de novo* entry by the State's largest bank into Twin Falls itself.

Moreover, banking in Idaho is highly concentrated. Two banks hold about 66 percent of total commercial bank deposits in the State and three banks hold about 77 percent. Under these conditions, it is particularly important that viable smaller banks, with the potential to compete with the largest banks for the business of large industrial customers, either through internal growth or through combination with other small banks in separate local markets, not be absorbed by the State's largest banks.

We conclude that the merger will have a significantly adverse effect on competition.

* * *

THE FIRST NATIONAL BANK OF SUNBURY, SUNBURY, PA., AND SNYDER COUNTY TRUST COMPANY, SELINSGROVE, PA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Snyder County Trust Company, Selinsgrove, Pa., with | $19, 157, 800 | 2 | |
| and The First National Bank of Sunbury, Sunbury, Pa. (1237), which had applied for permission to merge Feb. 25, 1969, under charter of the latter bank (1237) and title "First National Bank and Trust Company." The application was approved Sept. 26, 1969. The pending merger was challenged by Justice Department Oct. 24, 1969, and is presently in litigation. | 35, 133, 605 | 3 | |

On February 25, 1969, The First National Bank of Sunbury, Sunbury, Pa., and Snyder County Trust Company, Selinsgrove, Pa., applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title of "First National Bank and Trust Company."

The charter bank, with IPC deposits of $28 million, was originally organized in 1831, and presently operates two banking offices in Sunbury and a branch office in Shamokin Dam. The bank is departmentalized and has capable personnel heading each department. Its well-developed installment loan and trust departments contribute substantially to the bank's earnings. However, because of its limited lending ability, the bank has had to participate several large loans with its New York and Philadelphia correspondent banks and has lost some customers in the process.

The merging bank, with IPC deposits of $17 million, was originally organized in 1925, and presently operates a branch office in Shamokin Dam. While the bank is presently well-managed it faces a management succession problem when its president, now 76 years old, retires. It has only one other operating officer. Earnings at the bank have been fair and it is in need of additional capital. The installment loan and trust departments of this bank are small and have not contributed significantly to the bank's earnings. Because of its limited lending ability and a high ratio of loans to deposits, the bank has had to participate several loans and also sell loans which it has originated.

Sunbury, the home of the charter bank, has a present population of about 15,000 and is the seat of Northumberland County, which has a popualtion of over 100,000. Sunbury is only 52 miles to the north of Harrisburg, the State capital. Situated at the confluence of the north and west branches of the Susquehanna River, the city is part of the Central Susquehanna Valley Area which is one of the richest agricultural areas in the eastern United States. Due primarily to the decline in importance of anthracite coal mining in the area. Northumberland County experienced an economic decline and a downtrend in population. However, a diversified industrial economy has been developing in recent years, and continuing aggressive efforts are being made by the community to attract new industry.

Selinsgrove, home of the merging bank, has a population of about 4,000 and is located on the west side of the Susquehanna River which serves as a natural dividing line between Snyder and Northumberland counties. Only two narrow bridges cross the river, one in Sunbury and the other in Northumberland. Selinsgrove is the home of the Susquehanna University, which has an enrollment of 1,200 students, and provides employment for 300 persons, and the Susquehanna State Hospital, which has 2,000 patients, and employs about 1,300 workers. Industry in the area employs about 1,000 persons. The area is well provided with retail and wholesale establishments, and residential and recreational facilities.

The application describes a 10-county area, which includes all the counties adjacent to the home county of the charter bank, constituting the geographic market into which the bank could branch under the law. The area, which is referred to as "Appalachia," embraces much of the depressed Pennsylvania anthracite coal fields and its economy is generally below the standards enjoyed by the eastern and western ends of the State. A diversified industrial economy is gradually developing. The area relies heavily upon manufacturing which, in 1963, contributed about 26 percent of personal income in the area. The road system is about to undergo dramatic changes. The Pennsylvania Department of Highways has secured legislative appropriations of over $30 million for road improvements and changes in the vicinity of Sunbury and Selinsgrove. The Pennsylvania Shortway, which bisects the area, will soon be completed. The Pennsylvania Anthracite Expressway will cut diagonally through the area, eventually connecting Binghamton, N.Y., directly with Harrisburg via Scranton. The Department of Forests and Waters is building a 2,800-foot-long dam on the Susquehanna River at Sunbury which will create a vast lake and a recreational site running 10 miles upstream. The area is endowed with many colleges and universities. The prospects for future economic growth are excellent. This creates a need for expanded banking services and additional capital funds to aid and enhance this growth.

Banking competition in the 10-county area is provided by 174 offices of 86 banks, with total aggregate deposits of approximately $1.3 billion. If this merger is consummated, the resulting bank would represent 4 percent of the area's total deposits. The strongest competition emanates from the 59 banks located in the four counties of Northumberland, Dauphin, Lycoming, and Schuylkill. They operate a total of 131 banking offices, and have total aggregate deposits of over $1 billion. The resulting bank would represent 4.8 percent of this total. Strongly competing in the area are 32 savings and loan associations, 65 credit unions, 33 sales finance companies, 70 small loan companies, and 88 consumer discount outlets.

Both participating banks have offices in Shamokin Dam, and there are presently 142 common customers with accounts of $1,000 or more; of these accounts only a few exceed $10,000, indicating a strong reliance on Federal deposit insurance. Approval of this merger will eliminate whatever competition now exists between these banks in the Shamokin Dam area. On the other hand, it will solve the management and capital problems at the merging bank and will benefit the customers of the merging bank by providing a bank with greater resources and expanded banking services to meet their needs, in particular, installment loan and trust services.

Consummation of this merger will create a more viable, competing institution, with greater resources and able to provide better services to the area it serves. The resulting economies of scale from the combined operation will increase earnings enabling the bank to set up electronic data processing equipment in its trust department and maintain an adequate managerial staff. The resulting bank with its greater resources will be in a better position to aid the growing industries in its area by making available to them the needed local capital funds.

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

SEPTEMBER 26, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The head offices of the merging banks are approximately 6 miles apart, and each has a branch office in the town of Shamokin Dam. While their main offices lie on opposite sides of the Susquehanna River, there are no banks in the intervening area, other than the competing offices of the merging banks in Shamokin Dam. Therefore, it would appear that this merger will eliminate substantial direct competition between the merging banks.

Moreover, as each of the merging banks could be permitted to branch or merge into the home office county of the other (as First National has done in Shamokin Dam), this merger will eliminate the potential for greater competition between them.

An appropriate market in which to measure the competitive effects of this merger is a four-county area surrounding the communities of Sunbury and Selinsgrove, consisting of Snyder, Northumberland, Union, and Montour counties. As of June 30, 1966, First National held the largest share, approximately 15.7 percent, of IPC demand deposits in this area, while Snyder Trust held the second largest share, approximately 7.9 percent, of such deposits. Their combined share of such deposits would have been over 23 percent, about four times as large as that of the next largest bank.

Even these substantial concentration statistics possibly understate the competitive effects of this merger, for competition between the merging banks would appear to be most direct in the Sunbury-Selinsgrove area of the Susquehanna Valley, where there are few banking alternatives. Thus, within 5 miles of either Sunbury or Selinsgrove, there are, in addition to the five offices maintained by the merging banks, only four offices operated by three other commercial banks. First National and Snyder Trust are far larger than the other banks in this immediate area; as of June 30, 1966, First National held approximately 54 percent of IPC demand deposits in the area, while Snyder Trust held approximately 27 percent of such deposits. While these shares may slightly overstate the impact of this proposed merger, it will clearly combine the most important competitive alternatives in the Sunbury-Selinsgrove area, and tend to deter the possible development of a more competitive commercial banking structure in the area.

For these reasons, we conclude that the proposed merger will have a significantly adverse effect upon competition.

* * *

National Bank & Trust Company of Central Pennsylvania, York, Pa., and The Reading Trust Company, Reading, Pa., and Lancaster County Farmers National Bank, Lancaster, Pa.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Lancaster County Farmers National Bank, Lancaster, Pa. (683), with | $133,481,829 | 13 | |
| The Reading Trust Company, Reading, Pa., with | 138,086,601 | 8 | |
| and National Bank & Trust Company of Central Pennsylvania, York, Pa. (694), which had | 258,844,519 | 21 | |
| applied for permission to consolidate Mar. 21, 1969, under charter of the latter bank (694) and title "National Central Bank." The application was approved Nov. 14, 1969. The pending consolidation was challenged by Justice Department Dec. 11, 1969, and is presently in litigation. | | | |

COMPTROLLER'S DECISION

On March 21, 1969, the National Bank and Trust Company of Central Pennsylvania, York, Pa., the Lancaster County Farmers National Bank, Lancaster, Pa., and The Reading Trust Company, Reading, Pa. applied to the Comptroller of the Currency for permission to consolidate under the charter of National Bank and Trust Company of Central Pennsylvania and with the title "National Central Bank." A public hearing on the application was held on August 14, 1969, in Harrisburg, Pa.

A primary motive for the proposal is to establish a local banking institution in south-central Pennsylvania of sufficient size to keep pace with the burgeoning economy in the area. The three applicants, individually, are insufficient in size to generate the expansion necessary to provide the financial resources and services local customers now require. As a result, too many firms in the area take their financial business to major city banks, to the detriment of local banks and the regional economy.

While south-central Pennsylvania is the geographical area to be immediately affected by this proposal, it must be viewed in relation to all of southeast Pennsylvania of which it is part, both geographically and economically. Southeast Pennsylvania encompasses all or most of the 19 counties lying in the southeastern quadrant of the state. Within this quadrant are the following cities: Philadelphia, Harrisburg, York, Lancaster, Reading, Pottsville, Allentown, Bethlehem, Pottstown, Norristown, and Lebanon. The south-central area involved in this proposal includes 11 of the 19 counties and the cities of Harrisburg, York, Lancaster, Reading, Pottsville, and Lebanon.

This south-central area of Pennsylvania affected by this proposal centers around the cities of York, Lancaster, and Reading, where the participating banks maintain their main offices. These cities form a crescent with York on the southwestern horn and Reading on the northeastern horn. York lies 22 miles west of Lancaster and 55 miles southwest of Reading. Reading is 30 miles northeast of Lancaster. Lancaster is 45 miles northwest of Wilmington, Del., and 60 miles north of Baltimore, Md. Philadelphia, to the east of these cities, is 55 miles from Reading, 65 miles from Lancaster, and 90 miles from York.

The transportation facilities available in this section of Pennsylvania make any city located therein an ideal distribution point. The highway complex in the south-central Pennsylvania region is particularly attractive to industries seeking new sites. Harrisburg sits at the conjunction of Interstate 83, running south to Baltimore; the Pennsylvania Turnpike, which spans the State from Pittsburgh to Philadelphia; Interstate 81, which will join New Orleans to Canada; Interstate 78, which connects with Allentown and Bethlehem; and U.S. 15, which goes from Williamsport, Pa., to Frederick, Md., where it meets Interstate 70. A new interstate highway is now under construction between Harrisburg and Lancaster. Because of the ease and convenience of transportation this complex of roads offers to industry and shippers, some 70 motor carriers have set up operations in Harrisburg. At this time, there are 30 freight terminals handling merchandise in and out of the city. Harrisburg, York, and Lancaster are each served by two railroads. Three commercial and two commuter airlines serve York and Harrisburg and two airlines serve Lancaster. Reading, the hub of Berks County, is served by two Federal highways and three congested State roadways. Two railroads—the Reading and Penn-Central—and four airlines—Allegheny, Eastern, Suburban, and General—also serve the city of Reading.

This south-central Pennsylvania area, commonly referred to as "Pennsylvania Dutch Country," encompasses a six-county area. These six counties, Berks, Chester, Dauphin, Lancaster, Lebanon, and York, cover 4,362 square miles, or almost 10 percent of the total land area of the State and contain an estimated 1.4 million people. Over 230,000 persons are employed in 2,732 manufacturing plants, which represent 15 percent of the State total. New construction in the six counties accounted for 20 percent of the State total in 1967, lending support to the claim that this area is one of the fastest growing, most dynamic areas in the entire country. From 1960 to 1967, the rate of population increase of these six counties was more than double that of the State as a whole. From a relatively simple agrarian economy, the area has become, within the past decade, a major industrial and distribution center. The excellent transportation developed within the past 10 years, the general labor tranquility, and availability of land have all played a vital role in the expansion of local concerns and the relocation of other companies to the trade area. Although farming and its concomitant need for specialized financing remain an important consideration with farm cash receipts of the six counties representing 31 percent of the State total, the metamorphosis which has been taking place within the region now requires a bank capable of providing the new and expanding services required by business, industry, and government.

Lancaster, York, and Berks, home counties of the applicant banks, not only rank first, second, and third, respectively, in the number of farms and income from farming in Pennsylvania, but the three counties also rank in the top 10 counties in the number of manufacturing plants and total employment. Of 15 major labor markets in the State, the cities of Lancaster and Reading had the lowest unemployment figures in 1967, a position they held since 1960. In 1967, unemployment was 1.7 percent for Reading and 1.8 percent for Lancaster. York, the third home office city, was not far behind with only 2.3 percent of its civilian work force unemployed as of 1967—a figure that gave the city third place among 15 major labor markets in Pennsylvania. In 1966, these three counties accounted for almost 10 percent of the total value of goods exported by Pennsylvania manufacturing establishments.

Lancaster, with a population of approximately 57,000, is the fourth major city within the six-county area and is the prospective headquarters city for the resulting bank. The population of the city and its environs increased by some 23 percent between 1950 and 1960. Lancaster County is the leading agricultural country in the State with cash receipts in 1965 more than double those of any other county. However, there has been substantial growth in industry, as is evidenced by the $3 million increase in capital expenditures between 1964 and 1966, the $253 million increase in value of production, and the 20 percent increase in industrial employment, compared to the State average of only 8 percent, during the period 1960 to 1969. Major employers within the county include the Armstrong Cork Co., employing 21,280, and the Hamilton Watch Co., employing 4,200. During the past decade, 20 new plants, employing 6,000 workers, have been added to the industrial complex. Since 1958, 22,000 nonfarm jobs have been made available, representing an increase of more than 24 percent, double that of the State's overall growth. Lancaster is one of the few counties where unemployment is seldom, if ever, a problem with unemployment figures rarely exceeding 2 percent. This city is easily accessible to all major eastern cities and it exports many products to these cities.

York is an area that has changed from a primarily agriculturally oriented economy to an industrial-agricultural mix. Heavy industry, today, plays a major role and created 2,000 jobs between January 1967 and October 1968. The population of the county increased by over 25 percent between 1950 and 1960. Today, such prominent national concerns as Caterpillar Tractor, Borg-Warner, Allis Chalmers, and Teledyne have large investments in plant facilities in the York area.

Reading, the county seat of Berks County, with a population of approximately 100,000, has undergone a shift in employment from the textile industry to metals, chemical and allied products, and electrical machinery. The city is the hub of the entire county. The value of production increased by $200 million between 1964 and 1966, and there are 14 companies employing more than 1,000 persons each. Major employers in the Reading area include Carpenter Steel Co., employing 5,000; Curtis Electro Corp., employing 5,000; Textile Machine Works, employing 4,000; and Vanity Fair Mills, employing 5,000. The county population, estimated at 293,000 in 1967, has increased by some 14 percent over the 1950 figure.

National Bank and Trust Company of Central Pennsylvania, the largest of the three consolidating banks, with $205.4 million in IPC deposits and 21 branches, was chartered as a National bank in 1865. The bank's primary service area is limited to York and Dauphin counties although it does operate a branch in Columbia in Lancaster County and another in Cumberland County. Within its service area, 32 banks have their headquarters and are operating 81 branch offices in which they have a total of $1.3 billion in deposits. National Central's primary banking competitors are the $198 million Dauphin Deposit Trust Company in Harrisburg, the $173 million Harrisburg National Bank and Trust Company, and the $143 million York Bank and Trust Company. The bank held 17.4 percent of the commercial bank deposits in Cumberland, Dauphin, and York counties at year-end 1968. This represented a decrease in the share of the market held by National Central from 19.8 percent in 1964. There has been a steady and consistent decline in the share of the market held by National Central from 1964 through 1968, notwithstanding the bank's growth by $50 million, or almost 30 percent.

Lancaster County Farmers National Bank, with IPC deposits of $110.2 million and 12 branches, was chartered in 1864. There are 22 banks, operating 40 branches within the county, holding some $559 million in deposits. Primary competition for the bank derives from the $95 million Fulton National Bank and the $73 million Conestoga National Bank, both headquartered in the city of Lancaster. Although this bank held 21.9 percent of the commercial bank deposits in Lancaster County at year-end 1968, this figure represents a decrease in its share of the market. In this case, the bank's share of the market declined by 4 percent from 1964 when its share of the market was 25.9 percent. The percent of deposits held by the two largest and three largest banks in the county also declined during this 1964 to 1968 period. At year-end 1964, the three largest banks headquartered in the county, Conestoga National Bank, Fulton National Bank, and the applicant, controlled 59.2 percent of the commercial bank deposits in Lancaster County. By year-end 1968, these three banks controlled 54 percent of the commercial bank deposits in the county, and in each bank there had been a decline in its market share at a time when total bank deposits in the county were increasing by nearly 50 percent.

The Reading Bank and Trust Company was chartered as a State institution in October 1886. This bank, with IPC deposits of $107.7 million, operates seven branches throughout Berks County. Thirteen banks, operating 53 offices, are headquartered in the county. Its primary competition derives from the $437 million American Bank and Trust Company of Pennsylvania and the $187 million Bank of Pennsylvania. The bank held 13.9 percent of the total deposits of commercial banks headquartered in Berks County at year-end 1968. As is the case with the other applicant banks, the share of the market held by Reading Trust declined between 1964 and 1968, from 16.8 to 13.9 percent, despite the fact that the bank's deposits grew by more than 50 percent during this period.

Pennsylvania banking is a curious mixture of limited branching into contiguous counties and deeply ingrained parochial attitudes on the part of the population outside the two major metropolitan areas of Philadelphia and Pittsburgh. This combination helps to explain why there are 516 separate banks in the State operating 1,597 branches, making Pennsylvania the ninth most populous State in terms of banks, and third most populous in terms of branches. Only California and New York have more banking offices than Pennsylvania. In terms of banking concentration, the State ranks 27th of the 50 States in the share of deposits held by the largest, two largest, and five largest commercial banks, respectively.

The Pennsylvania branch banking statute has a significant impact on this proposed consolidation. Under the terms of this law, a bank may branch *de novo* in the county wherein the main office is located and in counties contiguous thereto. By reason of this State law, the National Bank and Trust Company of Central Pennsylvania can branch *de novo* in York, Lancaster, Dauphin, Adams, and Cumberland counties. The Lancaster County Farmers National Bank can branch in six counties, *viz.* Lancaster, Dauphin, Lebanon, Berks, Chester, and York. The Reading Trust Company is permitted to branch *de novo* in Berks, Lancaster, Lebanon, Chester, Lehigh, Montgomery, and Schuylkill counties. On consummation of this consolidation and the relocation of the main office of the charter bank to Lancaster, the resulting bank will have the same branching rights as are now possessed by the Lancaster County Farmers National Bank. Following consummation, the constituent banks will have relinquished their right to branch in Adams, Cumberland, Lehigh, Montgomery, and Schuylkill counties.

Customers in the trade areas of the three banks tend to be clannish in nature and opposed to outside influence; this phenomenon is evidenced by the fact that banks within the trade area confine their activities, for the most part, to their home counties. For example, in the instant case, both Lancaster County Farmers National Bank and The Reading Trust Company have no branches outside their home counties. In fact, not a single bank headquartered in Lancaster County has a branch office outside that county, although under Pennsylvania law, six counties are open to these Lancaster banks for *de novo* branching. Of the 22 banks with offices in Lancaster County, only three have headquarters and operate outside the county, and no office of these out-of-county banks is located in the city of Lancaster. No bank has successfully branched *de novo* into Lancaster County in the past 35 years, the only successful entry into the county being through acquisition.

Although the six-county area, into which the resulting bank may branch, contains somewhat less than 10 percent of the State's population, it contains almost 15 percent of the State's banks with 77 of the State total of 516 banks. Both in terms of number of people per bank and number of people per banking office, the six-county area ranks well ahead of the remainder of the State. For example, according to a 1966 census, there were 18,181 people per bank in the six-county area, and 4,821 people per banking office in the same area; this compares with an average of 22,427 people per bank and 5,511 people per banking office for the State as a whole. These banks control well over $3 billion in banking assets.

In addition to the competition derived from banks both in and out of the six-county area, applicant banks compete vigorously with other financial institutions. There are some 62 savings and loan associations in the six counties, with total assets exceeding $712 million. Credit unions too play an important role, with 153 outlets in the six counties. In all, there are some 610 financial institutions in the six-county area. Each of these institutions competes with the others in some capacity, whether it be through the making of loans or the acceptance of deposits. Denying the existence of such competition in no way lessens its effect or impact upon customers within the trade area, nor upon the banks operating therein. It is within this financial milieu that applicant banks conduct their business and compete. These banks also face out-of-territory competition by the major metropolitan banks in New York, Philadelphia, Pittsburgh, and Baltimore. Harrisburg, for example, is only 80 miles from Baltimore, 105 miles from Philadelphia, 197 miles from Pittsburgh, and 186 miles from New York. Excellent road, rail, and air transportation make these cities easily accessible not only to Harrisburg but to the other cities in this six-county complex. Representatives of the large metropolitan banks headquartered in Philadelphia, New York, Pittsburgh, and Baltimore are continually soliciting business in areas served by the applicant banks.

In the context of banking competition in this south-central region of Pennsylvania, the amount of actual competition between the participating banks to be eliminated by this proposal is inconsequential. The fact that National Bank and Trust Company of Central Pennsylvania derives 57.9 percent of its deposits from York County and 30.9 percent from Dauphin County indicates that it does not compete either with the Lancaster County Farmers National Bank, which derives 94.2 percent of its deposits from Lancaster County, or with Reading Trust County, which gets 91.2 percent of its deposits from Berks County.

It is only in Columbia in Lancaster County, where both National Bank and Trust Company of Central Pennsylvania and Lancaster County Farmers National Bank have a branch office, that any sign of competition can be discovered. This competition, when viewed, in relation to the economy of Columbia and in the context of banking in this region, is *de minimis.*

Very aggressive competition comes from out-of-area metropolitan banks vying for the prime commercial and industrial business generated in the area. The large banks in Pittsburgh, Philadelphia, New York, and Baltimore canvass the area by direct-mailing solicitations, newspaper advertisements, and travelling representatives. Recently a Philadelphia bank installed a resident trust officer in Lancaster to solicit local trust accounts. Two other Philadelphia banks have commenced the operation of computer centers in this south-central Pennsylvania area. Another Philadelphia bank competes in this area through the Bank Americard which it introduced into the York area, and which it promotes through full-page ads in local papers that identify it as Philadelphia-oriented. It is clear that the Philadelphia banks do compete with the participating banks and will continue to compete aggressively with the resulting bank.

Since this application does not involve any significant, presently existing, competition among the applicant banks, the question presented is one of potential competition and the elimination of such theoretical competition. Under present State law, National Central cannot branch into Berks County or Chester County, and Reading Trust cannot branch into either York or Dauphin County. The area where competition would most likely arise, Lancaster, is an area that is both unrealistic and beyond reasonable probability for *de novo* branching by either National Central or Reading Trust. The fact that no bank has successfully branched *de novo* into Lancaster County in the past 35 years, mitigates the argument that the two banks are likely potential entrants into this area. Nor is Lancaster Farmers a strong potential entrant into Berks, York, or Dauphin counties. The bank has never shown an inclination to branch outside its home county, and although it is the largest bank headquartered in Lancaster County, there is nothing to indicate that future patterns will be different from the past. In fact, each of the banks has shown a propensity for staying within its service area. Virtually all of the loan deposit business of the three banks originates within their respective market areas. None of them derives any substantial business from the other's service area.

The potential competition that could be developed between the participating banks through expansion of their separate branching systems is not significant. It is neither feasible nor possible to expand by branching on the scale required to provide the growth and size needed by the participants to satisfy the growing needs of the local economy. To urge branch expansion by the separate participants in order to develop a potential competition between them at some distant time in the future is a negative approach that ignores the present needs of the local economy and works to entrench the city banks in their dominant position in the State.

The establishment of *de novo* branches by the participating banks and other local banks in the past has minimized the opportunity for opening more *de novo* offices. Several recent applications for new charters and branches have been declined, particularly in the Lancaster and York areas. The argument that these areas are already well-banked finds reasonable basis in statistics showing that the ratio of persons to banking offices has decreased substantially over the past 10 years. In Lancaster, the ratio has dropped from 6,300 to 5,400 persons per banking office, whereas in York it dropped from 6,100 to 4,800.

*De novo* branching by the applicants into each other's service areas is not feasible economically. With their present resources, none of them has the capacity to incur the great expense of penetrating a new area. Acquiring real estate, one of the major cost items, is difficult as most of the favorable sites have already been taken.

The need for regional banking is clearly indicated by the economic and banking climate as it presently exists, and as it is expected to exist in the future. No one bank of these three is capable, either in terms of managerial or financial resources, of meeting the growing needs of this burgeoning area. Services now offered to only a limited extent, such as money management, lock box, international banking, data transmission, commercial factoring, and corporate trust services, will become full-time, fully competitive services. The increased size of the resulting bank will permit greater financing of risk ventures particularly in the area of ghetto and small business financing.

The resulting bank will have both the capital and managerial skills to expand into Chester and Lebanon counties, and to compete effectively against the $504 million American Bank and Trust Company of Reading and large Montgomery County-headquartered banks, including the Industrial Valley Bank, the Continental Bank and Trust Company, and Central Penn National Bank, each with total resources exceeding $500 million. In addition, strong area competition will be provided by "The Commonwealth National Bank," an approved combination of the Harrisburg National Bank, Conestoga National Bank, and The First National Bank of York. Presently, there is no single bank capable of providing the additional services that the consolidated bank proposes to perform. No one bank has either the financial or managerial resources to offer their respective communities these services. Economic and population expansion in southeastern Pennsylvania have created a need for regional banking. This consolidation appears to be one important method of achieving an acceptable and reasonable solution to this need.

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

November 14, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

The proposed consolidation will have its primary effects in Berks, Lancaster, York, and Dauphin counties in south-central Pennsylvania and in the cities of Reading, Lancaster, York, and Harrisburg which lie therein.

The proposed consolidation would combine the largest bank headquartered and operating in York and Dauphin counties with the largest bank headquartered in Lancaster County and the third largest bank headquartered in Berks County. National Central, the resulting institution, would become the largest bank in the four-county area, with total deposits in excess of $454 million.

The proposed consolidation would eliminate a limited amount of competition; National Central and Lancaster Bank both operate offices in Columbia, Lancaster County.

Under Pennsylvania law, National Central and Reading Trust could be permitted to establish *de novo* branches in Lancaster County and Lancaster Bank could be permitted to establish *de novo* branches in York, Berks, and Dauphin counties.

National Central would appear to be the second largest, and Reading Trust one of the largest, of all commercial banks eligible to branch into the city of Lancaster and elsewhere in Lancaster County. Commercial banking in Lancaster County is concentrated; as of June 30, 1966, the three largest banks held approximately 58 percent of county IPC demand deposits; Lancaster Bank, the largest, held over 25 percent of such deposits. National Central presently operates one office in the western part of Lancaster County, which would facilitate more substantial *de novo* entry into the county, as a whole, including those areas presently served by Lancaster Bank.

Lancaster Bank would appear to be among the largest potential entrants into Dauphin, York, and Berks counties. Commercial banking in each of these three counties is highly concentrated: as of June 30, 1966, the four largest banks in York County held over 79 percent of county IPC demand deposits; the three largest banks in Dauphin County held approximately 80 percent of county IPC demand deposits; and the three largest banks in Berks County held over 80 percent of county IPC demand deposits. On that date, National Central held the largest share, about 30 percent, of York County IPC demand deposits and the third largest share, about 18 percent, of Dauphin County IPC demand deposits. Reading Trust held the third largest share, about 16 percent, of such deposits in Berks County.

Thus, the proposed consolidation would have the serious effects (1) of eliminating National Central as a probable potential entrant into Lancaster County, where it is the second largest potential entrant; and (2) of eliminating Lancaster Bank as a probable potential entrant into Dauphin County, where it is the second largest potential entrant, and York County, where it is the third largest potential entrant. Potential competition would also be eliminated between Lancaster Bank and Reading Trust, in Berks and Lancaster counties. Each of the three banks would appear to possess sufficient resources to branch *de novo* into the aforementioned markets, thereby creating the potential of greater competition among them. In the alternative, each might enter such markets by merger with one of the smaller banks located therein; such entry would have a lesser impact on potential competition. The seriousness of these effects is made clear by the fact that the resulting bank—which would control some 21 percent of total deposits in the four-county area—would not only be the largest bank operating in the area but would be larger than all but one of the banks eligible to enter any part of the area at the present time.

The most important sources of potential competition within each of the four counties must come primarily from within the four-county area rather than outside. For these reasons, we conclude that the proposed consolidation would have a significantly adverse effect on potential competition, particularly in Lancaster and Dauphin counties and to a somewhat lesser extent in York and Berks counties.

* * *

B. Approved, but abandoned after litigation.

CROCKER-CITIZENS NATIONAL BANK, SAN FRANCISCO, CALIF., AND BANK OF SONOMA COUNTY, SEBASTOPOL, CALIF.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| Bank of Sonoma County, Sebastopol, Calif., with | $22, 880, 439 | 3 | |
| and Crocker-Citizens National Bank, San Francisco, Calif. (1741), which had applied for permission to merge Dec. 9, 1968, under charter and title of the latter bank (1741). The application was approved Mar. 6, 1969, but was abandoned by the banks May 1, 1969, after filing of antitrust suit by the Justice Department. | 4, 296, 053, 904 | 276 | |

COMPTROLLER'S DECISION

On December 9, 1968, the Crocker-Citizens National Bank, San Francisco, Calif., and the Bank of Sonoma County, Sebastopol, Calif., applied to the Comptroller of the Currency for permission to merge under the charter and with the title of the former.

Crocker-Citizens National Bank, the charter bank, operates 276 branches in 37 of California's 58 counties. It is the fourth largest commercial bank in the State with IPC deposits of $3.2 billion. As a large, statewide institution, the charter bank offers a full complement of modern services to its customers.

The Bank of Sonoma County, with IPC deposits of $19 million, operates its main office in Sebastopol and its two branches in Forestville and Guerneville. Sebastopol is located in the western part of Sonoma County approximately 60 miles north of San Francisco and 8 miles west of Santa Rosa, the county seat of Sonoma County. The bank serves an area containing a population of approximately 26,000 people.

The western half of Sonoma County is primarily agricultural. Livestock and apple production are major sources of income, although tourism has become important to the economy. This area is served by the merging bank, a branch of Bank of America, N.A., and The Sierra National Bank. Banks located in Santa Rosa, Sonoma County's commercial and residential center, also solicit business from the western part of the county.

The charter bank has adequate financial resources, capable management, and extremely satisfactory prospects for the future. On the other hand, the merging bank has been governed by most of the same policies and uses much of the same physical plant and banking techniques as it did 15 years ago. Because of this, the merging bank now finds itself having to deal with the problems of modernizing and expanding its physical facilities, updating equipment, and recruiting experienced executive personnel and specialists.

The merging bank's market share in the western Sonoma County area is decreasing in the face of intense competition from Bank of America's Sebastopol branch which is generating 3.5 times as much growth as the merging bank. At present, the merging bank holds only 9 percent of the deposits and 8 percent of the loans in all the Sonoma County banks.

Consummation of this proposal will have no adverse effects on banking competition. As applicant banks do not compete with each other to any significant extent, the number of banking alternatives in the Sebastopol area will not be reduced by this proposal. The relatively large number of banks per capita in the area indicates that *de novo* entry by the charter bank into Sebastopol is very unlikely. The resulting bank would hold a total of only 12 percent of the deposits and 11 percent of the loans in the county. The merger will not change Crocker-Citizens' rank among banking institutions in the State of California, or in Sonoma County. The increase in Crocker-Citizens' percentage of total deposits and loans in the State will be *de minimis*.

The substitution of a branch of a statewide bank for the Bank of Sonoma County will bring competitive stimulus into the area in the form of trust, international banking, and computer services, all presently available through Bank of America's Sebastopol branch. Finally, the replacement of the Bank of Sonoma County by Crocker-Citizens National Bank will be of considerable benefit to the convenience and needs of the Sebastopol community.

The proposal appears to benefit the public interest without producing anticompetitive effects. The application is, therefore, approved.

MARCH 6, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Crocker-Citizens, the fourth largest bank in California, operates four branches in Sonoma County.

Western Sonoma County, where Sonoma Bank has its offices, is separated from eastern Sonoma County, where Crocker-Citizens operates its offices, by a sparsely populated, low lying plain that, because of occasional flooding, is presently unsuited for development. However, these two areas are connected by good roads; Santa Rosa, in eastern Sonoma County, is by far the largest community and trading center in the region, and about one-third of the residents of Sebastopol, the major city in western Sonoma County, commute to Santa Rosa to work. Accordingly, Crocker-Citizens is a competitive alternative to Sonoma Bank. This merger will eliminate significant direct competition between offices of Crocker-Citizens and Sonoma Bank.

Banking in Sonoma County is presently highly concentrated. As of June 30, 1966, 11 banks operated offices in the county. As of that date, three banks held 78 percent of county IPC deposits. Sonoma Bank held the fourth largest share, or 9.5 percent, of such deposits and Crocker-Citizens held the fifth largest share, or 5.2 percent of such deposits. Consummation of the proposed merger would increase the resulting bank's share of county IPC deposits to 14.7 percent, and increase the share of the four largest banks in terms of local operations, from 87 percent to 92 percent of such deposits.

The proposed merger would eliminate significant existing competition between Crocker-Citizens and Sonoma Bank and would substantially increase concentration in Sonoma County. Therefore, we conclude that this proposed merger would have a significantly adverse effect on competition.

* * *

| Name of bank and type of transaction | Total assets | Banking offices | |
|---|---|---|---|
| | | In operation | To be operated |
| The Connecticut Bank and Trust Company, Hartford, Conn., with | $895, 475, 783 | 46 | |
| and The Connecticut National Bank, Bridgeport, Conn. (335), which had applied for permission to consolidate Sept. 12, 1968, under charter of the latter bank (335) and title "Connecticut National Bank and Trust Company." The application was approved Apr. 14, 1969, but was abandoned by the banks June 17, 1969, after filing of antitrust suit by the Justice Department. | 323, 604, 851 | 42 | |

COMPTROLLER'S DECISION

On September 12, 1968, The Connecticut National Bank, Bridgeport, Conn., and The Connecticut Bank and Trust Company, Hartford, Conn., applied to the Comptroller of the Currency for permission to consolidate under the charter of the former and with the title "Connecticut National Bank and Trust Company." A public hearing was held on this application in Boston, Mass., on January 15, 1969.

The proposal, which will give Connecticut its first statewide bank and the first with assets in excess of $1 billion, is made in response to the economic forces which have generated tremendous industrial growth in the State. Between 1958 and 1963, the value added to the economy by manufacturing rose from $2.9 billion to $4.5 billion, an increase of 55.1 percent. During those years total banking assets increased 32 percent. From 1950 to 1960, the population increased 26.3 percent to 2.5 million, and is presently estimated at nearly 3 million. The State now has 1.41 percent of the Nation's population, but only 1.06 percent of the Nation's banking resources.

A continuing lag in banking growth will pose a serious problem in the State for two major reasons: (1) Connecticut has no city large enough to become a financial center with sufficient resources to finance the large and growing resident industries, businesses, and public undertakings, and (2) the large banks located in the Boston and New York areas have filled the banking void, and will continue to siphon banking business from Connecticut unless the local institutions become strong enough to compete in their own State for the larger accounts.

The early subdivision of Connecticut, the third smallest State in land area in the United States, into 169 towns having autonomous political structures, created an equal number of trading areas and diffused the population throughout them. Even today the economic development follows town lines; a banking office established in a town normally will draw customers almost exclusively from within the limits of that town. Only the two largest cities in the State, Hartford and Bridgeport, have developed a suburban area that extends beyond the traditional political boundaries. This diffused growth of population, in what is now the fifth most densely populated State in the country, accounts for the fact that the largest city in the State has a population of substantially less than 200,000, and that the four largest cities, Hartford, Bridgeport, New Haven, and Stamford, contain in the aggregate only 19 percent of the State's population.

The decentralization of population is further explained by Connecticut's location between States containing two of the largest metropolitan areas in the country. Connecticut lies on the north shore of Long Island Sound, between New York, on the west, Rhode Island, on the east, and Massachusetts, on the north. Hartford, the capital of the State, is only 121 miles from New York City, and 102 miles from Boston. Bridgeport is only 60 miles from New York City. Hartford and Bridgeport, with New Haven, Meriden, New Britain, and Waterbury between them, have developed into a rapidly growing, highly industrialized corridor between New York and Boston; this has been aided by an excellent, high-speed highway system.

Hartford, the home office city of the merging bank, is the largest city in Connecticut, and has a population of 163,000. Located in the productive north-central part of the State, Hartford contains a diversity of manufacturing concerns and, because of its status as the State capital, draws many government employees. In addition, it is known as the insurance capital of the world. The area has enjoyed substantial growth and development, and its economic prospects continue to be excellent.

Bridgeport, the home office city of the charter bank, is located 52 miles southwest of Hartford on Long Island Sound, and has a population of 153,000. Bridgeport's harbor and its location 60 miles southeast of New York City have made it a manufacturing center, particularly in the field of transportation equipment, machinery, and primary metals. Although less diversified than the Hartford economy, the Bridgeport area has experienced steady growth and has every reasonable prospect of continued and increased productivity.

The 10 largest banks in the State are dispersed through this corridor. Although Connecticut law permits statewide branching through merger and limited *de novo* branching, only two banks serve more than one of Connecticut's six largest cities: the charter bank and the State National Bank and Trust Company serve Bridgeport; the former also serves Waterbury and the latter serves Stamford. There are two reasons for this limited geographical bank expansion. The first is that the decentralized population growth in the State has created limited markets, coextensive in nearly all cases with town lines, and the second is that the home office protection feature of Connecticut's branching law has closed 41 of the most populous towns to *de novo* branching. A third restriction on the ability of Connecticut banks to expand geographically is their size: Connecticut banks are very small in light of the highly industrialized economy and the 3 million population they serve. The 10 largest banks had the following assets as of December 31, 1968:

| *Bank* | *Principal office* | *Total assets (thousands)* |
|---|---|---|
| Hartford National Bank & Trust Company | Hartford | $1,063,466 |
| The Connecticut Bank & Trust Company | Hartford | 989,326 |
| Fairfield County Trust Company | Stamford | 363,355 |
| Connecticut National Bank | Bridgeport | 345,800 |
| State National Bank of Connecticut | Bridgeport | 339,934 |
| City Trust Company | Bridgeport | 293,568 |
| First New Haven National Bank | New Haven | 280,515 |
| Colonial Bank & Trust Company | Waterbury | 231,488 |
| Second National Bank | New Haven | 174,925 |
| Union & New Haven Trust Company | New Haven | 136,195 |

Applicant banks ranked second and fourth in size at that time. The Connecticut Bank and Trust Company, with assets of $989 million, is headquartered in Hartford, and operates 45 branches in the central and eastern portions of Connecticut. The bank offers a full range of modern, specialized banking services, including an international department and full trust services. The charter bank, on the other hand, with $345 million in assets, operates 41 branches, primarily in the southwestern part of the State, close to New York City. Between the two separate service areas of these banks lie New Haven and several other towns, half of which are closed to branching and all of which contain numerous banking offices.

The widely dispersed population, the localized nature of trading and financial markets, and the small size of the banking institutions in relation to the industrial economy of Connecticut have enabled out-of-State banks to capture a significant volume of banking business from within the State. In particular, the large banks of New York and Boston have taken advantage of their proximity to Connecticut to enter its commercial and industrial lending markets. The Federal Reserve Board, which divided the State of Connecticut by placing the southwestern half in its New York district and the remainder of the State in its Boston district, recognizes the influence of these out-of-State banks in Connecticut.

The competitive impact of out-of-State banks in Connecticut is marked. The State of Connecticut, as of June 30, 1967, had placed over 60 percent of its funds in New York banks and 4.3 percent in other out-of-State banks. The large insurance companies headquartered in Hartford had more funds on deposit in New York and Boston than in Connecticut banks. In return, specialized services which cannot feasibly be offered by the smaller Connecticut banks are made available to these depositors by the out-of-State banks.

Utilities in Connecticut are forced to borrow very heavily from out-of-State banks in order to finance their statewide operations. In 1967, The Connecticut Power and Light Co. obtained approval of the Securities Exchange Commission to borrow over $41 million, $20 million of which was provided by New York banks. In 1968, the company borrowed $45 million, $21.4 million of which came from New York banks. During the same years the Hartford Electric Light Co. borrowed $25 million and $27 million, respectively, nearly one-third of which was obtained from a Boston bank. Similarly, in 1964, The Connecticut Yankee Atomic Power Co. borrowed $25 million, half of which was supplied by Boston and New York banks. In addition, the Connecticut and Hartford power companies mentioned above issued $40 million in short-term notes to a New York commercial paper dealer.

Private companies in Connecticut also rely heavily on New York and Boston banks for credit and services. Securities Exchange Commission records show a sizable number of Connecticut firms borrowing many millions of dollars annually from out-of-State banks.

On the retail or personal banking level, New York banks compete with Connecticut banks for accounts, particularly among the many residents of Fairfield County who commute to New York City. Figures show that the high average personal income in Connecticut is not reflected in the level of deposits maintained in Connecticut banks, but that New York banks have higher per capita deposits than the State's per capita income would warrant. While the per capita deposit ratio in Connecticut is highest in Hartford, it becomes lower as figures from areas closer to New York are studied. Further, financing statements filed under Uniform Commercial Code requirements in Fairfield County, near New York, and the town of Enfield, near the Massachusetts border, indicate that during a 3-month period in 1968, 12 percent and 29 percent, respectively, were filed by out-of-State banks. Thus, on every level of banking, both in the retail market as well as in the commercial and industrial lending areas, Connecticut banks must compete with out-of-State institutions much larger than themselves.

Although fragmentation of population and competition from outside banks have limited the growth and size of Connecticut banks, competition for the banking business remaining within the State is very lively. While there is no statewide banking market in Connecticut, there are six major financial markets located in and around the six largest cities in the State, *viz.* Hartford, Bridgeport, New Britain, New Haven, Stamford, and Waterbury. As noted previously, only two of the 10 largest banks in the State operate in more than one of these markets. The home office protection feature of the State's branching law reinforces this decentralized development and greatly inhibits *de novo* expansion into established markets.

The Connecticut Bank and Trust Company competes in only three of the nine standard metropolitan statistical areas in the State. These three areas, Hartford, Meriden, and New London-Groton-Norwich, contain 31 percent of the population of the nine SMSA's in Connecticut. Within these three statistical areas, the Connecticut Bank and Trust operates 35 offices, in competition with 68 offices of other commercial banks, and 58 offices of savings banks. Collectively, these competing banking offices hold deposits of $2.182 billion and loans of $1.638 billion.

The Connecticut National Bank, the charter bank, competes only in portions of the Waterbury, New Haven, Bridgeport, Norwalk, and Stamford standard metropolitan statistical areas, which contain 44 percent of the population of the State's nine SMSA's. Within these areas, the charter bank operates 34 offices, in competition with 147 offices of other commercial banks, and 61 offices of savings banks. Collectively, these competing banks held deposits of $4.025 billion and loans of $3.159 billion.

It should be noted at this juncture that savings banks in Connecticut have broad powers and compete with commercial banks in nearly every phase of financial activity. The liberal statutes of Connecticut have removed many of the restraints from savings banks and have made them more responsive to community needs. Their branching powers, for example, are similar to those of commercial banks; savings banks may not branch into towns serving as the home office city of another savings bank. They are not foreclosed, however, from branching into towns served by the head office of a commercial bank. The traditional mortgage lending feature of savings banks has been supplemented by Connecticut law to include personal and consumer loans; savings banks may now make loans secured by life insurance cash values and securities. In 1967, they were given the power to make collateral loans to finance the purchase of automobiles and other consumer goods. They also have broad powers to make home improvement loans and unsecured loans. Statutory limits on loans by savings banks have been relaxed; maximum amounts for most personal and consumer loans have been raised from $1,000 to $5,000 and maturities from 18 months to 5 years. Both maximums are doubled for education loans. Lending limits for savings banks in each lending area have also been liberalized as have traditional collateral restrictions and other regulatory conditions.

The net result of the continual expansion of savings bank powers has been a tremendous increase in their lending outside of the mortgage field. Between 1962 and 1967, their personal consumer lending increased threefold, while loans represented by residential mortgages decreased from 91.56 percent of their total loans to 84.12 percent. Other advantages, such as more liberal interest rate ceilings on savings accounts, Federal income tax shelters, broader investment powers, and the power to sell life insurance, indicate that savings banks will continue to make further competitive inroads on financial activities formerly reserved to commercial banks.

At the present time there are 70 savings banks in Connecticut, having assets approximately equal to those of commercial banks in the State. The largest, People's Savings Bank, is located in Bridgeport and had assets of $545.6 million at the end of 1967. The second largest, Society for Savings, headquartered in Hartford, had assets of $511.9 million at the end of 1967. Both are substantially larger than any of the commercial banks in Connecticut except Connecticut

Bank and Trust Company and Hartford National Bank and Trust Company.

The commercial banking structure in Connecticut, as in every other State, is also affected by other financial and nonfinancial competitors. Savings and loan associations, for example, have successfully competed for over $1 billion in savings. The two largest, which are located in Hartford and Bridgeport, compete directly with the applicant banks. Credit unions, rapidly growing in popularity with the residents of the State, are becoming a more substantial factor in financial markets. In addition, insurance companies and government agencies are competing for a share of the total savings generated by Connecticut residents. The following table summarizes the intensity of the competition for savings dollars available in the State, and highlights the small share acquired by all the commercial banks in the State.

Savings in Connecticut, at year-end

[Dollars in thousands]

| | 1965 | | 1966 | |
|---|---|---|---|---|
| | *Amount* | *Percent* | *Amount* | *Percent* |
| Insured commercial banks—IPC time deposits | $1, 144, 118 | 10. 7 | $1, 298, 436 | 11. 5 |
| Mutual savings banks—IPC time deposits | 3, 675, 942 | 34. 4 | 3, 825, 582 | 33. 9 |
| Savings and loan associations—savings capital | 953, 000 | 8. 9 | 1, 030, 498 | 9. 1 |
| United States Savings Bonds—current redemption value of bonds held by individuals [1] | 1, 006, 480 | 9. 4 | 1, 015, 040 | 9. 0 |
| Credit unions—assets | 236, 845 | 2. 3 | 248, 687 | 2. 2 |
| Postal savings—balance to credit of depositors [1] | 6, 884 | . 1 | 4, 006 | . 1 |
| Life insurance reserves [1] | 2, 424, 780 | 22. 7 | 2, 556, 013 | 22. 7 |
| Mutual investment funds—market value of net assets [2] | 528, 000 | 4. 9 | 522, 000 | 4. 6 |
| U.S. Government marketable securities with maturity within 1 year from date of issue [1 3] | 707, 120 | 6. 6 | 773, 700 | 6. 9 |
| Total | 10, 683, 169 | 100. 0 | 11, 273, 962 | 100. 0 |
| The Connecticut Bank and Trust Co | 112, 759 | 1. 1 | 133, 920 | 1. 2 |
| Percent held of service area total | | 3. 9 | | 4. 4 |
| The Connecticut National Bank | 97, 750 | . 9 | 104, 130 | . 9 |
| Percent held of service area total | | 3. 5 | | 3. 5 |

[1] Connecticut estimated at 2 percent of the national total.
[2] Connecticut estimated at 1.5 percent of the national total.
[3] Total held other than by U.S. Government investment accounts, Federal Reserve and commercial banks, insurance companies, and savings and loan associations.

SOURCE: Connecticut Credit Union League, Federal Deposit Insurance Corporation, Federal Home Loan Bank Board, Federal Reserve Board, Institute of Life Insurance, Investment Company Institute, and U.S. Department of Commerce.

Only one area of financial activity in Connecticut lies solely within the powers of commercial banks: The holding of demand deposits. But demand deposits are subject to competition from commercial banks outside the State. As of June 30, 1967, commercial banks in Connecticut held total IPC demand deposits of $1.86 billion. The two applicant banks held combined IPC demand deposits of $454.36 million, or less than 25 percent of the State totals. While figures are not available to indicate the amount of demand deposits originating in Connecticut and held by out-of-State banks, presumably large borrowers do maintain substantial compensating balances in New York and Boston banks. The large loans obtained by Connecticut corporations from New York and Boston indicate that substantial demand deposits also are maintained out of State. In addition, many retail accounts are maintained outside of Connecticut by those who commute to New York and Boston. Considerable numbers of checks deposited by Connecticut retailers, particularly in Fairfield County, are drawn by their customers on New York banks, indicating that a significant segment of Connecticut residents maintain demand deposits in New York.

In the lending areas, it is clear that competitive forces in Connecticut militate against a concentration of financial resources and domination of the financial scene in the State. Competition for mortgage loans among commercial banks, savings banks, savings and loan associations, and other nonfarm mortgage lenders within the State left commercial banks with an estimated share of 11.8 percent in 1965 and 12.2 percent in 1966. The Connecticut Bank and Trust Company held only 1.2 percent of the State total and only 4.4 percent of the total in its own service area. Connecticut National Bank held 1.2 percent of the State total and 4.5 percent of the total in its service area. In the consumer credit field, commercial banks in Connecticut accounted for only 37.3 percent and 36.6 percent of the total loans in 1965 and 1966, respectively. Of this volume, the merging bank held 6.8 percent of the total during both years, and 25.4 percent and 25.2 percent, respectively, in its own service area. Charter bank held 2.6 percent and 2.5 percent of the totals statewide, and 9.9 percent and 9.5 percent of the consumer loans in its service area. These figures do not reflect the effect on competition from out-of-State banks, which is considerable, as the following examples illustrate. As noted before, in 1968, 12 percent of the financing statements in Fairfield County, and 29 percent of those in the town of Enfield, were filed by out-of-State commercial banks. Information on the extent to which out-of-State banks compete for unsecured personal loans is not available.

In the field of business credit, Connecticut commercial banks made only 16.7 percent of the total volume of loans in 1965 and 16.1 percent in 1966. The merging bank made 3.3 percent of the totals for both years, and 12.4 percent and 12.3 percent of those in its local area. The charter bank made 0.8 percent of the total and 3.1 percent and 3.2 percent, respectively, of the business loans in its local area. These figures omit the influence of two major sources of business capital in the State: Public sales of securities and loans made by out-of-State banks. It is in the field of business credit that out-of-State bank competition is greatest. A random review of statements filed with the Securities and Exchange Commission by Connecticut-based businesses in 1967 showed several major borrowings from New York banks alone in amounts ranging from $5 million to more than $50 million.

Commercial banks held only 20 percent and 20.1 percent, respectively, of the farm mortgage loans in dollar volume in 1965 and 1966. The Connecticut Bank and Trust held 2.1 percent and 2 percent and Connecticut National Bank held 1 percent and 0.9 percent. In their respective areas, the merging bank held 7.9 percent and 7.5 percent while the charter bank held 3.7 percent and 3.3 percent. Connecticut Bank and Trust, during the same period, held 4.5 percent and 3.7 percent of the total dollar volume of agricultural loans, an area in which Connecticut National Bank is not represented.

It is clear that commercial banks in Connecticut, even in the aggregate do not dominate the State's financial scene. It is equally clear that no one bank in the State has a sufficient share of the financial business transacted to overshadow its competitors. On the contrary, the market is open to all competitors, bank and nonbank, financial and nonfinancial, within the State and without.

Within their respective areas, both applicant banks have had a diminishing share of the business done by commercial banks. In 1954, Connecticut Bank and Trust held 41.2 percent of the commercial banking assets in its area, 40.8 percent of deposits, and 39.4 percent of loans. As of June 30, 1968, it had declined to 36 percent of assets and deposits and 33 percent of loans. In 1954, Connecticut National Bank held 21.5 percent of the assets of all commercial banks operating in the area it currently serves, 20.9 percent of deposits, and 19.3 percent of loans. As of June 30, 1968, these figures had been reduced to 14.5, 14.8, and 13.3 percent, respectively. During the past 10 years 19 new banks have been chartered in Connecticut, all of which are located either within the local areas of the applicant banks or in adjoining areas. All achieved profitable operations within a relatively short time. Eighteen are still in existence; one was taken over by merger.

This decrease in concentration of commercial banking resources has been accompanied by the increased activity of mutual savings banks, whose personal and consumer lending activities increased threefold between 1962 and 1967, as well as by intensified competition from other financial and nonfinancial institutions and, especially, by out-of-State banks. In no single area of finance do the State's commercial banks hold a majority of the market. Rather, they face a continued loss of their share of the business Connecticut's thriving economy is generating.

The proposed merger will have no adverse effect on the present competitive situation in Connecticut. The applicant banks presently operate in completely different areas. Connecticut Bank and Trust maintains its offices primarily in Hartford and in eastern Connecticut, while Connecticut National Bank operates largely in the Bridgeport and Waterbury areas of southwestern Connecticut. No town accommodates offices of both banks; in fact there are no adjoining towns in which both banks have offices. Connecticut National's Prospect and Wolcott branches are 11 miles from Connecticut Bank and Trust's Meriden offices, the closest offices of the two banks. Extensive studies of the accounts of these offices of both banks indicate that the percentage of customers living in one bank's service area and banking in the other's is insignificant. In every type of account, except one, the overlap was substantially less than 1 percent, both in the number of accounts and in dollar amounts. The one exception, where 3.79 percent of Connecticut National's Waterbury-area demand accounts have addresses in Connecticut Bank and Trust's service area, represents accounts of either the State of Connecticut or a statewide public utility, rather than local individual or commercial accounts. In fact, studies indicate that even in the towns closest to each other's service area, over 90 percent of all accounts in any one branch come from customers with addresses within the town in which that branch is located. Of the 41 common customers having accounts of over $50,000, all but 5 have business operations in both areas or are publi cbodies serving both areas.

The lack of actual competition between Connecticut National Bank and Connecticut Bank and Trust cannot reasonably be expected to be reversed even though State law permits branching into each other's service area. As of 1966, 101 of Connecticut's 169 towns contained populations of less than 5,000. Connecticut Bank and Trust serves 24 towns, 6 of which are closed to *de novo* branching by the home office protection statute. These six towns contain 41.7 percent of the total population of the towns within Connecticut Bank and Trust's service area. Of the 18 towns open to *de novo* branching, only 4 have populations per banking office in excess of 10,000: Mansfield, Middletown, Wethersfield, and Winchester. All four towns are far from Connecticut National Bank's service area. At least three towns intervene between a branch of Connecticut National Bank and any one of the four "open" towns.

Similarly, 5 of the 23 towns comprising Connecticut National Bank's service area are closed to *de novo* branching. These five contain 48.5 percent of the population of Connecticut National's service area. Of the remaining 18 towns, none has a population per banking office in excess of 9,000; 6 have less than 5,000 persons per office. It has been the consistent policy of Connecticut Bank and Trust to branch *de novo* only into towns having 10,000 to 12,000 people per banking office.

Eighteen towns lie between the present service areas of the applicant banks, nine of which are closed to *de novo* branching. Of the nine remaining "open" towns, all have at least one banking office for every 5,000 persons.

In the past 10 years, the service areas of both banks have changed very little. The only branches established by Connecticut Bank and Trust in the direction of the service area of Connecticut National are in Wallingford, and those were established by merger. Connecticut Bank and Trust has established no *de novo* branches toward Connecticut National Bank's service area in the last 10 years. Its only expansion to the northeast also occurred by merger. Of the 17 *de novo* branches opened by Connecticut Bank and Trust during that time, 11 are located in Hartford, West Hartford, or East Hartford. The other 6 have been in eastern Connecticut, away from Connecticut National's service area. Similarly, all of Connecticut National's *de novo* branches opened during that time have been either in or west of its established service area and away from Connecticut Bank and Trust's sphere of operations. Connecticut National has not participated in a merger since 1958 when it took over a bank in South Norwalk.

Testimony offered at the hearing on this proposal revealed that neither Connecticut National nor Connecticut Bank and Trust has ever considered as feasible the establishment of new branches in the service area of the other. The restrictions of State law, the economics of branching, and the struggle of both banks to remain competitive in their present service areas have restricted their ability to enlarge their geographical limits into unfamiliar metropolitan areas.

In the combined service areas of the applicant banks, the resulting bank will have a smaller share of the banking business than Connecticut Bank and Trust presently has in its service area, and a larger share in Connecticut National's area, where competition from New York banks is greater and where the need for more competitive local banking institutions is also greater. Connecticut National has been primarily a retail institution. The substitution of the resulting bank, with its much higher lending capabilities and expertise in commercial and industrial lending, will greatly intensify competition between the resulting bank and New York banks for larger accounts based in Connecticut.

Much of the banking public in Connecticut will be unaffected by the merger. The long history of local town banking and the multitude of banking offices in Connecticut, which the merger will leave unchanged, as well as the fact that the applicant banks operate in different areas, indicate that the merger will not affect the personal and smaller business accounts in the State. The primary effects of the merger will be the creation of an institution large and varied enough to compete with large banks in New York and Boston, as well as the other sizable Connecticut banks, for the multimillion dollar accounts generated in Connecticut. These effects will be most profound in Fairfield County where the largest banks have lending limits of less than $2 million. The resulting bank will have a lending limit of approximately $8 million and will offer such services as a complete international department, economic research staff, freight payment plan, and accounts receivable financing, all presently unavailable in the service area of Connecticut National Bank.

In the four-State area where banks compete for large Connecticut accounts, the resulting bank will rank 12th in size, holding only 1.2 percent of the assets of the 20 largest banks in this area. The fact that only two Connecticut banks are large enough to qualify for the list, and that the assets of the two when combined account for only 2 percent of the total assets of the 20, indicates the large disparity in size between the Connecticut banks and their regional competitors, and emphasizes the insignificance of the concentration of resources that will occur when the assets of Connecticut National and Connecticut Bank and Trust are combined. As noted before, the combination of assets will strengthen competition for large accounts, and will have little effect on the existing competition for local accounts in Connecticut.

The single area in which the merger will affect the local accounts is that the statewide scope of the resulting bank can be expected to attract customers whose businesses are statewide in nature. Statewide businesses will be able to enjoy the convenience and economy of dealing with a single institution; credit information can be gathered on a statewide basis for the convenience of manufacturers and retailers. But perhaps the most important beneficial result of the merger will be the creation of an institution that can effectively utilize the financial resources of the State, within the State. The uneven distribution of wealth in Connecticut and the huge demand for funds in the metropolitan areas of the State can be remedied by a bank whose geographical scope of operations permits efficient allocation of capital funds. Banks in Bridgeport, for example, have had a consistently higher loan-to-deposit ratio during the past several years than have those in Hartford. The greater rate of growth in Bridgeport and Fairfield County indicates that capital needs there are more pressing than elsewhere in the State. This principle is further supported by the facts that interest rates on loans are higher in Fairfield County than elsewhere, and that per capita deposits in that county are lower than in New Haven or Hartford or, indeed, than in most out-of-State cities of comparable size, notwithstanding the fact that per capita income in the county is substantially higher than the national average.

The proposed merger will tend to reverse the trends that are proving detrimental to the commercial banks in Connecticut which have suffered a diminishing share of the financial markets and which face increasing competition from large and powerful out-of-State banks. The tremendous economic growth and increasingly large commercial and industrial enterprises in the State require banks that can offer capital and services that contribute to the growth and productivity of the State, rather than the fragmented and inadequate existing institutions that are able, by law, to provide only minor percentages of local financial requirements.

Larger banking institutions are needed in Connecticut. The Connecticut legislature has formally sanctioned the concept of statewide banking; geographical and historical considerations, as well as the practical operation of the branching statute, have prevented the natural expansion of individual banks throughout the State. The multitude of small banks located in Connecticut will continue to serve well the personal and smaller commercial accounts generated in the areas in which such banks are located. But the major industries and the statewide business operations will be well served by an aggressive bank, well-located and large enough to counter some of the out-of-State competition. The only feasible method of providing such a bank is by merger or consolidation. It is concluded that the proposal is in the public interest according to the relevant statutory criteria and with regard for the intent of Connecticut law. The consolidation is, therefore, approved.

April 14, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

CBT serves the eastern half of the State and CN serves the southwest quarter of the State. The closest offices of CN and CBT are about 9 miles apart; several banks, with total deposits ranging from $165 million to $11 million, operate in the intervening area. This suggests that there may be some limited degree of competition between these banks, especially for larger loans and deposit accounts.

Connecticut law permits statewide *de novo* branching, in any city or town where no bank operates its head office. Of Connecticut's 169 towns, 128, with about half of the State's population, or over 1,400,000 inhabitants, are open to *de novo* branching by either CBT or CN. Thus, opportunities to branch *de novo* appear abundant. CBT, the State's largest bank, with about 9.4 percent of State commercial bank deposits, and CN the third largest bank, with about 3.4 percent of such deposits, appear to be two of the most likely *de novo* entrants into these towns. Each has the resources to open such branches, and their past histories indicate dispositions to expand through *de novo* branching; since 1960, CBT and CN opened, respectively, 16 and 18 *de novo* branches.

Of the 24 towns in CBT's self-designated service area, 18, with a total population of about 463,300, are open to *de novo* branching. In all these towns, CBT is the largest bank in terms of total deposits; in 5 of these towns, with populations ranging from 5,300 to 11,000, CBT has the only banking offices; and in 8 more of these towns, with populations ranging from 10,800 to 53,000, it has 50 percent or more of the banking offices.

Of the 23 towns in CN's self-designated service area, 18, with a population of about 405,000, are open to *de novo* branching. In all of these towns, CN is the largest bank in terms of total deposits; in two of these towns, with populations of 6,200 and 10,300, CN has the only banking office; and in nine of these towns, with populations ranging from 4,800 to 56,700, CN has 50 percent or more of the banking offices.

Thus, the proposed merger would not only eliminate the development of greater competition between the two banks through *de novo* branching, but will further entrench these banks in their dominant positions in most of the markets in which they now operate. Therefore, we conclude that this proposed merger would have a significantly adverse effect on competition.

* * *

THE NATIONAL BANK OF MANASSAS, MANASSAS, VA., AND THE FIRST NATIONAL BANK OF QUANTICO, QUANTICO, VA.

| *Name of bank and type of transaction* | *Total assets* | *Banking offices* | |
|---|---|---|---|
| | | *In operation* | *To be operated* |
| The First National Bank of Quantico, Quantico, Va. (12477), with | $12, 916, 566 | 4 | |
| and The National Bank of Manassas, Manassas, Va. (5032), which had | 15, 157, 972 | 6 | |
| applied for permission to merge Jan. 15, 1969, under charter of the latter bank (5032) and title "First National Bank of Quantico and Manassas." The application was approved Apr. 15, 1969, but was abandoned by the banks June 3, 1969, after filing of antitrust suit by the Justice Department. | | | |

COMPTROLLER'S DECISION

On January 3, 1969, The First National Bank of Quantico, Quantico, Va., and The National Bank of Manassas, Manassas, Va., applied to the Comptroller of the Currency for permission to merge under the charter of the latter and with the title of "First National Bank of Quantico and Manassas."

The participating banks are located in Prince William County in the northern Virginia section of the Washington Standard Metropolitan Statistical Area. Banking in the metropolitan area is characterized by a high degree of decentralization. Of the 68 banks in the area only 13 have more than $100 million in resources, and of these only three are located in Virginia. In northern Virginia there are 27 banks with less than $50 million in resources which is more small banks than in the District and southern Maryland combined. While the District and Maryland each have three banks with resources in excess of $500 million, Virginia has only one. The Virginia banks, which have been particularly hampered in their growth by the State's restrictive branching laws, have attempted to expand through the holding company route.

Prince William County, with an estimated population of 100,000, is one of the rapidly growing communities in the Washington Metropolitan Area and future prospects are excellent. Most of the work force is employed in government, trade, and services, and for a large number of residents it is a bedroom community to Metropolitan Washington.

The charter bank, an affiliate of the First Virginia Bankshares Corporation, was organized in 1896 and now operates five banking offices in Prince William County and a facility in Fauquier County. The bank, with IPC deposits of $11 million, ranks 47th in size among all commercial banks competing within the Washington Metropolitan Area. The merging banks together represent less than one-half of 1 percent of deposits in the metropolitan area, and less than 1 percent of the deposits of banks located in the northern Virginia portion of the metropolitan area.

The merging bank, chartered in 1923, presently operates five banking offices in Prince William County. The bank, with IPC deposits of $9 million, because of lack of adequate capital and limited resources has not been able to compete effectively with the larger banks operating in the area, and has not been able to meet adequately the credit needs of its customers. The bank now faces a management succession problem.

The merging banks, besides competing with the other banks in northern Virginia, receive strong competition from the large banks doing business in the metropolitan area including Richmond and Baltimore banks which have been drawn into the northern Virginia market to fill the credit needs of the expanding area economy. Those include First and Merchants National Bank and The Bank of Virginia, in Richmond; Maryland National Bank, First National Bank of Maryland, and Union Trust Company of Maryland, in Baltimore; and The Riggs National Bank of Washington, D.C., American Security and Trust Company, and The National Bank of Washington, in the District of Columbia.

There is no significant competition presently existing between the merging banks. Although the Woodbridge offices of the merging banks are only 1 mile apart, they are located in different shopping centers and each serves its own local market. Because of its limited resources and internal problems, the merging bank is not an effective competitor nor a potentially significant competitor to either the charter bank or other area banks.

The addition of the merging bank to the charter bank will have little effect upon overall competition in either the Washington Metropolitan Area or in northern Virginia. Consummation of this merger will have its effect in Prince William County where, besides solving the management and other problems in the merging bank, it will introduce a bank better able to meet the needs of this community. This merger will not eliminate a banking alternative in the area.

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

April 15, 1969.

SUMMARY OF REPORT BY ATTORNEY GENERAL

Both banks operate in Prince William County, Va. National of Manassas has a total of seven offices in the county and National of Quantico has four. National of Manassas is a subsidiary of First Virginia Bankshares. It would own 95.8 percent of the stock of the resulting bank; First Virginia controls banks with $414.6 million in deposits throughout most of the major areas of Virginia.

The proposed merger would eliminate existing direct competition between the merging banks in Prince William County, as a whole, and particularly in the Woodbridge area, where these banks have branch offices less than 1 mile apart. There are presently two other banks operating in the county. The largest bank, The American Bank, with 13 offices, has five offices in the county, three in Woodbridge, one in Manassas, and one in Dumfries; the second largest, the Peoples National Bank, has offices in Manassas and Woodbridge. In general, competition is centered in Woodbridge, Manassas, Dumfries, and Quantico. These communities are within an area having about a 9-mile radius.

The proposed merger would cause an increase in concentration in Prince William County. National of Manassas and National of Quantico now control 20 percent and 18 percent, respectively, of the total deposits in Prince William County. The resulting bank would thus control approximately 39 percent of the total deposits and 40 percent of IPC demand deposits in the county. Furthermore, should the merger be consummated, the number of banks headquartered in Prince William County will be reduced to three, with the two largest banks holding 87 percent of the total county deposits.

Although Prince William County is part of the Washington, D.C. SMSA, any measurement based on the entire area would not reflect accurately the alternatives available to Prince William County residents and businesses. Therefore, we conclude that the most appropriate market in which to measure the impact of this merger is Prince William County.

While the applicants do contend that the management and capital problems of Quantico National can be solved only be merger (claims which we do not pass on), we note that by Virginia law, Quantico National can merge with any bank in the State. Furthermore, no bank may enter the county except by acquiring an existing bank. Since two of the four banks in the county are already affiliates of bank holding companies (American Bank belongs to Virginia Commonwealth Bankshares), it is very important to preserve the remaining independent banks in this market as the bases of additional entry rather than allowing competitors already in the market to eliminate them. We conclude that the proposed merger would have a significantly adverse effect on competition in Prince William County.

* * *

# APPENDIX B

# Statistical Tables

383-814—70——15

# 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 | Illinios. |
| 10 | Dawes, Charles G | Jan. 1, 1898 | Sept. 30, 1901 | Illinios. |
| 11 | Ridgely, William Barret | Oct. 1, 1901 | Mar. 28, 1908 | Illinois. |
| 12 | Murray, Lawrence O | Apr. 27, 1908 | Apr. 27, 1913 | New York. |
| 13 | Williams, John Skelton | Feb. 2, 1914 | Mar. 2, 1921 | Virginia. |
| 14 | Crissinger, D. R | Mar. 17, 1921 | Apr. 30, 1923 | Ohio. |
| 15 | Dawes, Henry M | May 1, 1923 | Dec. 17, 1924 | Illinois. |
| 16 | McIntosh, Joseph W | Dec. 20, 1924 | Nov. 20, 1928 | Illinois. |
| 17 | Pole, John W | Nov. 21, 1928 | Sept. 20, 1932 | Ohio. |
| 18 | O'Connor, J. F. T | May 11, 1933 | Apr. 16, 1938 | California. |
| 19 | Delano, Preston | Oct. 24, 1938 | Feb. 15, 1953 | Massachusetts. |
| 20 | Gidney, Ray M | Apr. 16, 1953 | Nov. 15, 1961 | Ohio. |
| 21 | Saxon, James J | Nov. 16, 1961 | Nov. 15, 1966 | Illinois. |
| 22 | Camp, William B | Nov. 16, 1966 | .............. | Texas. |

## Table B–2

*Administrative Assistants to the Comptroller of the Currency and Deputy Comptrollers of the Currency*

| No. | Name | Dates of tenure | | State |
|---|---|---|---|---|
| | ADMINISTRATIVE ASSISTANTS TO THE COMPTROLLER | | | |
| 1 | Larsen, Arnold E | Dec. 24, 1961 | July 1, 1962 | Nebraska. |
| 2 | Faulstich, Albert J | July 2, 1962 | July 18, 1965 | Louisiana. |
| 3 | Chase, Anthony G | July 21, 1965 | Feb. 25, 1967 | Washington. |
| 4 | Wickman, Wayne G | Feb. 27, 1967 | Aug. 17, 1968 | Texas. |
| 5 | Nicoll, John | Aug. 19, 1968 | Nov. 28, 1969 | New York. |
| 6 | Howland, Jr., W. A | Dec. 1, 1969 | ............ | Georgia. |
| | DEPUTY COMPTROLLERS OF THE CURRENCY | | | |
| 1 | Howard, Samuel T | May 9, 1863 | Aug. 1, 1865 | New York. |
| 2 | Hulburd, Hiland R | Aug. 1, 1865 | Jan. 31, 1867 | Ohio. |
| 3 | Knox, John Jay | Mar. 12, 1867 | Apr. 24, 1872 | 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, William, Jr | Feb. 24, 1936 | Jan. 15, 1938 | California. |
| 21 | Diggs, Marshall R | Jan. 16, 1938 | Sept. 30, 1938 | Texas. |
| 22 | Oppegard, G. J | Jan. 16, 1938 | Sept. 30, 1938 | California. |
| 23 | Upham, C. B | Oct. 1, 1938 | Dec. 31, 1948 | Iowa. |
| 24 | Mulroney, A. J | May 1, 1939 | Aug. 31, 1941 | Iowa. |
| 25 | McCandless, R. B | July 7, 1941 | Mar. 1, 1951 | Iowa. |
| 26 | Sedlacek, L. H | Sept. 1, 1941 | Sept. 30, 1944 | Nebraska. |
| 27 | Robertson, J. L | Oct. 1, 1944 | Feb. 17, 1952 | Nebraska. |
| 28 | Hudspeth, J. W | Jan. 1, 1949 | Aug. 31, 1950 | Texas. |
| 29 | Jennings, L. A | Sept. 1, 1950 | May 16, 1960 | New York. |
| 30 | Taylor, W. M | Mar. 1, 1951 | Apr. 1, 1962 | Virginia. |
| 31 | Garwood, G. W | Feb. 18, 1952 | Dec. 31, 1962 | Colorado. |
| 32 | Fleming, Chapman C | Sept. 15, 1959 | Aug. 31, 1962 | Ohio. |
| 33 | Haggard, Hollis S | May 16, 1960 | Aug. 3, 1962 | Missouri. |
| 34 | Camp, William B | Apr. 2, 1962 | Nov. 15, 1966 | Texas. |
| 35 | Redman, Clarence B | Aug. 4, 1962 | Oct. 26, 1963 | Connecticut. |
| 36 | Watson, Justin T | Sept. 3, 1962 | ............ | Ohio. |
| 37 | Miller, Dean E | Dec. 23, 1962 | ............ | Iowa. |
| 38 | DeShazo, Thomas G | Jan. 1, 1963 | ............ | Virginia. |
| 39 | Egertson, R. Coleman | July 13, 1964 | June 30, 1966 | Iowa. |
| 40 | Blanchard, Richard J | Sept. 1, 1964 | ............ | Massachusetts. |
| 41 | Park, Radcliffe | Sept. 1, 1964 | June 1, 1967 | Wisconsin. |
| 42 | Faulstich, Albert J | July 19, 1965 | ............ | Louisiana. |
| 43 | Motter, David C | July 1, 1966 | ............ | Ohio. |
| 44 | Gwin, John D | Feb. 21, 1967 | ............ | Mississippi. |

## Table B-3

*Regional Administrators of National banks*

| Region | Name | Headquarters | States |
|---|---|---|---|
| 1 | John L. Donovan | Boston, Mass. | Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. |
| 2 | Charles M. Van Horn | New York, N.Y. | New Jersey, New York. |
| 3 | R. Coleman Egertson | Philadelphia, Pa. | Pennsylvania, Delaware. |
| 4 | John W. Shaffer, Jr. | Cleveland, Ohio | Indiana, Kentucky, Ohio. |
| 5 | Page Cranford | Richmond, Va. | District of Columbia, Maryland, North Carolina, Virginia, West Virginia. |
| 6 | Joseph M. Ream | Atlanta, Ga. | Florida, Georgia, South Carolina. |
| 7 | Joseph G. Lutz | Chicago, Ill. | Illinois, Michigan. |
| 8 | Kenneth W. Leaf | Memphis, Tenn. | Alabama, Arkansas, Louisiana, Mississippi, Tennessee. |
| 9 | Donald B. Smith | Minneapolis, Minn. | Minnesota, North Dakota, South Dakota, Wisconsin. |
| 10 | John R. Burt | Kansas City, Mo. | Iowa, Kansas, Missouri, Nebraska. |
| 11 | Michael Doman | Dallas, Tex. | Oklahoma, Texas. |
| 12 | John R. Thomas | Denver, Colo. | Arizona, Colorado, New Mexico, Utah, Wyoming. |
| 13 | H. Joe Selby | Portland, Oreg. | Alaska, Idaho, Montana, Oregon, Washington. |
| 14 | Arnold E. Larsen | San Francisco, Calif. | California, Hawaii, Nevada. |

TABLE B–4

*Changes in the structure of the National Banking System, by States, 1863–1969*

| | Organized and opened for business 1863–1969 | Consolidated and merged under 12 U.S.C. 215 | | Insolvencies | Liquidated | 12 U.S.C. 214 | | In operation Dec. 31, 1969 |
|---|---|---|---|---|---|---|---|---|
| | | Consolidated | Merged | | | Converted to State banks | Merged or consolidated with State banks | |
| United States | 15,777 | 701 | 434 | 2,819 | 6,734 | 118 | 302 | 4,669 |
| Alabama | 203 | 4 | 4 | 45 | 62 | 0 | 0 | 88 |
| Alaska | 8 | 0 | 0 | 0 | 2 | 0 | 1 | 5 |
| Arizona | 33 | 1 | 0 | 6 | 21 | 0 | 1 | 4 |
| Arkansas | 165 | 1 | 2 | 39 | 55 | 0 | 0 | 68 |
| California | 608 | 20 | 42 | 66 | 391 | 4 | 17 | 68 |
| Colorado | 267 | 5 | 0 | 56 | 86 | 0 | 0 | 120 |
| Connecticut | 137 | 11 | 7 | 7 | 69 | 1 | 15 | 27 |
| Delaware | 32 | 0 | 0 | 1 | 18 | 0 | 8 | 5 |
| District of Columbia | 39 | 8 | 0 | 7 | 13 | 0 | 0 | 11 |
| Florida | 297 | 2 | 1 | 43 | 42 | 0 | 0 | 209 |
| Georgia | 207 | 8 | 2 | 42 | 87 | 8 | 0 | 60 |
| Hawaii | 7 | 1 | 0 | 0 | 4 | 1 | 0 | 1 |
| Idaho | 112 | 0 | 1 | 35 | 65 | 1 | 2 | 8 |
| Illinois | 979 | 20 | 8 | 227 | 299 | 6 | 1 | 418 |
| Indiana | 449 | 14 | 4 | 98 | 205 | 2 | 4 | 122 |
| Iowa | 564 | 4 | 2 | 205 | 243 | 9 | 1 | 100 |
| Kansas | 459 | 6 | 2 | 77 | 198 | 4 | 0 | 172 |
| Kentucky | 250 | 11 | 2 | 37 | 110 | 8 | 2 | 80 |
| Louisiana | 122 | 4 | 0 | 16 | 53 | 0 | 0 | 49 |
| Maine | 128 | 8 | 6 | 13 | 79 | 0 | 1 | 21 |
| Maryland | 157 | 3 | 12 | 17 | 69 | 0 | 9 | 47 |
| Massachusetts | 386 | 41 | 13 | 28 | 207 | 0 | 11 | 86 |
| Michigan | 350 | 11 | 3 | 77 | 157 | 0 | 4 | 98 |
| Minnesota | 516 | 8 | 0 | 116 | 192 | 3 | 0 | 197 |
| Mississippi | 98 | 5 | 4 | 16 | 35 | 0 | 0 | 38 |
| Missouri | 325 | 13 | 4 | 58 | 148 | 4 | 1 | 97 |
| Montana | 205 | 4 | 1 | 76 | 76 | 0 | 0 | 48 |
| Nebraska | 413 | 2 | 1 | 83 | 199 | 2 | 0 | 126 |
| Nevada | 18 | 1 | 0 | 4 | 8 | 0 | 1 | 4 |
| New Hampshire | 86 | 3 | 5 | 5 | 23 | 0 | 0 | 50 |
| New Jersey | 443 | 51 | 23 | 59 | 152 | 1 | 20 | 137 |
| New Mexico | 97 | 1 | 1 | 25 | 37 | 0 | 0 | 33 |
| New York | 1,025 | 125 | 70 | 130 | 441 | 11 | 75 | 173 |
| North Carolina | 163 | 8 | 21 | 44 | 58 | 0 | 9 | 23 |
| North Dakota | 263 | 3 | 0 | 100 | 118 | 0 | 0 | 42 |
| Ohio | 721 | 32 | 16 | 112 | 336 | 2 | 6 | 217 |
| Oklahoma | 781 | 12 | 5 | 85 | 454 | 7 | 0 | 218 |
| Oregon | 153 | 2 | 3 | 31 | 102 | 0 | 4 | 11 |
| Pennsylvania | 1,293 | 102 | 91 | 211 | 491 | 2 | 81 | 315 |
| Rhode Island | 69 | 3 | 1 | 2 | 58 | 0 | 0 | 5 |
| South Carolina | 136 | 8 | 13 | 43 | 49 | 0 | 3 | 20 |
| South Dakota | 224 | 13 | 2 | 93 | 81 | 2 | 0 | 33 |
| Tennessee | 221 | 9 | 1 | 36 | 94 | 2 | 2 | 77 |
| Texas | 1,333 | 45 | 6 | 142 | 574 | 33 | 4 | 529 |
| Utah | 46 | 4 | 0 | 6 | 21 | 3 | 2 | 10 |
| Vermont | 85 | 3 | 3 | 17 | 29 | 1 | 6 | 26 |
| Virginia | 283 | 23 | 44 | 28 | 74 | 1 | 10 | 103 |
| Washington | 244 | 18 | 8 | 51 | 139 | 0 | 1 | 27 |
| West Virginia | 198 | 11 | 0 | 38 | 68 | 0 | 0 | 81 |
| Wisconsin | 299 | 9 | 0 | 54 | 115 | 0 | 0 | 121 |
| Wyoming | 78 | 0 | 0 | 12 | 26 | 0 | 0 | 40 |
| Virgin Islands | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Puerto Rico | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |

## Table B–5

*Charters, liquidations, and changes in issued capital stock of National banks, calendar 1969*

| | Number of banks | Capital stock: Common | Capital stock: Preferred | Capital notes and debentures |
|---|---|---|---|---|
| Increases: | | | | |
| Banks newly chartered: | | | | |
| Primary organization | *75 | $15, 956, 503 | | |
| Reorganizations | | | | |
| Conversions of State banks | 15 | 16, 068, 750 | | $7, 186, 000 |
| Capital stock: | | | | |
| Preferred | | | | |
| Common: | | | | |
| 662 cases by statutory sale | | 51, 054, 424 | | |
| 692 cases by statutory stock dividend | | 367, 664, 574 | | |
| 6 cases by statutory consolidation | | 8, 978, 513 | $9, 450, 000 | |
| 53 cases by statutory merger | | 33, 866, 124 | | |
| 1 case by conversion of preferred stock | | 221, 903 | | |
| 60 cases by conversion of capital notes | | 1, 695, 779 | | |
| Capital notes and debentures: | | | | |
| 61 cases by new issue | | | | 60, 951, 000 |
| Other | | | | |
| Total increases | 90 | 495, 506, 570 | 9, 450, 000 | 68, 137, 000 |
| Decreases: | | | | |
| Bank ceasing operations: | | | | |
| Voluntary liquidations: | | | | |
| Succeeded by National banks | 6 | 2, 075, 000 | | |
| Succeeded by State banks | 1 | 50, 000 | | |
| No successors | | | | |
| Conservatorship | | | | |
| Receivership | 1 | 75, 000 | | |
| Statutory consolidations | †7 | | | |
| Statutory mergers | ‡82 | | | |
| Converted into State banks | 29 | 18, 821, 790 | | 10, 225, 000 |
| Merged or consolidated with State banks | 10 | 8, 248, 990 | | |
| Insolvent | | | | |
| Other | | | | |
| Capital stock: | | | | |
| 12 Preferred: Retired | | | 2, 967, 358 | |
| Common: | | | | |
| 6 cases by statutory reduction | | 901, 625 | | |
| 0 cases by statutory consolidation | | | | |
| 11 cases by statutory merger | | 2, 990, 920 | 3, 928, 750 | |
| Capital notes and debentures: | | | | |
| Retirements | | | | |
| 42 Converted to common stock | | | | 9, 645, 959 |
| Total decreases | 136 | 33, 163, 325 | 6, 896, 108 | 19, 870, 959 |
| Net change | —46 | 462, 343, 245 | 2, 553, 892 | 48, 266, 041 |
| Charters in force Dec. 31, 1968, and issued capital | 4, 717 | 5, 729, 052, 612 | 58, 331, 967 | 1, 281, 222, 461 |
| Charters in force Dec. 31, 1969, and issued capital | 4, 671 | 6, 191, 395, 857 | 60, 885, 859 | 1, 329, 488, 502 |

*Includes 59 Reorganized Banks with capital stock of $3,450,000.00.
†Includes 2 consolidated reorganized banks.
‡Includes 56 Reorganized Banks.

| | | |
|---|---|---|
| Note: Premium on sale of common stock | $149, 535, 201. 52 | (581 cases) |
| Premium on Convertible Notes | 7, 950, 181. 00 | (60 cases) |
| | 157, 485, 382. 52 | (641 cases) |

## Table B–6

*Applications for National bank charters, approved and rejected, by States, calendar 1969**

| | Approved | Rejected |
|---|---|---|
| **COLORADO** | | |
| Lakewood Colorado National Bank, Lakewood | Feb. 5 | |
| First National Bank in Aspen, Aspen | Apr. 2 | |
| Wheat Ridge National Bank, Wheat Ridge | June 12 | |
| Denver | | July 14 |
| Unincorporated area of Arapahoe County | | Aug. 27 |
| Arapahoe Colorado National Bank, Unincorporated Area of Arapahoe County | Dec. 18 | |
| **FLORIDA** | | |
| Central Park First National Bank, Unincorporated Area of Orange County | Feb. 13 | |
| Citizens National Bank of Davie, Davie | Apr. 18 | |
| Peoples Hialeah National Bank, Hialeah | Apr. 18 | |
| Beach National Bank of Pompano Beach, Pompano Beach | Apr. 23 | |
| Unincorporated Area of Dade County | | Sept. 16 |
| Second National Bank of North Miami Beach, North Miami Beach | Sept. 16 | |
| Congress National Bank, Palm Springs | Oct. 14 | |
| Second National Bank of Delray Beach, Delray Beach | Nov. 12 | |
| Unincorporated Area West of Altamonte Springs | | Dec. 15 |
| Barnett First National Bank in Seminole County, Unincorporated Area of Seminole County | Dec. 15 | |
| Hialeah | | Dec. 18 |
| **GEORGIA** | | |
| First National Bank of Doraville, Doraville | Aug. 26 | |
| **ILLINOIS** | | |
| Lake Forest National Bank, Lake Forest | Dec. 30 | |
| **LOUISIANA** | | |
| Abbeville | | June 24 |
| Mandeville | | July 14 |
| **MASSACHUSETTS** | | |
| Danvers | | Feb. 3 |
| **MICHIGAN** | | |
| First Independence National Bank of Detroit, Detroit | Jan. 22 | |
| Novi | | Nov. 5 |
| **MINNESOTA** | | |
| Park-Grove National Bank, Village of Cottage Grove | May 27 | |
| Suburban National Bank of Roseville, Roseville | June 26 | |
| **MISSISSIPPI** | | |
| First National Bank of Lucedale, Lucedale | Mar. 19 | |
| Ripley | | Apr. 18 |
| **MISSOURI** | | |
| Springfield National Bank, Springfield | July 7 | |
| **NEBRASKA** | | |
| Kearney | | Feb. 13 |
| **NEW JERSEY** | | |
| Ocean City | | June 24 |
| Atlantic National Bank, Atlantic City | Aug. 5 | |
| The First National Bank, Piscataway, Piscataway Township | Sept. 4 | |
| **NEW YORK** | | |
| Oyster Bay | | Oct. 22 |
| **TEXAS** | | |
| Fort Worth | | Jan. 31 |
| Nederland | | Feb. 3 |
| Dickinson | | Mar. 17 |
| Dickinson | | Mar. 17 |
| American National Bank, Corpus Christi | May 27 | |
| Portland | | May 27 |
| Houston | | June 3 |
| Northwest National Bank, Houston | June 27 | |
| Houston | | June 27 |
| Jetero National Bank, Aldine | Oct. 13 | |
| Madison–Southern National Bank, Houston | Oct. 13 | |
| Houston Intercontinental National Bank, Houston | Oct. 14 | |
| American National Bank, Humble | Nov. 3 | |
| Pan American National Bank, Houston | Dec. 15 | |
| **UTAH** | | |
| St. George | | Sept. 9 |
| **VIRGINIA** | | |
| Lynchburg | | Mar. 11 |
| Jefferson National Bank, Lynchburg | June 25 | |
| Warsaw | | Dec. 15 |
| **WASHINGTON** | | |
| Olympia | | Feb. 26 |
| **WEST VIRGINIA** | | |
| Citizens National Bank of St. Albans, St. Albans | Mar. 17 | |
| First National Bank of Chester, Chester | Aug. 4 | |
| **WISCONSIN** | | |
| First West Towne National Bank of Madison, Madison | Feb. 27 | |
| Tri City National Bank of Hales Corners, Hales Corners | Sept. 4 | |

* 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 1969*

| | Approved | Rejected |
|---|---|---|
| **CALIFORNIA** | | |
| Crocker Bank, National Association, San Francisco | Jan. 2 | ........ |
| Pueblo Bank, a national banking association, Beverly Hills | Jan. 16 | ........ |
| Newport Bank, N. A., Newport Beach | Feb. 10 | ........ |
| Gateway Bank, National Association, El Segundo | Dec. 9 | ........ |
| **ILLINOIS** | | |
| Central Bank of Chicago, National Association, Chicago | Jan. 2 | ........ |
| First Chicago Bank, National Association, Chicago | Feb. 12 | ........ |
| Commercial Bank of Peoria, National Association, Peoria | Mar. 11 | ........ |
| **INDIANA** | | |
| Allen County National Bank, Fort Wayne | Jan. 30 | ........ |
| **IOWA** | | |
| Iowa National Bank of Cedar Rapids, Cedar Rapids | Jan. 2 | ........ |
| Iowa Security National Bank, Sioux City | Feb. 20 | ........ |
| **KANSAS** | | |
| Johnson County Bank, National Association, Prairie Village | Jan. 7 | ........ |
| The Second National Bank of Topeka, Topeka | Mar. 17 | ........ |
| The Merchants Bank of Topeka, National Association, Topeka | Apr. 17 | ........ |
| **MASSACHUSETTS** | | |
| New England Merchants Bank (National Association), Boston | Dec. 12 | ........ |
| **MISSOURI** | | |
| Chillicothe National Bank, Chillicothe | Jan. 8 | ........ |
| First National Bank of Buchanan County, St. Joseph | Feb. 4 | ........ |
| County National Bank, Clayton | Feb. 7 | ........ |
| Riverfront National Bank, St. Louis | Apr. 4 | ........ |
| City Bank, National Association, Kansas City | May 16 | ........ |
| **NEW JERSEY** | | |
| Second Jersey National Bank, Jersey City | Jan. 9 | ........ |
| National State Bank of New Jersey, Newark | Apr. 18 | ........ |
| The Second Warren County National Bank, Washington Borough | Nov. 21 | ........ |
| **NEW YORK** | | |
| The Chase Bank of New York (National Association), New York | Jan. 24 | ........ |
| Capital City National Bank, Albany | Feb. 19 | ........ |
| First National Bank, Yonkers | Feb. 19 | ........ |
| **NEW YORK—continued** | | |
| The Fulton County National Bank and Trust Company, Gloversville | Mar. 24 | ........ |
| The Scarsdale National Bank & Trust Company, Scarsdale | May 13 | ........ |
| Franklin Bank of New York (National Association), Mineola | June 4 | ........ |
| Bank of Auburn, National Association, Auburn | Aug. 14 | ........ |
| **NORTH CAROLINA** | | |
| PNB National Bank, Rocky Mount | Jan. 27 | ........ |
| **OHIO** | | |
| Second National Bank in Steubenville, Steubenville | Feb. 17 | ........ |
| National Bank of Coshocton, Coshocton | July 29 | ........ |
| The Guernsey County National Bank, Cambridge | July 31 | ........ |
| **OKLAHOMA** | | |
| The First Bank and Trust Company of Tulsa, National Association, Tulsa | Jan. 2 | ........ |
| Broadway National Bank of Enid, Enid | Mar. 4 | ........ |
| Commercial Bank, National Association, Muskogee | Mar. 27 | ........ |
| The Fourth Bank of Tulsa, National Association, Tulsa | Sept. 16 | ........ |
| **PENNSYLVANIA** | | |
| PNB National Bank, Philadelphia | Jan. 30 | ........ |
| Locust Street National Bank, Philadelphia | Feb. 6 | ........ |
| Blythe National Bank, Uniontown | Feb. 20 | ........ |
| Sower National Bank, Philadelphia | Apr. 1 | ........ |
| Broad and Walnut National Bank, Bala-Cynwyd | Apr. 21 | ........ |
| CCNB National Bank, New Cumberland | Sept. 25 | ........ |
| **RHODE ISLAND** | | |
| Rhode Island Hospital Trust National Bank, Providence | Jan. 23 | ........ |
| Rhodes National Bank, Providence | July 28 | ........ |
| **SOUTH CAROLINA** | | |
| Washington Street National Bank, Columbia | Jan. 17 | ....... |
| **TEXAS** | | |
| Milam National Bank, Houston | Jan. 2 | ........ |
| Ambank, National Association, Austin | Jan. 23 | ........ |
| Security National Bank, Beaumont | Mar. 26 | ........ |
| Walker County National Bank, Huntsville | Apr. 15 | ........ |
| First City Bank National Association, Houston | Aug. 29 | ........ |
| Bank of Fort Worth, N.A., Fort Worth | Nov. 7 | ........ |
| **VIRGINIA** | | |
| NB National Bank, Charlottesville | Jan. 2 | ........ |
| Manassas Bank, N.A., Manassas | July 25 | ........ |

## Table B–8

*Newly organized National banks, by States, calendar 1969**

| Charter No. | Title and location of bank | Total capital accounts |
|---|---|---|
| | Total, United States: 16 banks | $11,360,000 |
| | COLORADO | |
| 15695 | Lakewood Colorado National Bank, Lakewood | 500,000 |
| 15763 | Wheat Ridge National Bank, Wheat Ridge | 500,000 |
| | | 1,000,000 |
| | FLORIDA | |
| 15739 | Citizens National Bank of Davie, Davie | 510,000 |
| 15748 | Peoples Hialeah National Bank, Hialeah | 700,000 |
| 15759 | United National Bank of Dadeland, Miami | 750,000 |
| 15770 | Second National Bank of North Miami Beach, North Miami Beach | 750,000 |
| 15724 | Beach National Bank of Pompano Beach, Pompano Beach | 1,000,000 |
| | | 3,710,000 |
| | ILLINOIS | |
| 15765 | The First National Bank of McHenry, McHenry | 750,000 |
| | MINNESOTA | |
| 15697 | First Plymouth National Bank, Minneapolis | 500,000 |
| | NEW JERSEY | |
| 15733 | The Pennsville National Bank, Pennsville Township | 750,000 |
| | TEXAS | |
| 15744 | Great Southwest National Bank of Arlington, Arlington | 600,000 |
| 15764 | Northwest National Bank, Houston | 1,250,000 |
| | | 1,850,000 |
| | WASHINGTON | |
| 15741 | Columbia Center National Bank, Kennewick | 450,000 |
| | WEST VIRGINIA | |
| 15773 | First National Bank of Chester, Chester | 1,000,000 |
| 15777 | Citizens National Bank of St. Albans, St. Albans | 750,000 |
| | | 1,750,000 |
| | WISCONSIN | |
| 15699 | First Northwestern National Bank of Milwaukee, Milwaukee | 600,000 |

*Excludes charters issued pursuant to corporate reorganizations.

## Table B–9

*National bank charters issued* and mergers consummated pursuant to corporate reorganizations, by States, calendar 1969*

| *Effective date of merger* | *Operating bank*<br>*New bank*<br>*Resulting bank* | *Total capital accounts* | *Total assets* |
|---|---|---|---|
| | CALIFORNIA | | |
| | Wells Fargo Bank, National Association, San Francisco<br>WF National Bank, San Francisco<br>Charter issued Feb. 27, 1969 | | |
| Feb. 28, 1969 | Wells Fargo Bank, National Association, San Francisco | $367, 263, 434 | $5, 156, 989, 337 |
| | Southern California First National Bank, San Diego<br>First National Bank of San Diego, San Diego<br>Charter issued Feb. 28, 1969 | | |
| Feb. 28, 1969 | Southern California First National Bank, San Diego | 42, 269, 751 | 664, 931, 259 |
| | Bank of America National Trust and Savings Association, San Francisco<br>B.A. National Bank, San Francisco<br>Charter issued Apr. 1, 1969 | | |
| Apr. 1, 1969 | Bank of America National Trust and Savings Association, San Francisco | 1, 074, 620, 561 | 19, 169, 256, 269 |
| | Crocker-Citizens National Bank, San Francisco<br>Crocker Bank, National Association, San Francisco<br>Charter issued Apr. 15, 1969 | | |
| Apr. 21, 1969 | Crocker-Citizens National Bank, San Francisco | 327, 562, 760 | 4, 753, 726, 161 |
| | Newport National Bank, Newport Beach<br>Newport Bank, N.A., Newport Beach<br>Charter issued May 20, 1969 | | |
| May 31, 1969 | Newport National Bank, Newport Beach | 3, 731, 911 | 61, 352, 665 |
| | CONNECTICUT | | |
| | Hartford National Bank and Trust Company, Hartford<br>Pearl Street National Bank, Hartford<br>Charter issued Apr. 18, 1969 | | |
| Apr. 30, 1969 | Hartford National Bank and Trust Company, Hartford | 82, 851, 463 | 1, 009, 021, 847 |
| | GEORGIA | | |
| | The First National Bank of Atlanta, Atlanta<br>Atlanta National Bank, Atlanta<br>Charter issued Apr. 7, 1969 | | |
| Apr. 8, 1969 | The First National Bank of Atlanta, Atlanta | 78, 264, 782 | 957, 129, 503 |
| | The Fulton National Bank of Atlanta, Atlanta<br>The Bank of the South, National Association, Atlanta<br>Charter issued Apr. 25, 1969 | | |
| May 1, 1969 | The Fulton National Bank of Atlanta, Atlanta | 25, 584, 452 | 435, 105, 532 |
| | ILLINOIS | | |
| | American National Bank and Trust Company of Chicago, Chicago<br>American National Bank of Chicago, Chicago<br>Charter issued Mar. 26, 1969 | | |
| Mar. 31, 1969 | American National Bank and Trust Company of Chicago, Chicago | 57, 958, 157 | 929, 707, 952 |
| | Continental Illinois National Bank and Trust Company of Chicago, Chicago<br>Continental National Bank, Chicago<br>Charter issued Mar. 25, 1969 | | |
| Mar. 31, 1969† | Continental Illinois National Bank and Trust Company of Chicago, Chicago | 484, 583, 352 | 6, 459, 065, 927 |

See footnotes at end of table.

TABLE B-9—Continued

*National bank charters issued* and mergers consummated pursuant to corporate reorganizations, by States, calendar 1969*

| *Effective date of merger* | *Operating bank<br>New bank<br>Resulting bank* | *Total capital accounts* | *Total assets* |
|---|---|---|---|
| | ILLINOIS—continued | | |
| | The First National Bank of Chicago, Chicago<br>First Chicago Bank, National Association, Chicago<br>Charter issued Aug. 14, 1969 | | |
| Aug. 15, 1969 | The First National Bank of Chicago, Chicago | $559, 745, 177 | $5, 430, 153, 780 |
| | Central National Bank in Chicago, Chicago<br>Central Bank of Chicago, National Association, Chicago<br>Charter issued Sept. 23, 1969 | | |
| Sept. 30, 1969 | Central National Bank in Chicago, Chicago | 24, 101, 759 | 447, 731, 153 |
| | INDIANA | | |
| | The Indiana National Bank of Indianapolis, Indianapolis<br>Tower National Bank, Indianapolis<br>Charter issued May 12, 1969 | | |
| May 12, 1969 | The Indiana National Bank of Indianapolis, Indianapolis | 70, 444, 720 | 977, 562, 790 |
| | Lincoln National Bank and Trust Company of Fort Wayne, Fort Wayne<br>Allen County National Bank, Fort Wayne<br>Charter issued Oct. 29, 1969 | | |
| Oct. 31, 1969 | Lincoln National Bank & Trust Co. of Fort Wayne, Fort Wayne | 20, 967, 549 | 272, 359, 971 |
| | IOWA | | |
| | The Merchants National Bank of Cedar Rapids, Cedar Rapids<br>Iowa National Bank of Cedar Rapids, Cedar Rapids<br>Charter issued Aug. 26, 1969 | | |
| Sept. 2, 1969 | The Merchants National Bank of Cedar Rapids, Cedar Rapids | 17, 028, 454 | 161, 386, 638 |
| | The Security National Bank of Sioux City, Sioux City<br>Iowa Security National Bank, Sioux City<br>Charter issued Sept. 25, 1969 | | |
| Sept. 30, 1969 | The Security National Bank of Sioux City, Sioux City | 5, 396, 775 | 82, 296, 366 |
| | KANSAS | | |
| | The Johnson County National Bank and Trust Company, Prairie Village<br>Johnson County Bank, National Association, Prairie Village<br>Charter issued Apr. 23, 1969 | | |
| May 1, 1969 | The Johnson County National Bank & Trust Co., Prairie Village | 3, 426, 232 | 51, 256, 244 |
| | The First National Bank of Topeka, Topeka<br>The Second National Bank of Topeka, Topeka<br>Charter issued Dec. 3, 1969 | | |
| Dec. 5, 1969 | The First National Bank of Topeka, Topeka | 17, 553, 740 | 155, 429, 588 |
| | MAINE | | |
| | Canal National Bank, Portland<br>Middle Street National Bank, Portland<br>Charter issued May 29, 1969 | | |
| June 2, 1969 | Canal National Bank, Portland | 8, 064, 383 | 101, 350, 325 |

See footnotes at end of table.

TABLE B-9—Continued

*National bank charters issued* and mergers consummated pursuant to corporate reorganizations, by States, calendar 1969*

| *Effective date of merger* | *Operating bank*<br>*New bank*<br>*Resulting bank* | *Total capital accounts* | *Total assets* |
|---|---|---|---|
| | MARYLAND | | |
| | Maryland National Bank, Baltimore<br>Bay National Bank, Baltimore<br>Charter issurd Apr. 28, 1969 | | |
| Apr. 30, 1969 | Maryland National Bank, Baltimore | $81, 334, 065 | $1, 062, 453, 693 |
| | MASSACHUSETTS | | |
| | Worcester County National Bank, Worcester<br>County Bank of Worcester, National Association, Worcester<br>Charter issued Mar. 17, 1969 | | |
| Mar. 21, 1969 | Worcester County National Bank, Worcester | 24, 030, 147 | 303, 308, 294 |
| | The Mechanics National Bank of Worcester, Worcester<br>Mechanics National Bank, Worcester<br>Charter issued Apr. 3, 1969 | | |
| Apr. 7, 1969 | The Mechanics National Bank of Worcester, Worcester | 6, 595, 139 | 89, 998, 749 |
| | Commonwealth National Bank, Boston<br>Commonwealth Bank, N.A., Boston<br>Charter issued May 23, 1969 | | |
| May 31, 1969 | Commonwealth National Bank, Boston | 4, 075, 554 | 43, 201, 537 |
| | MISSOURI | | |
| | St. Louis County National Bank, Clayton<br>County National Bank, Clayton<br>Charter issued July 29, 1969 | | |
| July 31, 1969 | St. Louis County National Bank, Clayton | 11, 646, 246 | 156, 114, 399 |
| | The Boatmen's National Bank of St. Louis, St. Louis<br>Riverfront National Bank, St. Louis<br>Charter issued Sept. 3, 1969 | | |
| Sept. 8, 1969 | The Boatmen's National Bank of St. Louis, St. Louis | 25, 864, 130 | 292, 465, 914 |
| | The City National Bank and Trust Company of Kansas City, Kansas City<br>City Bank, National Association, Kansas City<br>Charter issued Dec. 18, 1969 | | |
| Dec. 19, 1969 | The City National Bank and Trust Company of Kansas City, Kansas City. | 39, 057, 879 | 360, 133, 571 |
| | NEBRASKA | | |
| | National Bank of Commerce Trust and Savings Association, Lincoln<br>Capital City National Bank, Lincoln<br>Charter issued Mar. 20, 1969 | | |
| Mar. 24, 1969 | National Bank of Commerce Trust and Savings Association, Lincoln | 9, 303, 719 | 144, 607, 228 |
| | NEW JERSEY | | |
| | The First Jersey National Bank, Jersey City<br>Second Jersey National Bank, Jersey City<br>Charter issued May 26, 1969 | | |
| May 29, 1969 | The First Jersey National Bank, Jersey City | 27, 736, 736 | 418, 895, 205 |

See footnotes at end of table.

TABLE B-9—Continued

*National bank charters issued* and mergers consummated pursuant to corporate reorganizations, by States, calendar 1969*

| *Effective date of merger* | *Operating bank<br>New bank<br>Resulting bank* | *Total capital accounts* | *Total assets* |
|---|---|---|---|
| | NEW YORK | | |
| | The Chase Manhattan Bank, National Association, New York<br>The Chase Bank of New York, National Association, New York<br>Charter issued Jun. 2, 1969 | | |
| June 4, 1969 | The Chase Manhattan Bank, National Association, New York | $1, 167, 576, 439 | $17, 765, 434, 232 |
| | The Peoples National Bank of Long Island, Patchogue<br>Peoples Bank of Long Island, National Association, Patchogue<br>Charter issued Jun. 18, 1969. | | |
| June 20, 1969 | The Peoples National Bank of Long Island, Patchogue | 4, 804, 544 | 70, 356, 108 |
| | Franklin Bank of New York, National Association, Mineola<br>Franklin National Bank, Mineola<br>Charter issued Sep. 22, 1969 | | |
| Sept. 22, 1969† | Franklin National Bank, Mineola | 180, 810, 905 | 2, 665, 765, 126 |
| | National Bank of Westchester, White Plains<br>National Bank of Westchester, White Plains, White Plains<br>Charter issued Sep. 26, 1969 | | |
| Sept. 26, 1969 | National Bank of Westchester, White Plains | 30, 275, 435 | 453, 361, 097 |
| | Scarsdale National Bank and Trust Company, Scarsdale<br>The Scarsdale National Bank & Trust Company, Scarsdale<br>Charter issued Dec. 4, 1969 | | |
| Dec. 5, 1969 | Scarsdale National Bank and Trust Company, Scarsdale | 4, 846, 240 | 73, 426, 121 |
| | The Fulton County National Bank and Trust Company of Gloversville, Gloversville<br>The Fulton County National Bank and Trust Company, Gloversville<br>Charter issued Dec. 4, 1969 | | |
| Dec: 5, 1969 | The Fulton County National Bank and Trust Company, Gloversville | 2, 645, 598 | 25, 761, 175 |
| | NORTH CAROLINA | | |
| | First National Bank of Eastern North Carolina, Jacksonville<br>Financial National Bank, Jacksonville<br>Charter issued Mar. 14, 1969 | | |
| Mar. 14, 1969 | First National Bank of Eastern North Carolina, Jacksonville | 7, 011, 251 | 92, 937, 631 |
| | OHIO | | |
| | The First National Bank and Trust Company in Steubenville, Steubenville<br>Second National Bank in Steubenville, Steubenville.<br>Charter issued Aug. 27, 1969 | | |
| Sept. 2, 1969 | The First National Bank and Trust Company in Steubenville, Steubenville | 6, 091, 267 | 80, 409, 353 |
| | OKLAHOMA | | |
| | National Bank of Tulsa, Tulsa<br>Union Security National Bank of Tulsa, Tulsa<br>Charter issued Mar. 28, 1969 | | |
| Mar. 31, 1969 | National Bank of Tulsa, Tulsa | 32, 933, 882 | 354, 922, 800 |
| | The First National Bank and Trust Company of Tulsa, Tulsa<br>The First Bank and Trust Company of Tulsa, National Association, Tulsa<br>Charter issued June 20, 1969 | | |
| July 1, 1969 | The First National Bank and Trust Company of Tulsa, Tulsa | 42, 298, 169 | 418, 565, 890 |

See footnotes at end of table.

TABLE B-9—Continued

*National bank charters issued* and mergers consummated pursuant to corporate reorganizations, by States, calendar 1969*

| *Effective date of merger* | *Operating bank*<br>*New bank*<br>*Resulting bank* | *Total capital accounts* | *Total assets* |
|---|---|---|---|
| | OKLAHOMA—continued | | |
| | Central National Bank and Trust Company of Enid, Enid<br>Broadway National Bank of Enid, Enid<br>Charter issued Sept. 26, 1969 | | |
| Sept. 30, 1969 | Central National Bank and Trust Company of Enid, Enid | $4, 697, 797 | $39, 816, 455 |
| | The Liberty National Bank and Trust Company of Oklahoma City, Oklahoma City<br>Liberty Bank, National Association, Oklahoma City<br>Charter issued Sept. 30, 1969 | | |
| Oct. 1, 1969 | The Liberty National Bank and Trust Company of Oklahoma City, Oklahoma City. | 37, 137, 904 | 415, 901, 611 |
| | Commercial National Bank & Trust Company, Muskogee<br>Commercial Bank, National Association, Muskogee<br>Charter issued Dec. 29, 1969 | | |
| Dec. 31, 1969 | Commercial National Bank & Trust Company, Muskogee | 3, 345, 728 | 32, 733, 391 |
| | PENNSYLVANIA | | |
| | Western Pennsylvania National Bank, Pittsburgh<br>William Penn National Bank, Pittsburgh<br>Charter issued Mar. 24, 1969 | | |
| Mar. 31, 1969 | Western Pennsylvania National Bank, Pittsburgh | 70, 298, 552 | 851, 802, 513 |
| | Pittsburgh National Bank, Pittsburgh<br>New National Bank, Pittsburgh<br>Charter issued Apr. 29, 1969 | | |
| Apr. 30, 1969 | Pittsburgh National Bank, Pittsburgh | 136, 961, 641 | 1, 643, 630, 716 |
| | Lincoln National Bank, Philadelphia<br>Locust Street National Bank, Philadelphia<br>Charter issued June 12, 1969 | | |
| June 17, 1969 | Lincoln National Bank, Philadelphia | 3, 384, 257 | 51, 336, 262 |
| | Provident National Bank, Philadelphia<br>Sower National Bank, Philadelphia<br>Charter issued Aug. 11, 1969 | | |
| Aug. 13, 1969 | Provident National Bank, Philadelphia | 86, 159, 355 | 948, 982, 022 |
| | Central-Penn National Bank of Philadelphia, Bala-Cynwyd<br>Broad and Walnut National Bank, Bala-Cynwyd<br>Charter issued Sept. 29, 1969 | | |
| Sept. 30, 1969 | Central-Penn National Bank, Bala-Cynwyd | 33, 480, 018 | 450, 154, 415 |
| | The Philadelphia National Bank, Philadelphia<br>PNB National Bank, Philadelphia<br>Charter issued Oct. 28, 1969 | | |
| Nov. 1, 1969 | The Philadelphia National Bank, Philadelphia | 175, 291, 921 | 2, 046, 298, 456 |
| | RHODE ISLAND | | |
| | Rhode Island Hospital Trust Company, Providence<br>Rhode Island Hospital Trust National Bank, Providence<br>Charter issued May 26, 1969 | | |
| May 29, 1969 | Rhode Island Hospital Trust National Bank, Providence | 49, 711, 968 | 569, 710, 320 |

See footnotes at end table.

TABLE B-9—Continued

*National bank charters issued* and mergers consummated pursuant to corporate reorganizations, by States, calendar 1969*

| *Effective date of merger* | *Operating bank New bank Resulting bank* | *Total capital accounts* | *Total assets* |
|---|---|---|---|
| | SOUTH CAROLINA | | |
| | The Citizens and Southern National Bank of South Carolina, Charleston<br>Citizens National Bank, Charleston<br>Charter issued June 30, 1969 | | |
| June 30, 1969 | The Citizens and Southern National Bank of S.C., Charleston | $25, 041, 167 | $318, 375, 395 |
| | SOUTH CAROLINA | | |
| | The First National Bank of South Carolina, Columbia<br>Washington Street National Bank, Columbia<br>Charter issued July 14, 1969 | | |
| July 19, 1969 | First National Bank of South Carolina, Columbia | 19, 578, 356 | 236, 800, 968 |
| | TENNESSEE | | |
| | The First National Bank of Memphis, Memphis<br>The Second National Bank of Memphis, Memphis<br>Charter issued Jan. 16, 1969 | | |
| Jan. 17, 1969 | The First National Bank of Memphis, Memphis | 58, 803, 820 | 785, 618, 398 |
| | TEXAS | | |
| | Houston National Bank, Houston<br>Milam National Bank, Houston<br>Charter issued Mar. 27, 1969 | | |
| Mar. 27, 1969 | Houston National Bank, Houston | 22, 980, 020 | 278, 571, 881 |
| | Southern National Bank of Houston, Houston<br>Southern Bank, National Association, Houston, Houston<br>Charter issued Mar. 31, 1969 | | |
| Mar. 31, 1969 | Southern National Bank of Houston, Houston | 7, 736, 036 | 126, 823, 027 |
| | The American National Bank of Austin, Austin<br>Ambank, National Association, Austin<br>Charter issued May 28, 1969 | | |
| June 2, 1969 | The American National Bank of Austin, Austin | 8, 732, 456 | 153, 105, 713 |
| | First Security National Bank of Beaumont, Beaumont<br>Security National Bank, Beaumont<br>Charter issued Sept. 30, 1969 | | |
| Sept. 30, 1969 | First Security National Bank of Beaumont, Beaumont | 9, 450, 844 | 145, 402, 968 |
| | First National Bank of Huntsville, Huntsville<br>Walker County National Bank, Huntsville<br>Charter issued Nov. 26, 1969 | | |
| Dec. 1, 1969 | First National Bank of Huntsville, Huntsville | 1, 905, 412 | 16, 188, 795 |
| | VIRGINIA | | |
| | First & Merchants National Bank, Richmond<br>Main Street National Bank, Richmond<br>Charter issued Feb. 26, 1969 | | |
| Feb. 26, 1969 | First & Merchants National Bank, Richmond | 49, 492, 421 | 720, 710, 297 |

See footnotes at end of table.

TABLE B-9—Continued

*National bank charters issued* and mergers consummated pursuant to corporate reorganizations, by States, calendar 1969*

| Effective date of merger | Operating bank<br>New bank<br>Resulting bank | Total capital accounts | Total assets |
|---|---|---|---|
| | VIRGINIA—continued | | |
| | National Bank and Trust Company, Charlottesville<br>NB National Bank, Charlottesville<br>Charter issued Apr. 22, 1969 | | |
| Apr. 30, 1969 | National Bank and Trust Company, Charlottesville | $7,494,091 | $95,793,927 |
| | Farmers and Merchants National Bank, Winchester<br>Apple City National Bank, Winchester<br>Charter issued Dec. 24, 1969 | | |
| Dec. 31, 1969 | Farmers and Merchants National Bank, Winchester | 5,261,248 | 69,988,382 |

*Includes only charter issuances related to mergers consummated during 1969. For a full listing of all charters issued during 1969, pursuant to corporate reorganization, see table B-11.
†Consolidation.

TABLE B-10

*State chartered banks converted to National banks, calendar 1969**

| Charter No. | Title and location of bank | State | Effective date of charter 1968 | Outstanding capital stock | Surplus, undivided profits and reserves | Total assets |
|---|---|---|---|---|---|---|
| | Total: 15 banks | | | $16,069,773 | $47,762,607 | $851,647,289 |
| 15693 | First National Bank, Middle River<br>Conversion of Middle River State Bank. | Minn. | Jan. 15 | 50,000 | 131,245 | 2,270,129 |
| 15694 | National Union Bank, Columbiana<br>Conversion of The Union Banking Co. of Colombiana. | Ohio | Feb. 1 | 500,000 | 1,126,855 | 17,540,142 |
| 15696 | First National Bank, Glenwood<br>Conversion of First State Bank of Glenwood. | Wis. | Feb. 10 | 60,000 | 205,312 | 3,466,117 |
| 15698 | Hiawatha National Bank, Hager City<br>Conversion of Bay City State Bank. | Wis. | Feb. 20 | 80,000 | 289,823 | 3,451,700 |
| 15700 | Security Bank N.A., Washington<br>Conversion of Security Bank. | D.C. | Apr. 1 | 1,772,000 | 4,013,000 | 66,983,816 |
| 15709 | New Jersey Bank (N.A.), Clifton<br>Conversion of New Jersey Bank & Trust Co. | N.J. | Apr. 3 | 7,912,773 | 27,921,494† | 493,620,782 |
| 15715 | First American National Bank, Chandler<br>Conversion of First American Bank. | Ariz. | Apr. 21 | 350,000 | 428,170 | 5,110,266 |
| 15718 | Sprague National Bank, Caledonia<br>Conversion of Sprague State Bank. | Minn. | May 1 | 120,000 | 487,620 | 7,896,732 |
| 15735 | First National Bank of Folkston, Folkston<br>Conversion of Peoples Banking Co. | Ga. | July 1 | 150,000 | 165,338 | 2,417,387 |
| 15737 | Lisbon National Bank, Lisbon<br>Conversion of Lisbon Savings Bank and Trust Co. | N.H. | July 31 | 75,000 | 143,429 | 3,075,236 |
| 15738 | Tri City National Bank of Oak Creek, Oak Creek<br>Conversion of Tri City State Bank. | Wis. | July 31 | 200,000 | 296,633 | 6,315,247 |
| 15745 | Kansas National Bank & Trust Co., Prairie Village.<br>Conversion of Kansas State Bank & Trust Co. | Kans. | Aug. 30 | 300,000 | 557,449 | 13,725,498 |
| 15750 | National Bank of Sallisaw, Sallisaw<br>Conversion of Sallisaw State Bank. | Okla. | Sept. 13 | 200,000 | 501,426 | 8,869,171 |
| 15758 | First Trust Company of Albany, N.A., Albany<br>Conversion of First Trust Co. of Albany. | N.Y. | Oct. 10 | 4,000,000 | 10,796,821 | 202,815,947 |
| 15760 | Community Bank and Trust Co., N.A., Fairmont<br>Conversion of Community Bank and Trust Company. | W. Va. | Oct. 14 | 300,000 | 697,992 | 14,089,119 |

*Rhode Island Hospital Trust Company, Providence, R.I., became a National bank, Rhode Island Hospital Trust National Bank, during a corporate reorganization pursuant to the establishment of a one-bank holding company (see table B-9).
†Includes $7,187,000 in debentures.

## Table B–11

*National bank charters issued pursuant to corporate reorganizations, by States, calendar 1969*

| Charter No. | Title and location of bank | Date of issuance |
|---|---|---|
| | Total: 61 actions | |
| | CALIFORNIA | |
| 15235 | Newport Bank, N.A., Newport Beach | May 27 |
| 3050 | First National Bank of San Diego, San Diego | Feb. 28 |
| 13044 | B.A. National Bank, San Francisco | Mar. 31 |
| 1741 | Crocker Bank, National Association, San Francisco | Apr. 15 |
| 15660 | WF National Bank, San Francisco | Feb. 27 |
| | CONNECTICUT | |
| 1338 | Pearl Street National Bank, Hartford | Apr. 18 |
| | GEORGIA | |
| 1559 | Atlanta National Bank, Atlanta | Apr. 3 |
| 9617 | The Bank of the South National Association, Atlanta | Apr. 29 |
| | ILLINOIS | |
| 13216 | American National Bank of Chicago, Chicago | Mar. 26 |
| 14362 | Central Bank of Chicago, National Association, Chicago | Sept. 23 |
| 13639 | Continental National Bank, Chicago | Mar. 25 |
| 8 | First Chicago Bank, National Association, Chicago | Aug. 14 |
| | INDIANA | |
| 7725 | Allen County National Bank, Fort Wayne | Oct. 29 |
| 984 | Tower National Bank, Indianapolis | May 9 |
| | IOWA | |
| 2511 | Iowa National Bank of Cedar Rapids, Cedar Rapids | Aug. 26 |
| 3124 | Iowa Security National Bank, Sioux City | Sept. 25 |
| | KANSAS | |
| 14420 | Johnson County Bank, National Association, Prairie Village | Apr. 21 |
| 3078 | The Second National Bank of Topeka, Topeka | Dec. 4 |
| | MAINE | |
| 941 | Middle Street National Bank, Portland | May 29 |
| | MARYLAND | |
| 13745 | Bay National Bank, Baltimore | Apr. 21 |
| | MASSACHUSETTS | |
| 15399 | Commonwealth Bank, N.A., Boston | May 23 |
| 79 | County Bank of Worcester, National Association, Worcester | Mar. 17 |
| 1135 | Mechanics National Bank, Worcester | Apr. 3 |
| | MISSOURI | |
| 14528 | County National Bank, Clayton | July 29 |
| 13936 | City Bank, National Association, Kansas City | Dec. 18 |
| 12916 | Riverfront National Bank, St. Louis | Sept. 2 |
| | NEBRASKA | |
| 7239 | Capital City National Bank, Lincoln | Mar. 20 |
| | NEW JERSEY | |
| 374 | Second Jersey National Bank, Jersey City | May 26 |

TABLE B–11—Continued

*National bank charters issued pursnant to corporate reorganizations, by States, calendar 1969*

| Charter No. | Title and location of bank | Date of issuance |
|---|---|---|
| | NEW YORK | |
| 3312 | The Fulton County National Bank and Trust Company, Gloversville | Dec. 4 |
| 12997 | Franklin Bank of New York (National Association), Mineola | Sept. 19 |
| 2370 | The Chase Bank of New York (National Association), New York | May 29 |
| 12788 | Peoples Bank of Long Island, National Association, Patchogue | June 20 |
| 11708 | The Scarsdale National Bank and Trust Company, Scarsdale | Dec. 4 |
| 10525 | National Bank of Westchester, White Plains, White Plains | Sept. 26 |
| | NORTH CAROLINA | |
| 14676 | Financial National Bank, Jacksonville | Mar. 14 |
| | OHIO | |
| 6566 | The Guernsey County National Bank, Cambridge | Dec. 29 |
| 13923 | National Bank of Coshocton, Coshocton | Dec. 29 |
| 2160 | Second National Bank in Steubenville, Steubenville | Aug. 27 |
| | OKLAHOMA | |
| 12044 | Broadway National Bank of Enid, Enid | Sept. 26 |
| 12890 | Commercial Bank, National Association, Muskogee | Dec. 30 |
| 11230 | Liberty Bank, National Association, Oklahoma City | Sept. 30 |
| 5171 | The First Bank and Trust Company of Tulsa, National Association, Tulsa | June 18 |
| 13679 | Union Security National Bank of Tulsa, Tulsa | Mar. 28 |
| | PENNSYLVANIA | |
| 723 | Broad and Walnut National Bank, Bala-Cynwyd | Sept. 29 |
| 15393 | Locust Street National Bank, Philadelphia | June 12 |
| 539 | PNB National Bank, Philadelphia | Oct. 28 |
| 15422 | Sower National Bank, Philadelphia | Aug. 11 |
| 252 | New National Bank, Pittsburgh | Apr. 28 |
| 2222 | William Penn National Bank, Pittsburgh | Mar. 24 |
| | RHODE ISLAND | |
| 15723 | Rhode Island Hospital Trust National Bank, Providence | May 26 |
| | SOUTH CAROLINA | |
| 14425 | Citizens National Bank, Charleston | June 27 |
| 13720 | Washington Street National Bank, Columbia | July 14 |
| | TENNESSEE | |
| 336 | The Second National Bank of Memphis, Memphis | Jan. 16 |
| | TEXAS | |
| 4322 | Ambank, National Association Austin | May 27 |
| 4017 | Security National Bank, Beaumont | Sept. 30 |
| 9353 | Milam National Bank, Houston | Mar. 27 |
| 14916 | Southern Bank, National Association, Houston | Mar. 28 |
| 4208 | Walker County National Bank, Huntsville | Nov. 28 |
| | VIRGINIA | |
| 10618 | NB National Bank, Charlottesville | Apr. 21 |
| 1111 | Main Street National Bank, Richmond | Feb. 26 |
| 6084 | Apple City National Bank, Winchester | Dec. 29 |

## Table B–12

*National banks reported in voluntary liquidation, calendar 1969*

| Title and location of bank | Date of liquidation | Total capital accounts of liquidated banks |
|---|---|---|
| Total: 8 National banks | ........ | $5,988,394 |
| National City Bank in Chicago, Chicago, Ill. (14562) absorbed by The Manufacturers National Bank of Chicago, Chicago, Ill. (14245) | Apr. 1 | 2,648,770 |
| First Citizens National Bank, Belmont, Miss. (15667) absorbed by First Citizens National Bank, Tupelo, Miss. (15479) | Apr. 30 | 253,438 |
| The First National Bank of Sabina, Sabina, Ohio (8411) absorbed by The Clinton County National Bank and Trust Company of Wilmington, Wilmington, Ohio. (1997) | June 14 | 376,461 |
| First National Bank, Ursa, Ill. (14489) (no absorption) | Aug. 20 | 153,409 |
| Suburban Bank of Livingston, N.A., Livingston, N.J. (15603) absorbed by First National State Bank of New Jersey, Newark, N.J. (1452) | Sept. 15 | 1,122,155 |
| First National Bank of Coalville, Coalville, Utah (7696) absorbed by Walker Bank and Trust Co., Salt Lake City, Utah | Oct. 10 | 444,924 |
| Kennewick National Bank, Kennewick, Wash. (15493) absorbed by Old National Bank of Washington, Spokane, Wash. (4668) | Dec. 30 | 351,266 |
| Utah National Bank of Provo, Provo, Utah (15054) absorbed by Zions First National Bank, Salt Lake City, Utah (4341) | Dec. 30 | 637,971 |

## Table B–13

*National banks merged or consolidated with State banks, calendar 1969*

| Title and location of bank | Effective date | Total capital accounts of National banks |
|---|---|---|
| Total: 13 banks | ........ | $42,634,875 |
| The Citizens National Bank of Muncy, Muncy, Pa. (3480) merged into Commonwealth Bank and Trust Co., Wellsboro, Pa., under the title "Commonwealth Bank & Trust Company of Muncy" | Mar. 31 | 399,278 |
| The Saint Marys National Bank, St. Marys, Pa. (6589) merged into Elk County Bank and Trust Company, St. Marys, Pa., under the title "Elk County Bank and Trust Company" | Apr. 1 | 2,479,558 |
| The Southern National Bank of Orangeburg, Orangeburg, S.C. (14135) merged into State Bank and Trust Co., Greenwood S.C. under the title "State Bank and Trust Company" | June 2 | 1,490,870 |
| The First National Bank and Trust Company of Bethlehem, Bethlehem, Pa. (138) merged into First Valley Bank, Bethlehem, Pa., under title of "First Valley Bank" | June 30 | 9,801,217 |
| Miners National Bank of Wilkes-Barre, Wilkes-Barre, Pa. (13852) merged into United Penn Bank, Wilkes-Barre, Pa., under the title "United Penn Bank" | June 30 | 13,515,993 |
| First National Bank of Hughesville, Hughesville, Pa. (3902) merged into Commonwealth Bank and Trust Co., Muncy, Pa., under title of "Commonwealth Bank and Trust Company" | Sept. 12 | 492,891 |
| The First National Bank of Bakerton, Bakerton (P.O. Elmora) (11757) merged into Johnstown Bank and Trust Company, Johnstown, Pa., under the title "Johnstown Bank and Trust Company" | Sept. 30 | 161,379 |
| The Union National Bank of Jersey Shore, Jersey Shore, Pa. (13197) merged into Commonwealth Bank and Trust Company, Muncy, Pa., under the title "Commonwealth Bank and Trust Company" | Nov. 30 | 701,783 |
| The Tradesmens National Bank of New Haven, New Haven, Conn. (13704) merged into The Connecticut Bank and Trust Company, Hartford, Conn., under the title "The Connecticut Bank and Trust Company" | Dec. 27 | 3,283,290 |
| First National Bank of Scotch Plains, Scotch Plains, N.J. (15327) merged into Franklin State Bank, Franklin Township (P.O. Somerset), N.J., under title "Franklin State Bank" | Dec. 22 | 1,218,261 |
| Clayton National Bank, Clayton, N.J. (10471) merged into Peoples Bank of South Jersey, Pilesgrove Township, N.J., under title "Peoples Bank of South Jersey" | Dec. 31 | 1,492,252 |
| The National Bank of Westfield, Westfield, N.J. (10142) merged into The Central Jersey Bank and Trust Co., Freehold Township, N.J., under title of "Central Jersey Bank and Trust Company." | Dec. 31 | 2,983,736 |
| National Valley Bank and Trust Company, Chambersburg, Pa. (593) merged into Valley Bank and Trust Company, Chambersburg, Pa., under title of "Valley Bank Trust Co." | Dec. 31 | 4,614,367 |

## Table B–14

*National banks converted into State banks, calendar 1969*

| Title and location of bank | Effective date | Total capital accounts of National banks |
|---|---|---|
| Total: 29 banks | | $85, 657, 024 |
| First National Bank in Loup City, Loup City, Nebr. (13620) converted into Sherman County Bank | Jan. 1 | 297, 862 |
| First National Bank of Hawaii, Honolulu, Hawaii (5550) converted into First Hawaiian Bank | Jan. 2 | 47, 497, 213 |
| Community National Bank of Clear Lake, Clear Lake, Iowa (15251) converted into Community State Bank of Clear Lake | Feb. 24 | 371, 251 |
| Woodford County National Bank of El Paso, El Paso, Ill. (5510) converted into Woodford County Bank | Mar. 17 | 679, 569 |
| Southwestern National Bank of Oklahoma City, Oklahoma City, Okla. (15358) converted into Southwestern Bank & Trust Co | Apr. 12 | 647, 305 |
| Jackson National Bank, Jackson, Ga. (13897) converted into The Citizens and Southern Bank of Jackson | May 1 | 574, 159 |
| The Endicott National Bank, Endicott, N.Y. (13004) converted into Endicott Bank of N.Y | May 7 | 2, 453, 703 |
| The Exchange National Bank of Olean, Olean, N.Y. (2376) converted into The Exchange Bank of Olean | May 7 | 2, 767, 500 |
| Metropolitan National Bank of Syracuse, Syracuse, N.Y. (15400) converted into Metropolitan Bank of Syracuse | May 7 | 3, 396, 821 |
| Redwood National Bank, San Rafael, Calif. (15047) converted into The Redwood Bank | May 12 | 1, 999, 995 |
| The First National Bank of Sleepy Eye, Sleepy Eye, Minn. (6387) converted into First Security State Bank of Sleepy Eye | June 2 | 819, 088 |
| Richardson Heights National Bank, Richardson, Texas (15523) converted into Richardson Heights Bank & Trust Co | May 30 | 923, 359 |
| Mount Vernon National Bank and Trust Co. of Fairfax County, Annandale, Va. (14893) converted into First Virginia Bank | June 7 | 7, 896, 691 |
| Lincoln National Bank, Stamford, Conn. (15040) converted into Lincoln Bank and Trust Company | July 1 | 2, 213, 638 |
| First National Bank in Ivanhoe, Ivanhoe, Minn. (13468) converted into First State Bank of Ivanhoe | July 1 | 394, 071 |
| Walters National Bank, Walters, Okla. (14108) converted into The Bank of Walters | July 1 | 444, 106 |
| The First National Bank of Troup, Troup, Tex. (6212) converted into Troup Bank and Trust Company | July 1 | 528, 768 |
| The First National Bank in Traer, Traer, Iowa (14172) converted into The First Community Bank and Trust | July 21 | 366, 895 |
| Union National Bank in Houston, Houston, Tex. (15301) converted into Union Bank of Houston | Aug. 11 | 1, 222, 412 |
| Decatur County National Bank of Greensburg, Greensburg, Ind. (13988) converted into Decatur County Bank | Sept. 2 | 827, 588 |
| Westmoreland National Bank of Dallas, Dallas, Tex. (15404) converted into Bank of the Southwest of Dallas | Sept. 12 | 711, 711 |
| Conroe National Bank, Conroe, Tex. (14655) converted into Conroe Bank | Sept. 15 | 1, 653, 133 |
| Airline National Bank of Houston, Tex. (15159) converted into Airline Bank | Sept. 18 | 1, 109, 635 |
| The Citizens and Southern National Bank of Sandy Springs, Sandy Springs, Ga. (14877) converted into The Citizens and Southern Bank of Sandy Springs | Oct. 1 | 1, 118, 558 |
| Buchel National Bank in Cuero, Cuero, Tex. (14164) converted into Buchel Bank and Trust Company | Oct. 6 | 709, 564 |
| The Chamblee National Bank, Chamblee, Ga. (14900) converted into The Citizens and Southern Bank of Chamblee | Oct. 31 | 1, 782, 034 |
| Northwest National Bank of Oklahoma City, Oklahoma City, Okla. (14666) converted into Northwest Bank | Nov. 3 | 807, 949 |
| The First National Bank of Malad City, Malad City, Idaho (8822) converted into The First Bank & Trust Co. of Idaho | Nov. 10 | 518, 445 |
| Northeast National Bank of Houston, Houston, Tex. (14837) converted into Northeast Bank of Houston | Dec. 5 | 924, 001 |

TABLE B-15

*Purchases of State banks by National banks, calendar 1969*

| *Title and location of banks* | *Effective date* | *Total capital accounts of State banks* |
|---|---|---|
| Total: 9 banks | ........ | $7,097,192 |
| The First and Farmers National Bank of Somerset, Somerset, Ky. (3832) purchased the Peoples Bank, Science Hill, Ky | Jan. 6 | 261,378 |
| Lakewood Colorado National Bank, Lakewood, Colo. (15695) purchased The Rocky Mountain Bank, Lakewood, Colo | Feb. 5 | 460,000 |
| The First National Bank and Trust Company of Crawfordsville, Crawfordsville, Ind. (571) purchased The Farmers State Bank, New Market, Ind | Feb. 21 | 145,000 |
| Southern California First National Bank, San Diego, Calif. (3050) purchased the Orange County Bank, San Juan Capistrano, Calif | Mar. 13 | 1,365,814 |
| Pittsburgh National Bank, Pittsburgh, Pa. (252) purchased the Mount Pleasant State Bank, Mount Pleasant, Pa | Oct. 18 | 1,494,000 |
| The National Bank of Commerce of Seattle, Wash. (4375) purchased the State Bank of Wilbur, Wilbur, Wash | Nov. 28 | 765,000 |
| Seattle-First National Bank, Seattle, Wash. (11280) purchased the Bank of Tacoma Tacoma, Wash | Nov. 29 | 2,279,000 |
| First National Bank of Anchorage, Anchorage, Alaska (12072) purchased the First Bank in Valdez, Valdez, Alaska | Dec. 31 | 134,000 |
| First National Bank of Riceville, Riceville, Iowa (8442) purchased the Riceville State Bank, Riceville, Iowa | Dec. 31 | 193,000 |

TABLE B–16

*Consolidations* of National banks, or National and State banks, calendar 1969*

| *Effective date* | *Consolidating bank*<br>*Resulting bank* | *Outstanding capital stock* | *Surplus* | *Undivided profits and reserves* | *Total assets* |
|---|---|---|---|---|---|
| | Total: 7 consolidations | | | | |
| | MISSOURI | | | | |
| Sept. 12 | Union National Bank, Kansas City (13736) | $2, 500, 000 | $2, 500, 000 | $3, 389, 655 | $55, 316, 901 |
| | Columbia National Bank of Kansas City, Kansas City (11472) | 1, 000, 000 | 2, 000, 000 | 909, 659 | 50, 827, 857 |
| | Columbia Union National Bank and Trust Co., Kansas City (11472) | 6, 350, 000 | 4, 500, 000 | 1, 499, 313 | 103, 114, 590 |
| | NEW JERSEY | | | | |
| Aug. 18 | The National State Bank, Elizabeth (1436) | 5, 000, 000 | 7, 000, 000 | 1, 341, 958 | 237, 966, 511 |
| | First Bank and Trust Co., N.A., Fords (15255) | 2, 500, 000 | 5, 000, 000 | 388, 195 | 112, 931, 942 |
| | The National State Bank, Elizabeth (1436) | 7, 500, 000 | 12, 000, 000 | 1, 730, 153 | 350, 286, 259 |
| Dec. 31 | The First National Bank of South Jersey, Egg Harbor Township (8800) | 6, 000, 000 | 6, 000, 000 | 2, 891, 894 | 240, 187, 057 |
| | The Salem National Bank & Trust Co., Salem (1326) | 350, 000 | 900, 000 | 261, 704 | 14, 453, 013 |
| | The First National Bank of South Jersey, Egg Harbor Township (1326) | 6, 770, 000 | 6, 770, 000 | 2, 863, 598 | 254, 640, 070 |
| | NEW YORK | | | | |
| Dec. 31 | The Citizens National Bank & Trust Co., Wellsville (4988) | 944, 500 | 1, 225, 000 | 457, 285 | 37, 506, 790 |
| | Olean Trust Co., Olean | 350, 000 | 400, 000 | 359, 572 | 13, 606, 124 |
| | The Citizens National Bank & Trust Co., Wellsville (4988) | 1, 644, 500 | 1, 625, 000 | 631, 858 | 51, 112, 914 |
| | PENNSYLVANIA | | | | |
| Feb. 28 | The First National Bank of Erie, Erie (12) | 3, 000, 000 | 7, 000, 000 | 1, 616, 974 | 145, 880, 855 |
| | First National Bank of Meadville, Meadville (4938) | 1, 100, 000 | 1, 100, 000 | 870, 016 | 40, 007, 816 |
| | The First National Bank of Pennsylvania, Erie (12) | 9, 050, 000 | 4, 000, 000 | 1, 636, 990 | 185, 888, 666 |
| Dec. 31 | The Harrisburg National Bank and Trust Co., Harrisburg (580) | 4, 088, 750 | 10, 000, 000 | 4, 417, 482 | 216, 367, 917 |
| | Conestoga National Bank, Lancaster (3987) | 1, 550, 000 | 3, 150, 000 | 2, 926, 044 | 88, 407, 238 |
| | First National Bank of York, York (197) | 1, 250, 000 | 2, 750, 000 | 1, 675, 358 | 66, 619, 337 |
| | The Commonwealth National Bank, Harrisburg (580) | 6, 966, 250 | 15, 900, 000 | 8, 941, 383 | 371, 394, 491 |
| Dec. 31 | The Union National Bank of Pittsburgh, Pittsburgh (705) | 10, 000, 000 | 20, 000, 000 | 13, 072, 546 | 584, 998, 480 |
| | Peoples Union Bank and Trust Co., N.A., McKeesport (15671) | 3, 868, 988 | 7, 131, 013 | 5, 834, 413 | 207, 255, 053 |
| | The Union National Bank of Pittsburgh, Pittsburgh (705) | 20, 000, 000 | 20, 000, 000 | 19, 906, 959 | 792, 206, 864 |

*Excludes consolidations involving only 1 operating bank, effected pursuant to corporate reorganizations.

TABLE B–17

*Mergers* of National banks, or National and State banks, by States, calendar 1969*

| *Effective date* | *Merging banks Resulting bank* | *Outstanding capital stock* | *Surplus* | *Undivided profits and reserves* | *Total assets* |
|---|---|---|---|---|---|
| | Total: 58 merger actions | | | | |
| | ALABAMA | | | | |
| July 31 | The American National Bank of Bridgeport, Bridgeport (11168). | $25,000 | $75,000 | $70,965 | $2,014,991 |
| | The First National Bank of Scottsboro, Scottsboro (8963). | 300,000 | 450,000 | 546,765 | 15,265,585 |
| | The First National Bank, Scottsboro, Alabama, Scottsboro (8963). | 336,250 | 475,000 | 656,481 | 17,239,377 |
| | ALASKA | | | | |
| Apr. 1 | Miners and Merchants Bank of Alaska, Nome. | 100,000 | 100,000 | 177,398 | 4,901,927 |
| | Alaska National Bank at Fairbanks, Fairbanks (14747). | 500,000 | 700,000 | 582,946 | 29,607,689 |
| | Alaska National Bank of Fairbanks, Fairbanks (14747). | 700,000 | 800,000 | 660,344 | 34,509,617 |
| | CALIFORNIA | | | | |
| Mar. 10 | Inland Valley Bank, Hemet. | 281,762 | 187,762 | 93,503 | 6,505,653 |
| | First National Bank and Trust Company, Ontario (6268). | 879,330 | 1,377,500 | 1,183,401 | 67,092,206 |
| | First National Bank and Trust Company, Ontario (6268). | 1,010,815 | 1,715,540 | 1,276,906 | 73,597,859 |
| May 19 | Community National Bank of Fresno County, Mendota (15182). | 250,000 | 150,000 | 99,798 | 6,893,900 |
| | Community National Bank, Bakersfield (14670). | 710,000 | 710,000 | 573,508 | 34,737,259 |
| | Community National Bank, Bakersfield (14670). | 910,000 | 910,000 | 673,306 | 40,907,084 |
| May 29 | Channel Islands State Bank, Ventura. | 600,000 | 400,000 | 117,548 | 12,905,439 |
| | Wells Fargo Bank, National Association, San Francisco (15660). | 91,317,810 | 184,682,420 | 46,404,818 | 5,392,693,296 |
| | Wells Fargo Bank, National Association, San Francisco (15660). | 91,757,810 | 185,242,420 | 46,522,366 | 5,404,500,253 |
| June 16 | Lincoln National Bank, Santa Rosa (15408). | 875,000 | 575,000 | 104,844 | 7,446,110 |
| | Commonwealth National Bank, San Francisco (15330). | 3,000,000 | 2,500,000 | 723,178 | 61,887,458 |
| | Commonwealth National Bank, San Francisco (15330). | 3,000,000 | 2,500,000 | 723,178 | 69,616,224 |
| Nov. 14 | Coast National Bank in Fort Bragg, Fort Bragg (13787). | 200,000 | 280,000 | 202,935 | 11,472,702 |
| | Crocker-Citizens National Bank, San Francisco (1741). | 103,678,320 | 103,678,320 | 38,630,849 | 4,668,363,657 |
| | Crocker-Citizens National Bank, San Francisco (1741). | 103,958,320 | 103,958,320 | 38,753,784 | 4,678,249,641 |
| Dec. 29 | Bank of Santa Ana, Santa Ana. | 1,000,000 | 635,000 | 979,989 | 20,523,465 |
| | United States National Bank, San Diego (10391). | 13,850,000 | 11,250,000 | 1,944,054 | 508,125,667 |
| | United States National Bank, San Diego (10391). | 15,050,000 | 11,250,000 | 3,817,859 | 515,818,939 |

See footnote at end of table.

TABLE B–17—Continued

*Mergers* of National banks, or National and State banks, by States, calendar 1969*

| *Effective date* | *Merging banks*<br>*Resulting bank* | *Outstanding capital stock* | *Surplus* | *Undivided profits and reserves* | *Total assets* |
|---|---|---|---|---|---|
| | CONNECTICUT | | | | |
| Dec. 12 | Lincoln Bank and Trust Company, Stamford. | $1,041,750 | $731,750 | $278,652 | $29,575,221 |
| | Hartford National Bank and Trust Company, Hartford (1338). | 16,825,400 | 43,414,600 | 15,019,699 | 966,860,862 |
| | Hartford National Bank and Trust Company, Hartford (1338). | 17,693,525 | 44,306,475 | 15,311,851 | 995,928,954 |
| | ILLINOIS | | | | |
| Dec. 31 | The Millikin Trust Company, Decatur. | 100,000 | 100,000 | 238,448 | 1,160,296 |
| | The Millikin National Bank of Decatur, Decatur (5089). | 1,500,000 | 2,500,000 | 2,239,957 | 86,295,476 |
| | The Millikin National Bank of Decatur, Decatur (5089). | 1,600,000 | 2,800,000 | 2,278,406 | 86,673,609 |
| | INDIANA | | | | |
| Dec. 31 | The Twelve Mile State Bank, Twelve Mile. | 100,000 | 250,000 | 85,384 | 7,213,926 |
| | The National Bank of Logansport, Logansport (13580). | 935,220 | 1,000,000 | 1,791,984 | 48,492,001 |
| | The National Bank of Logansport, Logansport (13580). | 1,016,840 | 1,250,000 | 1,895,747 | 55,462,090 |
| | MARYLAND | | | | |
| May 15 | The Old Line National Bank, Rockville (15497). | 2,060,000 | 500,000 | 32,563 | 16,698,290 |
| | University National Bank, College Park (15365). | 445,200 | 400,000 | 232,932 | 16,580,916 |
| | University National Bank, College Park (15365). | 1,434,000 | 2,003,763 | 232,932 | 33,279,206 |
| Dec. 31 | The Citizens National Bank of Westernport, Westernport (5831). | 100,000 | 100,000 | 210,881 | 3,445,744 |
| | The First National Bank of Barton, Barton (6399). | 50,000 | 50,000 | 145,758 | 1,651,486 |
| | The First National Bank of Oakland, Oakland (5623). | 500,000 | 1,000,000 | 267,212 | 26,008,842 |
| | The First National Bank of Oakland, Oakland (5623). | 650,000 | 1,150,000 | 611,555 | 31,106,072 |
| | MICHIGAN | | | | |
| Mar. 31 | The First State Bank of Tekonsha, Tekonsha. | 72,000 | 72,000 | 59,383 | 1,931,491 |
| | The Southern Michigan National Bank of Coldwater, Coldwater (1924). | 356,400 | 360,000 | 1,271,607 | 30,035,497 |
| | The Southern Michigan National Bank of Coldwater, Coldwater (1924). | 420,400 | 425,000 | 1,345,989 | 31,966,988 |
| Apr. 24 | The Union State Bank of Laingsburg, Laingsburg. | 50,000 | 60,000 | 96,051 | 1,714,959 |
| | Clinton National Bank and Trust Company, St. Johns, St. Johns (3378). | 668,000 | 733,000 | 1,274,121 | 37,043,532 |
| | Clinton National Bank and Trust Company, St. Johns, St. Johns (3378). | 732,000 | 779,000 | 1,370,172 | 38,758,492 |
| June 30 | Peoples State Bank of Bronson, Bronson. | 220,000 | 250,000 | 88,647 | 8,628,983 |
| | The First National Bank of Quincy, Quincy (2550). | 310,000 | 345,000 | 200,707 | 16,497,563 |
| | First National Bank of Quincy, Quincy (2550). | 585,000 | 595,000 | 234,354 | 25,126,546 |
| Oct. 31 | Peoples State Bank of Maybee, Maybee. | 100,000 | 100,000 | 157,344 | 3,175,350 |
| | The First National Bank of Monroe, Monroe (1587). | 750,000 | 1,500,000 | 1,025,838 | 50,974,227 |
| | The First National Bank of Monroe, Monroe (1587). | 850,000 | 1,600,000 | 1,183,182 | 54,149,576 |

See footnote at end of table.

## Table B–17—Continued

*Mergers* of National banks, or National and State banks, by States, calendar 1969*

| *Effective date* | *Merging banks* / *Resulting bank* | *Outstanding capital stock* | *Surplus* | *Undivided profits and reserves* | *Total assets* |
|---|---|---|---|---|---|
| | MISSISSIPPI | | | | |
| June 27 | The Bank of Greenwood, Greenwood. | $350, 000 | $1, 050, 000 | $500, 993 | $26, 703, 082 |
| | First National Bank of Jackson, Jackson (10523). | 7, 518, 305 | 20, 981, 695 | 948, 725 | 367, 253, 622 |
| | First National Bank of Jackson, Jackson (10523). | 8, 184, 355 | 21, 715, 645 | 1, 329, 717 | 394, 173, 721 |
| Aug. 29 | First National Bank of Biloxi, Biloxi (14739). | 300, 000 | 900, 000 | 212, 605 | 23, 908, 723 |
| | First National Bank of Hattiesburg, Hattiesburg (5176). | 900, 000 | 2, 700, 000 | 273, 302 | 48, 980, 609 |
| | First Mississippi National Bank, Hattiesburg (5176). | 1, 350, 000 | 3, 450, 000 | 567, 274 | 73, 059, 029 |
| Dec. 31 | City Bank & Trust Company, Natchez. | 500, 000 | 1, 500, 000 | 318, 348 | 28, 746, 698 |
| | Deposit Guaranty National Bank, Jackson (15548). | 8, 100, 000 | 23, 800, 000 | 94, 213 | 440, 122, 649 |
| | Deposit Guaranty National Bank, Jackson (15548). | 8, 634, 375 | 25, 565, 625 | 252, 392 | 467, 004, 304 |
| | NEW HAMPSHIRE | | | | |
| Aug. 8 | The Salem Trust Company, Salem. | 294, 660 | 281, 990 | 210, 389 | 6, 339, 486 |
| | The Indian Head National Bank of Nashua, Nashua (1310). | 875, 000 | 3, 625, 000 | 440, 581 | 65, 358, 134 |
| | The Indian Head National Bank of Nashua, Nashua (1310). | 997, 775 | 4, 252, 225 | 496, 268 | 71, 698, 280 |
| Aug. 15 | The Laconia National Bank, Laconia (1645). | 200, 000 | 300, 000 | 272, 370 | 10, 230, 759 |
| | The Peoples National Bank of Laconia, Laconia (4037). | 125, 000 | 150, 000 | 470, 581 | 7, 694, 704 |
| | Laconia Peoples National Bank & Trust Company, Laconia (4037). | 452, 500 | 547, 500 | 517, 951 | 17, 810, 655 |
| Nov. 28 | The Mechanicks National Bank of Concord, Concord (2447). | 630, 000 | 1, 400, 000 | 630, 503 | 29, 718, 643 |
| | The Second National Bank of Nashua, Nashua (2240). | 500, 000 | 2, 300, 000 | 1, 191, 012 | 52, 686, 208 |
| | The Manchester National Bank, Manchester (1059). | 300, 000 | 1, 800, 000 | 533, 355 | 20, 927, 519 |
| | Bank of New Hampshire, National Association, Manchester (1059). | 2, 230, 000 | 5, 770, 000 | 1, 240, 897 | 103, 326, 314 |
| | NEW JERSEY | | | | |
| Jan. 10 | County Bank and Trust Company, of Somerset, Franklin Township. | 803, 140 | 1, 120, 604 | 240, 910 | 25, 190, 763 |
| | Somerset Hills National Bank, Basking Ridge (6960). | 686, 400 | 840, 000 | 242, 948 | 26, 187, 310 |
| | Somerset Hills & County National Bank, Basking Ridge (6960). | 1, 718, 340 | 1, 960, 604 | 255, 058 | 51, 378, 073 |
| Sept. 6 | The First National Bank of Westville, Westville (10430). | 350, 000 | 725, 000 | 526, 168 | 16, 795, 834 |
| | Colonial National Bank, Haddonfield (14457). | 3, 303, 270 | 3, 696, 730 | 1, 392, 866 | 126, 943, 276 |
| | Colonial National Bank, Haddonfield (14457). | 3, 828, 270 | 4, 421, 730 | 1, 744, 033 | 143, 739, 109 |
| Nov. 14 | Washington Trust Company, Washington. | 400, 000 | 850, 000 | 242, 225 | 18, 243, 885 |
| | National Newark & Essex Bank, Newark (1316). | 16, 105, 870 | 28, 894, 130 | 8, 725, 143 | 706, 394, 139 |
| | National Newark & Essex Bank, Newark (1316). | 16, 725, 870 | 28, 274, 130 | 10, 272, 344 | 724, 493, 271 |

See footnote at end of table.

TABLE B–17—Continued

*Mergers* of National banks, or National and State banks, by States, calendar 1969*

| *Effective date* | *Merging banks Resulting bank* | *Outstanding capital stock* | *Surplus* | *Undivided profits and reserves* | *Total assets* |
|---|---|---|---|---|---|
| | NEW JERSEY—continued | | | | |
| Nov. 14 | The Farmers and Mechanics National Bank of Woodbury, Woodbury (3716). | $635, 011 | $1, 394, 736 | 0 | $32, 296, 188 |
| | Peoples National Bank of New Jersey, Westmont (12022). | 1, 329, 129 | 2, 558, 353 | $1, 419, 500 | 101, 195, 907 |
| | Peoples National Bank of New Jersey, Westmont (12022). | 2, 186, 379 | 3, 736, 103 | 1, 414, 237 | 128, 598, 495 |
| Nov. 28 | The Millville National Bank, Millville (1270). | 150, 000 | 1, 300, 000 | 1, 207, 151 | 40, 887, 548 |
| | South Jersey National Bank, Camden (1209). | 4, 359, 375 | 11, 140, 625 | 5, 326, 200 | 267, 672, 525 |
| | South Jersey National Bank, Camden (1209). | 5, 076, 563 | 11, 923, 438 | 6, 640, 536 | 308, 613, 435 |
| Nov. 28 | The Lambertville National Bank, Lambertville (1272). | 131, 260 | 375, 000 | 52, 328 | 6, 250, 564 |
| | First Trenton National Bank, Trenton (1327). | 5, 843, 120 | 7, 952, 500 | 8, 878, 323 | 398, 597, 307 |
| | First Trenton National Bank, Trenton (1327). | 5, 925, 160 | 8, 376, 720 | 9, 491, 810 | 404, 830, 592 |
| Dec. 26 | Bank of Commerce, Newark. | 2, 045, 000 | 2, 052, 375 | 1, 592, 702 | 71, 455, 473 |
| | The First Jersey National Bank, Jersey City (374). | 6, 200, 000 | 12, 040, 000 | 4, 410, 348 | 408, 151, 084 |
| | The First Jersey National Bank, Jersey City (374). | 7, 836, 000 | 14, 501, 375 | 6, 003, 051 | 479, 606, 557 |
| | NEW YORK | | | | |
| Feb. 28 | United Bank and Trust Company, New York. | 1, 700, 000 | 951, 000 | 715, 772 | 10, 969, 019 |
| | Royal National Bank of New York, New York (15029). | 5, 008, 635 | 5, 010, 000 | 3, 305, 964 | 255, 798, 382 |
| | Royal National Bank of New York, New York (15029). | 5, 773, 635 | 6, 836, 000 | 3, 821, 000 | 266, 767, 471 |
| Nov. 28 | The Oceanside National Bank, Oceanside (12458). | 200, 000 | 200, 000 | 594, 284 | 11, 789, 068 |
| | Security National Bank, Huntington (6587). | 13, 684, 155 | 35, 314, 028 | 11, 598, 788 | 918, 893, 374 |
| | Security National Bank, Huntington (6587). | 13, 904, 155 | 35, 514, 028 | 12, 173, 072 | 930, 682, 442 |
| Dec. 31 | Marine Midland Trust Company of Rockland County, Nyack. | 2, 224, 000 | 2, 316, 000 | 1, 654, 444 | 86, 495, 299 |
| | Marine Midland National Bank of Southeastern New York, Poughkeepsie (465). | 2, 075, 000 | 4, 925, 000 | 3, 447, 739 | 154, 669, 793 |
| | Marine Midland Bank of Southeastern New York, N.A., Poughkeepsie (465). | 5, 321, 600 | 7, 241, 000 | 4, 079, 583 | 241, 165, 093 |
| | NORTH CAROLINA | | | | |
| May 27 | Bank of Varina, Fuquay-Varina | 100, 000 | 175, 000 | 95, 964 | 5, 419, 824 |
| | Southern National Bank of North Carolina, Lumberton (10610). | 3, 636, 605 | 4, 518, 546 | 1, 738, 321 | 146, 323, 432 |
| | Southern National Bank of North Carolina, Lumberton (10610). | 3, 814, 105 | 4, 616, 046 | 1, 834, 284 | 151, 743, 255 |
| Aug. 29 | Home Bank and Trust Company, Hendersonville. | 620, 500 | 620, 500 | 15, 201 | 4, 231, 157 |
| | First National Bank of Eastern North Carolina, Jacksonville (14676). | 2, 600, 000 | 4, 300, 000 | 892, 176 | 99, 517, 766 |
| | First National Bank of Eastern North Carolina, Jacksonville (14676). | 3, 065, 375 | 5, 075, 625 | 907, 376 | 103, 748, 922 |

See footnote at end of table.

TABLE B-17—Continued

*Mergers* of National banks, or National and State banks, by States, calendar 1969*

| *Effective date* | *Merging banks / Resulting bank* | *Outstanding capital stock* | *Surplus* | *Undivided profits and reserves* | *Total assets* |
|---|---|---|---|---|---|
| | NORTH CAROLINA—continued | | | | |
| Sept. 15 | The Bank of Franklin, Franklin. | $150,000 | $150,000 | $381,294 | $12,482,311 |
| | The Peoples Bank, Roxboro. | 400,000 | 400,000 | 613,465 | 20,243,597 |
| | First Union National Bank of North Carolina, Charlotte (15650). | 17,123,825 | 25,000,000 | 9,837,868 | 963,788,389 |
| | First Union National Bank of North Carolina, Charlotte (15650). | 17,868,825 | 25,500,000 | 10,687,627 | 996,776,328 |
| Sept. 22 | State Bank & Trust Company, Greenville. | 225,000 | 624,625 | 242,821 | 22,464,008 |
| | North Carolina National Bank, Charlotte (13761). | 14,543,090 | 41,704,276 | 18,880,639 | 1,230,880,392 |
| | North Carolina National Bank, Charlotte (13761). | 15,274,340 | 41,722,651 | 19,223,460 | 1,252,782,980 |
| | OHIO | | | | |
| Mar. 31 | The First National Bank of Utica, Utica (7596). | 50,000 | 250,000 | 355,457 | 6,991,140 |
| | The First National Bank of Newark, Newark (858). | 750,000 | 1,900,000 | 292,585 | 39,643,928 |
| | The First National Bank of Newark, Newark (858). | 750,000 | 2,150,000 | 579,456 | 46,539,404 |
| Sept. 30 | The Guardian Bank, Springfield. | 350,000 | 350,000 | 815,276 | 23,929 646 |
| | The New Carlisle National Bank, New Carlisle (6594). | 325,000 | 675,000 | 552,787 | 24,341,639 |
| | The Security National Bank, Springfield (6594). | 875,000 | 875,000 | 1,318,063 | 43,028,467 |
| Nov. 15 | Bank of Mt. Eaton, Mt. Eaton. | 35,000 | 145,000 | 65,061 | 2,094,702 |
| | First National Bank of Orrville-Dalton, Orrville (13742). | 553,000 | 947,000 | 710,492 | 26,328,041 |
| | First National Bank of Orrville-Dalton, Orrville (13742). | 601,000 | 1,099,000 | 774,385 | 28,441,575 |
| Dec. 31 | The Farmers Banking Company, West Liberty. | 35,000 | 245,000 | 82,415 | 3,548,747 |
| | Bellefontaine National Bank, Bellefontaine (13749). | 200,000 | 600,000 | 197,735 | 13,994,116 |
| | Bellefontaine National Bank, Bellefontaine (13749). | 270,000 | 810,000 | 280,149 | 17,542,863 |
| | PENNSYLVANIA | | | | |
| Jan. 17 | Peoples Bank of Enola, Enola. | 100,000 | 225,000 | 83,836 | 4,135,193 |
| | Cumberland County National Bank and Trust Company, New Cumberland (14542). | 1,645,620 | 3,054,380 | 656,313 | 89,979,862 |
| | Cumberland County National Bank and Trust Company, New Cumberland (14542). | 1,845,620 | 3,279,380 | 640,149 | 94,115,055 |
| Mar. 1 | The Farmers Bank of Mercersburg, Mercersburg. | 50,000 | 250,000 | 103,690 | 4,612,759 |
| | National Valley Bank and Trust Company, Chambersburg (593). | 1,188,000 | 2,378,000 | 552,831 | 58,334,103 |
| | National Valley Bank and Trust Company, Chambersburg (593). | 1,288,000 | 2,578,000 | 649,272 | 62,946,862 |
| Mar. 17 | The First National Bank of Nuremberg, Nuremberg (12563). | 50,000 | 140,000 | 125,016 | 2,667,097 |
| | The Hazleton National Bank, Hazleton (4204). | 750,000 | 2,250,000 | 1,358,000 | 50,367,934 |
| | The Hazleton National Bank, Hazleton (4204). | 800,000 | 2,390,000 | 1,483,017 | 53,035,031 |
| Mar. 31 | The Bank of Lehighton, Lehighton. | 100,000 | 300,000 | 59,406 | 7,217,437 |
| | Peoples First National Bank and Trust Company, Hazleton (3893). | 1,150,000 | 2,300,000 | 873,621 | 53,077,293 |
| | Peoples First National Bank and Trust Company, Hazleton (3893). | 1,310,000 | 2,620,000 | 890,398 | 60,342,001 |

See footnote at end of table.

TABLE B-17—Continued

*Mergers* of National banks, or National and State banks, by States, calendar 1969*

| *Effective date* | *Merging banks*<br>*Resulting bank* | *Outstanding capital stock* | *Surplus* | *Undivided profits and reserves* | *Total assets* |
|---|---|---|---|---|---|
| | PENNSYLVANIA—continued | | | | |
| June 30 | Keystone Trust Company, Harrisburg. | $300,000 | $800,000 | $356,909 | $14,555,132 |
| | The Fulton National Bank of Lancaster, Lancaster (2634). | 1,692,500 | 3,797,500 | 3,141,358 | 117,199,301 |
| | The Fulton National Bank of Lancaster, Lancaster (2634). | 2,067,500 | 4,597,500 | 3,423,267 | 131,754,433 |
| July 31 | The First National Bank of York Springs, York Springs (7856). | 50,000 | 300,000 | 54,678 | 4,512,753 |
| | Adams County National Bank, Cumberland Township (311). | 1,300,000 | 2,710,000 | 362,346 | 47,340,533 |
| | Adams County National Bank, Cumberland Township (311). | 1,425,000 | 2,935,000 | 417,024 | 51,853,286 |
| Sept. 8 | First National Bank, Charleroi (14123). | 100,000 | 300,000 | 557,364 | 9,741,906 |
| | First National Bank & Trust Co., Washington, Pa., Washington (5920). | 1,000,000 | 2,000,000 | 1,911,885 | 54,756,021 |
| | First National Bank & Trust Co., Washington, Pa., Washington (5920). | 1,185,000 | 2,000,000 | 2,684,249 | 64,497,927 |
| | SOUTH CAROLINA | | | | |
| Feb. 1 | The Peoples National Bank of Conway, Conway (10537). | 300,000 | 400,000 | 552,822 | 15,525,049 |
| | The Citizens and Southern National Bank of South Carolina, Charleston (14425). | 5,477,735 | 11,522,265 | 3,875,503 | 271,978,512 |
| | The Citizens and Southern National Bank of South Carolina, Charleston (14425). | 5,807,735 | 12,192,265 | 4,128,325 | 286,560,199 |
| Feb. 24 | The Merchants and Planters National Bank of Gaffney, Gaffney (10655). | 300,000 | 1,200,000 | 548,670 | 15,408,501 |
| | The Citizens and Southern National Bank of South Carolina, Charleston (14425). | 5,807,735 | 12,192,265 | 4,128,325 | 278,991,885 |
| | The Citizens and Southern National Bank of South Carolina, Charleston (14425). | 6,295,235 | 13,204,765 | 4,676,995 | 294,400,386 |
| May 5 | First National Bank of St. George, St. George (15025). | 175,000 | 85,000 | 295,649 | 8,023,501 |
| | First National Bank in Orangeburg, Orangeburg (13918). | 340,000 | 1,300,000 | 488,913 | 23,900,597 |
| | First National Bank in Orangeburg, Orangeburg (13918). | 427,500 | 1,472,500 | 695,830 | 31,667,889 |
| | SOUTH DAKOTA | | | | |
| July 31 | United National Bank of Brandon, Brandon (15581). | 125,000 | 200,000 | 62,242 | 5,260,317 |
| | Lyman County Bank, Kennebec. | 50,000 | 150,000 | 43,561 | 2,673,996 |
| | United National Bank of Vermillion, Vermillion (15639). | 400,000 | 400,000 | 238,837 | 16,038,608 |
| | United National Bank of Vermillion, Vermillion, South Dakota, Vermillion (15639). | 650,000 | 750,000 | 269,640 | 23,972,921 |
| | VERMONT | | | | |
| Sept. 9 | First National Bank of Bristol, Bristol (6252). | 50,000 | 245,000 | 26,258 | 3,302,474 |
| | The Merchants National Bank of Burlington, Burlington (1197). | 580,000 | 565,000 | 529,202 | 28,904,021 |
| | The Merchants National Bank of Burlington, Burlington (1197). | 622,000 | 810,000 | 569,125 | 32,919,347 |

See footnote at end of table.

TABLE B-17—Continued

*Mergers* of National banks, or National and State banks, by States, calendar 1969*

| Effective date | Merging banks<br>Resulting bank | Outstanding capital stock | Surplus | Undivided profits and reserves | Total assets |
|---|---|---|---|---|---|
| | VIRGINIA | | | | |
| Apr. 30 | People's Bank, Mount Jackson. | $50, 000 | $220, 000 | $268, 793 | $6, 446, 665 |
| | Massanutten Bank of Shenandoah Valley, National Association, Strasburg (15566). | 440, 000 | 560, 000 | 352, 627 | 18, 429, 942 |
| | First Virginia Bank, N.A., Strasburg (15566). | 615, 000 | 655, 000 | 621, 419 | 24, 876, 607 |
| May 23 | The Citizens National Bank of Front Royal, Front Royal (13275). | 210, 000 | 500, 000 | 242, 650 | 12, 973, 898 |
| | Farmers and Merchants National Bank, Winchester (6084). | 1, 510, 000 | 1, 510, 000 | 824, 794 | 53, 555, 661 |
| | Farmers and Merchants National Bank, Winchester (6084). | 1, 930, 000 | 1, 930, 000 | 937, 443 | 66, 529, 559 |
| Aug. 15 | Commonwealth National Bank of Arlington, Arlington (15146). | 1, 000, 000 | 459, 000 | 51, 153 | 34, 777, 218 |
| | Virginia National Bank, Norfolk (9885). | 16, 177, 725 | 23, 922, 275 | 14, 924, 737 | 817, 246, 421 |
| | Virginia National Bank, Norfolk (9885). | 17, 177, 725 | 24, 381, 275 | 14, 975, 891 | 851, 531, 017 |
| Dec. 19 | The First National Bank of Quantico, Quantico (12477). | 200, 000 | 350, 000 | 287, 007 | 13, 948, 950 |
| | Virginia National Bank, Norfolk (9885). | 18, 250, 000 | 24, 381, 275 | 15, 492, 113 | 912, 331, 648 |
| | Virginia National Bank, Norfolk (9885). | 18, 680, 000 | 24, 501, 275 | 15, 757, 620 | 926, 284, 233 |
| | WISCONSIN | | | | |
| Nov. 21 | Monroe County Bank, Sparta. | 105, 000 | 180, 000 | 120, 773 | 5, 220, 337 |
| | The Farmers National Bank of Sparta, Sparta (11463). | 100, 000 | 200, 000 | 79, 894 | 4, 947, 252 |
| | Union National Bank & Trust Company, Sparta (11463). | 205, 000 | 380, 000 | 200, 667 | 10, 167, 589 |

*Excludes mergers involving only 1 operating bank, effected pursuant to corporate reorganization.

TABLE B-18

*Mergers resulting in National banks, by assets of acquiring and acquired banks, 1960–69**

| Assets of acquiring bank† | Assets of acquired bank: Under $10 million | $10 million to 24.9 million | $25 million to 49.9 million | $50 million to 99.9 million | $100 million and over | Total |
|---|---|---|---|---|---|---|
| Under $10 million | 78 | 0 | 0 | 0 | 0 | 78 |
| $10 million to $24.9 million | 104 | 13 | 0 | 0 | 0 | 117 |
| $25 million to $49.9 million | 85 | 29 | 7 | 0 | 0 | 121 |
| $50 million to $99.9 million | 93 | 30 | 15 | 3 | 0 | 141 |
| $100 million and over | 172 | 123 | 36 | 20 | 14 | 365 |
| Total | 532 | 195 | 58 | 23 | 14 | ‡822 |

*Includes all forms of acquisitions involving 2 or more banks, from May 13, 1960, through Dec. 31, 1969.
†In each transaction, the bank with larger total assets was considered to be the acquiring bank.
‡Comprises 791 transactions, 16 involving 3 banks, 6 involving 4 banks, and 1 involving 5 banks.

TABLE B-19

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1969*

| Charter No. | Title and location of bank | Branches opened for business | | |
|---|---|---|---|---|
| | | Local | Other than local | Total |
| | Total | 274 | 604 | 878 |
| | ALABAMA | | | |
| 14414 | State National Bank of Alabama, Decatur | 0 | 1 | 1 |
| 4067 | The First National Bank of Huntsville, Huntsville | 1 | 1 | 2 |
| 1595 | The First National Bank of Mobile, Mobile | 1 | 0 | 1 |
| 13097 | The Merchants National Bank of Mobile, Mobile | 1 | 0 | 1 |
| 1814 | The First National Bank of Montgomery, Montgomery | 1 | 0 | 1 |
| 8963 | The First National Bank, Scottsboro, Alabama | 0 | 1 | 1 |
| 6173 | The City National Bank of Tuscaloosa, Tuscaloosa | 1 | 0 | 1 |
| | ALASKA | | | |
| 14651 | National Bank of Alaska, Anchorage | 0 | 2 | 2 |
| 14747 | Alaska National Bank of Fairbanks, Fairbanks | 1 | 3 | 4 |
| | ARIZONA | | | |
| 3728 | First National Bank of Arizona, Phoenix | 0 | 6 | 6 |
| 14324 | The Valley National Bank of Arizona, Phoenix | 2 | 6 | 8 |
| | ARKANSAS | | | |
| 13637 | First National Bank of Eastern Arkansas, Forest City | 1 | 0 | 1 |
| 1950 | The First National Bank of Fort Smith, Fort Smith | 1 | 0 | 1 |
| 7240 | The Merchants National Bank of Fort Smith, Fort Smith | 1 | 0 | 1 |
| | CALIFORNIA | | | |
| 15347 | Alameda First National Bank, Alameda | 0 | 1 | 1 |
| 14670 | Community National Bank, Bakersfield | 0 | 1 | 1 |
| 14695 | City National Bank, Beverly Hills | 0 | 1 | 1 |
| 15450 | National Bank of Agriculture, Delano | 0 | 1 | 1 |
| 15453 | Escondido National Bank, Escondido | 0 | 1 | 1 |
| 2419 | Security Pacific National Bank, Los Angeles | 3 | 19 | 22 |
| 15235 | Newport National Bank, Newport Beach | 0 | 2 | 2 |
| 6919 | Central Valley National Bank, Oakland | 1 | 1 | 2 |
| 15180 | Security National Bank, Oakland | 0 | 1 | 1 |
| 6268 | First National Bank and Trust Company, Ontario | 0 | 2 | 2 |
| 15532 | Commercial and Farmers National Bank, Oxnard | 2 | 0 | 2 |
| 15349 | Valley National Bank, Salinas | 0 | 1 | 1 |
| 3050 | Southern California First National Bank, San Diego | 0 | 5 | 5 |
| 10391 | United States National Bank, San Diego | 1 | 2 | 3 |
| 13044 | Bank of America National Trust and Savings Association, San Francisco | 2 | 12 | 14 |
| 9655 | Bank of California, National Association, San Francisco | 0 | 1 | 1 |
| 15330 | Commonwealth National Bank, San Francisco | 1 | 1 | 2 |
| 1741 | Crocker-Citizens National Bank, San Francisco | 0 | 2 | 2 |
| 15660 | Wells Fargo Bank, National Association, San Francisco | 0 | 16 | 16 |
| 2158 | The First National Bank of San Jose, San Jose | 1 | 0 | 1 |
| 15357 | San Joaquin Valley National Bank, Tulare | 0 | 1 | 1 |
| | COLORADO | | | |
| 15617 | Continental National Bank, Englewood | 1 | 0 | 1 |
| 14146 | The First National Bank in Fort Collins, Fort Collins | 1 | 0 | 1 |
| | CONNECTICUT | | | |
| 335 | The Connecticut National Bank, Bridgeport | 0 | 1 | 1 |
| 4 | The State National Bank of Connecticut, Bridgeport | 0 | 1 | 1 |
| 15542 | The Constitution National Bank, Hartford | 0 | 1 | 1 |
| 1338 | Hartford National Bank and Trust Company, Hartford | 0 | 9 | 9 |
| 720 | The Home National Bank and Trust Company, Meriden | 0 | 1 | 1 |
| 2 | The First New Haven National Bank, New Haven | 2 | 0 | 2 |
| 15354 | Orange National Bank, Orange | 0 | 1 | 1 |
| 780 | The Waterbury National Bank, Waterbury | 1 | 1 | 2 |
| 15363 | Westport National Bank, Westport | 1 | 0 | 1 |

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1969*

| Charter No. | Title and location of bank | Branches opened for business | | |
|---|---|---|---|---|
| | | Local | Other than local | Total |
| | DISTRICT OF COLUMBIA | | | |
| 3425 | The National Bank of Washington, Washington | 0 | 1 | 1 |
| 5046 | The Riggs National Bank of Washington, D.C., Washington | 1 | 0 | 1 |
| 15700 | Security Bank, N.A., Washington | 4 | 0 | 4 |
| | GEORGIA | | | |
| 1559 | The First National Bank of Atlanta, Atlanta | 2 | 0 | 2 |
| 9617 | The Fulton National Bank of Atlanta, Atlanta | 1 | 0 | 1 |
| 10270 | The First National Bank & Trust Company in Macon, Macon | 1 | 0 | 1 |
| 13068 | The Citizens and Southern National Bank of Georgia, Savannah | 0 | 5 | 5 |
| 15546 | First National Bank and Trust Company, Vidalia | 1 | 0 | 1 |
| | HAWAII | | | |
| 14911 | Hawaii National Bank, Honolulu, Honolulu | 1 | 0 | 1 |
| | IDAHO | | | |
| 14444 | First Security Bank of Idaho, National Association, Boise | 0 | 2 | 2 |
| 1668 | The Idaho First National Bank, Boise | 1 | 2 | 3 |
| | ILLINOIS | | | |
| 5525 | The Anna National Bank, Anna | 1 | 0 | 1 |
| 14368 | First Arlington National Bank in Arlington Heights, Illinois, Arlington Heights | 1 | 0 | 1 |
| 3854 | The Merchants National Bank of Aurora, Aurora | 1 | 0 | 1 |
| 14268 | The First National Bank in Carlyle, Carlyle | 1 | 0 | 1 |
| 8043 | The Casey National Bank, Casey | 1 | 0 | 1 |
| 13216 | American National Bank and Trust Company of Chicago, Chicago | 1 | 0 | 1 |
| 14526 | Commercial National Bank of Chicago, Chicago | 1 | 0 | 1 |
| 14486 | The Lincoln National Bank, Chicago | 1 | 0 | 1 |
| 14504 | Marquette National Bank, Chicago | 1 | 0 | 1 |
| 14661 | The Steel City National Bank of Chicago, Chicago | 1 | 0 | 1 |
| 1365 | The First National Bank of Elgin, Elgin | 1 | 0 | 1 |
| 14411 | Elmhurst National Bank, Elmhurst | 1 | 0 | 1 |
| 1961 | First National Bank of Flora, Flora | 1 | 0 | 1 |
| 14390 | The First National Bank of Highland Park, Highland Park | 1 | 0 | 1 |
| 8937 | The First National Bank of Lake Forest, Lake Forest | 1 | 0 | 1 |
| 13809 | First National Bank in Paxton, Paxton | 1 | 0 | 1 |
| 2413 | Citizens First National Bank of Princeton, Princeton | 1 | 0 | 1 |
| 205 | The First National Bank of Springfield, Springfield | 1 | 0 | 1 |
| 14595 | Wheaton National Bank, Wheaton | 1 | 0 | 1 |
| | INDIANA | | | |
| 12132 | The National City Bank of Evansville, Evansville | 1 | 0 | 1 |
| 14379 | The Calumet National Bank of Hammond, Hammond | 0 | 2 | 2 |
| 571 | The First National Bank and Trust Company of Crawfordsville, Crawfordsville | 0 | 1 | 1 |
| 14398 | The First National Bank in Huntington, Huntington | 1 | 0 | 1 |
| 984 | The Indiana National Bank, Indianapolis | 1 | 0 | 1 |
| 869 | Merchants National Bank & Trust Company of Indianapolis, Indianapolis | 1 | 3 | 4 |
| 2747 | The First-Merchants National Bank of Michigan City, Michigan City | 1 | 0 | 1 |
| 2234 | The Merchants National Bank of Muncie, Muncie | 1 | 0 | 1 |
| 1988 | The Second National Bank of Richmond, Richmond | 2 | 0 | 2 |
| | IOWA | | | |
| 14799 | City National Bank of Cedar Rapids, Cedar Rapids | 1 | 0 | 1 |
| 117 | The First National Bank of Marion, Marion | 1 | 0 | 1 |
| 13702 | The National Bank of Waterloo, Waterloo | 1 | 0 | 1 |
| | KANSAS | | | |
| 3909 | The Merchants National Bank of Topeka, Topeka | 1 | 0 | 1 |

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1969*

| Charter No. | Title and location of bank | Branches opened for business: Local | Other than local | Total |
|---|---|---|---|---|
| | KENTUCKY | | | |
| 12293 | The Third National Bank of Ashland, Ashland | 0 | 1 | 1 |
| 718 | The First National Bank and Trust Company of Covington, Covington | 0 | 1 | 1 |
| 14894 | Fort Knox National Bank, Fort Knox | 0 | 1 | 1 |
| 4090 | The State National Bank of Frankfort, Frankfort | 1 | 0 | 1 |
| 906 | First Security National Bank and Trust Company of Lexington, Lexington | 1 | 0 | 1 |
| 109 | First National Bank of Louisville, Louisville | 0 | 1 | 1 |
| 7030 | Pikeville National Bank & Trust Company, Pikeville | 0 | 2 | 2 |
| 3832 | The First and Farmers National Bank of Somerset, Somerset | 0 | 1 | 1 |
| | LOUISIANA | | | |
| 13737 | City National Bank of Baton Rouge, Baton Rouge | 1 | 0 | 1 |
| 14168 | First National Bank in DeRidder, DeRidder | 1 | 0 | 1 |
| 13732 | First National Bank of Jefferson Parish, Gretna | 0 | 1 | 1 |
| 14086 | The Citizens National Bank in Hammond, Hammond | 0 | 1 | 1 |
| 5023 | The First National Bank of Lafayette, Lafayette | 1 | 0 | 1 |
| 14849 | Lakeside National Bank of Lake Charles, Lake Charles | 1 | 0 | 1 |
| 13655 | The Ouachita National Bank in Monroe, Monroe | 0 | 1 | 1 |
| 13688 | The Hibernia National Bank in New Orleans, New Orleans | 2 | 0 | 2 |
| 11795 | The First National Bank of Ruston, Ruston | 0 | 1 | 1 |
| 3595 | The First National Bank of Shreveport, Shreveport | 1 | 0 | 1 |
| 13345 | Lafourche National Bank of Thibodaux, Thibodaux | 1 | 0 | 1 |
| | MAINE | | | |
| 1437 | Merchants National Bank of Bangor, Bangor | 1 | 0 | 1 |
| 13843 | The First National Bank of Fort Fairfield, Fort Fairfield | 0 | 1 | 1 |
| 2260 | First-Manufacturers National Bank of Lewiston and Auburn, Auburn | 1 | 0 | 1 |
| 13750 | Norway National Bank, Norway | 0 | 1 | 1 |
| 941 | Canal National Bank, Portland | 0 | 1 | 1 |
| | MARYLAND | | | |
| 1244 | The Farmers National Bank of Annapolis, Annapolis | 1 | 0 | 1 |
| 13745 | Maryland National Bank, Baltimore | 1 | 2 | 3 |
| 1413 | The First National Bank of Maryland, Baltimore | 1 | 2 | 3 |
| 15285 | Belair National Bank, Bowie | 1 | 0 | 1 |
| 15365 | University National Bank, College Park | 0 | 1 | 1 |
| 381 | The First National Bank & Trust Co. of Western Maryland, Cumberland | 1 | 0 | 1 |
| 15154 | Peoples National Bank of Maryland, Suitland | 0 | 1 | 1 |
| 14985 | Metropolitan National Bank of Maryland, Wheaton | 0 | 1 | 1 |
| | MASSACHUSETTS | | | |
| 393 | The First National Bank of Amherst, Amherst | 0 | 2 | 2 |
| 200 | The First National Bank of Boston, Boston | 1 | 0 | 1 |
| 475 | New England Merchants National Bank of Boston, Boston | 0 | 1 | 1 |
| 779 | Plymouth-Home National Bank, Brockton | | 1 | 1 |
| 4771 | The County Bank, N.A., Cambridge | 0 | 1 | 1 |
| 590 | The Fall River National Bank, Fall River | 0 | 1 | 1 |
| 1320 | The Falmouth National Bank, Falmouth | 0 | 2 | 2 |
| 4774 | The First National Bank of Ipswich, Ipswich | 0 | 1 | 1 |
| 2404 | The Peoples National Bank of Marlborough, Marlborough | 0 | 1 | 1 |
| 14834 | First National Bank of Natick, Natick | 0 | 1 | 1 |
| 261 | The First National Bank of New Bedford, New Bedford | 1 | 0 | 1 |
| 1082 | First Agricultural National Bank of Berkshire County, Pittsfield | 1 | 0 | 1 |
| 14798 | South Shore National Bank, Quincy | 0 | 1 | 1 |
| 308 | Third National Bank of Hampden County, Springfield | 1 | 0 | 1 |
| 416 | The First-Machinists National Bank of Taunton, Taunton | 1 | 0 | 1 |
| 1135 | The Mechanics National Bank of Worcester, Worcester | 1 | 0 | 1 |

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1969*

| Charter No. | Title and location of bank | Branches opened for business | | |
|---|---|---|---|---|
| | | Local | Other than local | Total |
| | MICHIGAN | | | |
| 1924 | The Southern Michigan National Bank of Coldwater, Coldwater | 0 | 1 | 1 |
| 14925 | City National Bank of Detroit, Detroit | 0 | 1 | 1 |
| 13738 | Manufacturers National Bank of Detroit, Detroit | 0 | 2 | 2 |
| 14948 | Michigan Bank, National Association, Detroit | 1 | 0 | 1 |
| 13671 | National Bank of Detroit, Detroit | 0 | 4 | 4 |
| 13995 | The National Bank of Eaton Rapids, Eaton Rapids | 0 | 1 | 1 |
| 14102 | The Iron River National Bank, Iron River | 1 | 0 | 1 |
| 191 | The First National Bank and Trust Company of Kalamazoo, Kalamazoo | 0 | 1 | 1 |
| 1731 | The First National Bank of Lapeer, Lapeer | 1 | 0 | 1 |
| 15444 | Livonia National Bank, Livonia | 2 | 0 | 2 |
| 14582 | First National Bank & Trust Company of Midland, Midland | 1 | 0 | 1 |
| 1587 | The First National Bank of Monroe, Monroe | 0 | 1 | 1 |
| 4398 | Hackley Union National Bank and Trust Company of Muskegon, Muskegon | 2 | 0 | 2 |
| 13739 | Community National Bank of Pontiac, Pontiac | 1 | 0 | 1 |
| 2550 | First National Bank of Quincy, Quincy | 0 | 1 | 1 |
| 1918 | Second National Bank of Saginaw, Saginaw | 0 | 1 | 1 |
| 14523 | First National Bank & Trust Company, Sturgis | 0 | 1 | 1 |
| 3378 | Clinton National Bank and Trust Company, St. Johns | 0 | 1 | 1 |
| 15611 | First National Bank of Warren, Warren | 2 | 0 | 2 |
| 10498 | The First National Bank of Watervliet, Watervliet | 1 | 0 | 1 |
| | MISSISSIPPI | | | |
| 5176 | First Mississippi National Bank, Hattiesburg | 0 | 1 | 1 |
| 15539 | Southern National Bank of Hattiesburg, Hattiesburg | 1 | 0 | 1 |
| 15386 | First National Bank of Iuka, Iuka | 0 | 1 | 1 |
| 15516 | Citizens National Bank, Jackson | 1 | 0 | 1 |
| 10523 | First National Bank of Jackson, Jackson | 1 | 3 | 4 |
| 13551 | First National Bank in Meridian, Meridian | 0 | 1 | 1 |
| 15661 | First National Bank, Southaven, Mississippi, Southaven | 1 | 0 | 1 |
| 15479 | First Citizens National Bank, Tupelo | 0 | 2 | 2 |
| 2891 | The First National Bank of West Point, West Point | 1 | 0 | 1 |
| | NEBRASKA | | | |
| 15376 | City National Bank of Lincoln, Lincoln | 1 | 0 | 1 |
| 1633 | The Omaha National Bank, Omaha | 1 | 0 | 1 |
| 14004 | Packers National Bank in Omaha, Omaha | 1 | 0 | 1 |
| | NEVADA | | | |
| 14406 | Security National Bank of Nevada, Reno | 0 | 1 | 1 |
| | NEW HAMPSHIRE | | | |
| 5274 | Merchants National Bank, Dover | 1 | 0 | 1 |
| 12889 | The Rockingham National Bank of Exeter, Exeter | 1 | 0 | 1 |
| 4037 | Laconia Peoples National Bank and Trust Company, Laconia | 1 | 0 | 1 |
| 15737 | Lisbon National Bank, Lisbon | 0 | 1 | 1 |
| 1059 | Bank of New Hampshire, National Association, Manchester | 0 | 2 | 2 |
| 1310 | The Indian Head National Bank of Nashua, Nashua | 0 | 1 | 1 |
| 2240 | The Second National Bank of Nashua, Nashua | 2 | 1 | 3 |
| 1052 | The New Hampshire National Bank of Portsmouth, Portsmouth | 1 | 0 | 1 |
| 1180 | First Somersworth-Rollingsford National Bank, Somersworth | 1 | 0 | 1 |
| | NEW JERSEY | | | |
| 13363 | First Merchants National Bank, Asbury Park, Asbury Park | 1 | 2 | 3 |
| 6960 | Somerset Hills & County National Bank, Basking Ridge | 0 | 4 | 4 |
| 8704 | First National Bank and Trust Company of Beverly, Beverly | 0 | 1 | 1 |
| 9498 | The Farmers and Merchants National Bank of Bridgeton, Bridgeton | 0 | 3 | 3 |
| 1209 | South Jersey National Bank, Camden | 0 | 5 | 5 |
| 10471 | The Clayton National Bank, Clayton | 0 | 1 | 1 |
| 15709 | New Jersey Bank (National Association), Clifton | 5 | 16 | 21 |
| 2076 | The National Union Bank of Dover, Dover | 0 | 1 | 1 |

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1969*

| Charter No. | Title and location of bank | Branches opened for business | | |
|---|---|---|---|---|
| | | Local | Other than local | Total |
| | NEW JERSEY—continued | | | |
| 15419 | Eatontown National Bank, Eatontown | 0 | 1 | 1 |
| 1436 | The National State Bank, Elizabeth, N.J., Elizabeth | 0 | 2 | 2 |
| 15035 | Franklin Lakes National Bank, Franklin Lakes | 0 | 1 | 1 |
| 12014 | City National Bank, Hackensack | 1 | 0 | 1 |
| 15570 | The Hackensack Trust Company, National Association, Hackensack | 0 | 1 | 1 |
| 8267 | The Peoples National Bank of Hackettstown, Hackettstown | 0 | 1 | 1 |
| 14457 | Colonial National Bank, Haddonfield | 0 | 1 | 1 |
| 374 | The First Jersey National Bank, Jersey City | 0 | 6 | 6 |
| 8627 | The First National Bank and Trust Company of Kearney, Kearney | 0 | 1 | 1 |
| 3878 | Amboy-Madison National Bank, Madison Township | 1 | 0 | 1 |
| 6440 | The Farmers and Merchants National Bank of Matawan, Matawan | 0 | 1 | 1 |
| 1270 | The Millville National Bank, Millville | 1 | 0 | 1 |
| 4274 | Trust Company National Bank, Morristown | 0 | 1 | 1 |
| 15297 | New Jersey National Bank and Trust Company, Neptune | 1 | 0 | 1 |
| 1452 | First National State Bank of New Jersey, Newark | 0 | 1 | 1 |
| 1116 | National Newark & Essex Bank, Newark | 0 | 3 | 3 |
| 15505 | Security National Bank, Newark | 0 | 1 | 1 |
| 3697 | The Peoples National Bank of New Brunswick, New Brunswick | 1 | 0 | 1 |
| 329 | First National Bank of Passiac County, Paterson | 0 | 1 | 1 |
| 8007 | First National Bank of Pedricktown, Pedricktown | 0 | 1 | 1 |
| 3697 | The Peoples National Bank of Central Jersey, Piscataway | 1 | 0 | 1 |
| 5712 | Ocean County National Bank, Point Pleasant | 1 | 0 | 1 |
| 2257 | The Monmouth County National Bank, Red Bank, Red Bank | 1 | 0 | 1 |
| 11759 | Citizens First National Bank of Ridgewood, Ridgewood | 0 | 2 | 2 |
| 5005 | National Community Bank of Rutherford, Rutherford | 1 | 1 | 2 |
| 15228 | National Bank of Secaucus, Secaucus | 1 | 0 | 1 |
| 15327 | First National Bank of Scotch Plains, Scotch Plains | 0 | 1 | 1 |
| 3866 | The First National Bank of Somerset County, N.J., Somerville | 0 | 1 | 1 |
| 2509 | The First National Bank of Toms River, N.J. Toms River | 1 | 1 | 2 |
| 1327 | First Trenton National Bank, Trenton | 0 | 2 | 2 |
| 12425 | The Union Center National Bank, Union | 0 | 1 | 1 |
| 13848 | Belmar-Wall National Bank, West Belmar | 0 | 1 | 1 |
| 12022 | Peoples National Bank of New Jersey, Westmont | 0 | 1 | 1 |
| 1199 | First County National Bank and Trust Company, Woodbury, Woodbury | 0 | 1 | 1 |
| | NEW MEXICO | | | |
| 12485 | Albuquerque National Bank, Albuquerque | 1 | 0 | 1 |
| 15499 | Fidelity National Bank, Albuquerque | 1 | 0 | 1 |
| 15256 | Farmington National Bank, Farmington | 1 | 0 | 1 |
| 14971 | Deming National Bank, Deming | 0 | 1 | 1 |
| 14912 | Security National Bank of Roswell, Roswell | 1 | 0 | 1 |
| 1750 | The First National Bank of Santa Fe, Santa Fe | 0 | 1 | 1 |
| 8132 | The American National Bank of Silver City, Silver City | 1 | 0 | 1 |
| | NEW YORK | | | |
| 15758 | First Trust Company of Albany, National Association, Albany | 7 | 8 | 15 |
| 1301 | National Commercial Bank and Trust Company, Albany | 0 | 1 | 1 |
| 11583 | The Evans National Bank of Angola, Angola | 0 | 1 | 1 |
| 5816 | The National Exchange Bank of Castleton on Hudson, Castleton on Hudson | 0 | 1 | 1 |
| 2655 | First National Bank and Trust Company of Corning, Corning | 0 | 1 | 1 |
| 11511 | Marine Midland Tinker National Bank, East Setauket | 0 | 1 | 1 |
| 6587 | Security National Bank, Huntington | 1 | 2 | 3 |
| 7703 | National Bank of North America, Jamaica | 0 | 3 | 3 |
| 1120 | The Rondout National Bank of Kingston, Kingston | 0 | 1 | 1 |
| 13956 | County National Bank, Middletown | 0 | 2 | 2 |
| 12997 | Franklin National Bank, Mineola | 0 | 3 | 3 |
| 13314 | Nanuet National Bank, Nanuet | 0 | 1 | 1 |
| 2370 | The Chase Manhattan Bank (National Association), New York | 5 | 2 | 7 |
| 1461 | First National City Bank, New York | 8 | 2 | 10 |
| 15029 | Royal National Bank of New York, New York | 1 | 0 | 1 |
| 1354 | The National Bank and Trust Company of Norwich, Norwich | 1 | 0 | 1 |

TABLE B–19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1969*

| Charter No. | Title and location of bank | Branches opened for business: Local | Other than local | Total |
|---|---|---|---|---|
| | NEW YORK—continued | | | |
| 15558 | Community National Bank and Trust Company of Richmond, Richmond | 0 | 1 | 1 |
| 13664 | The First National Bank of Painted Post, Painted Post | 0 | 1 | 1 |
| 15641 | The State of New York National Bank, Poughkeepsie | 1 | 0 | 1 |
| 13563 | First National Bank in Sidney, Sidney | 1 | 0 | 1 |
| 1342 | The Merchants National Bank and Trust Company of Syracuse, Syracuse | 0 | 1 | 1 |
| 15627 | Lincoln National Bank and Trust Company of Central New York, Syracuse | 0 | 2 | 2 |
| 2657 | The National Bank of Northern New York, Watertown | 0 | 1 | 1 |
| | NORTH CAROLINA | | | |
| 11091 | The First National Bank of Albemarle, Albemarle | 1 | 0 | 1 |
| 15650 | First Union National Bank of North Carolina, Charlotte | 2 | 14 | 16 |
| 13761 | North Carolina National Bank, Charlotte | 0 | 8 | 8 |
| 14481 | Citizens National Bank of Concord, Concord | 1 | 0 | 1 |
| 14676 | First National Bank of Eastern North Carolina, Jacksonville | 1 | 3 | 4 |
| 10610 | Southern National Bank of North Carolina, Lumberton | 0 | 6 | 6 |
| 13859 | The Union National Bank of Oxford, Oxford | 0 | 1 | 1 |
| 11229 | First National Bank of Reidsville, Reidsville | 1 | 0 | 1 |
| 10608 | The Planters National Bank and Trust Company, Rocky Mount | 0 | 2 | 2 |
| 4947 | The First National Bank of Anson County, Wadesboro | 1 | 0 | 1 |
| 15673 | Wachovia Bank and Trust Company, N.A., Winston-Salem | 17 | 114 | 131 |
| | OHIO | | | |
| 15416 | First National Bank, Bowling Green | 1 | 0 | 1 |
| 13899 | The First National Bank in Bryan, Bryan | 1 | 0 | 1 |
| 13905 | The Central National Bank at Cambridge, Cambridge | 1 | 0 | 1 |
| 3654 | The Farmers National Bank of Canfield, Canfield | 0 | 1 | 1 |
| 76 | First National Bank of Canton, Canton | 0 | 1 | 1 |
| 128 | The First National Bank of Chillicothe, Chillicothe | 1 | 0 | 1 |
| 24 | The First National Bank of Cincinnati, Cincinnati | 0 | 1 | 1 |
| 172 | The Second National Bank of Circleville, Circleville | 1 | 0 | 1 |
| 15423 | The Capital National Bank, Cleveland | 1 | 1 | 2 |
| 4318 | Central National Bank of Cleveland, Cleveland | 1 | 0 | 1 |
| 14761 | Society National Bank of Cleveland, Cleveland | 0 | 1 | 1 |
| 7745 | The Huntington National Bank of Columbus, Columbus | 1 | 1 | 2 |
| 5065 | The Ohio National Bank of Columbus, Columbus | 1 | 1 | 2 |
| 15609 | Akron National Bank and Trust Company, Akron | 1 | 0 | 1 |
| 14579 | First National Bank of Akron, Akron | 2 | 0 | 2 |
| 183 | The First National Bank of Ashland, Ashland | 1 | 0 | 1 |
| 13914 | First National Bank in Bellaire, Bellaire | 1 | 0 | 1 |
| 10 | The Third National Bank and Trust Company of Dayton, Ohio, Dayton | 0 | 1 | 1 |
| 2604 | The Winters National Bank and Trust Company of Dayton, Dayton | 1 | 0 | 1 |
| 15512 | National Bank of Defiance, Defiance | 1 | 0 | 1 |
| 3889 | The Preble County National Bank of Eaton, Eaton | 1 | 0 | 1 |
| 15577 | Elyria Savings & Trust National Bank, Elyria | 0 | 1 | 1 |
| 56 | The First National Bank and Trust Company of Hamilton, Hamilton | 0 | 1 | 1 |
| 15340 | Tower National Bank of Lima, Lima | 1 | 0 | 1 |
| 15456 | The Central Security National Bank of Lorain County, Lorain | 1 | 1 | 2 |
| 14290 | The Lorain National Bank, Lorain | 1 | 0 | 1 |
| 11831 | The National City Bank of Marion, Marion | 0 | 1 | 1 |
| 10692 | The Brown County National Bank of Mt. Orab, Mount Orab | 0 | 1 | 1 |
| 858 | The First National Bank of Newark, Newark | 0 | 1 | 1 |
| 13742 | First National Bank of Orrville-Dalton, Orrville | 0 | 1 | 1 |
| 1006 | The Piqua National Bank and Trust Company, Piqua | 0 | 1 | 1 |
| 13832 | The National Bank of Portsmouth, Portsmouth | 0 | 1 | 1 |
| 6594 | The Security National Bank, Springfield | 2 | 1 | 3 |
| 14586 | First Bank of Toledo, Toledo | 1 | 1 | 2 |
| 13797 | Van Wert National Bank, Van Wert | 0 | 1 | 1 |
| 2479 | The Second National Bank of Warren, Warren | 0 | 1 | 1 |
| 1997 | The Clinton County National Bank and Trust Company of Wilmington, Wilmington | 0 | 2 | 2 |
| 365 | The First National Bank of Wilmington, Wilmington | 1 | 0 | 1 |
| 2350 | The Mahoning National Bank of Youngstown, Youngstown | 1 | 2 | 3 |

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1969*

| Charter No. | Title and location of bank | Branches opened for business | | |
|---|---|---|---|---|
| | | Local | Other than local | Total |
| | OKLAHOMA | | | |
| 15350 | Republic National Bank of Tulsa, Tulsa | 1 | 0 | 1 |
| | OREGON | | | |
| 1553 | First National Bank of Oregon, Portland | 0 | 1 | 1 |
| 4514 | United States National Bank of Oregon, Portland | 0 | 3 | 3 |
| | PENNSYLVANIA | | | |
| 6645 | The Merchants National Bank of Allentown, Allentown | 1 | 0 | 1 |
| 2280 | The Citizens National Bank of Ashland, Ashland | 0 | 2 | 2 |
| 723 | Central Penn National Bank, Bala-Cynwyd | 0 | 1 | 1 |
| 10128 | The Kishacoquillas Valley National Bank of Belleville, Belleville | 0 | 1 | 1 |
| 138 | The First National Bank and Trust Company of Bethlehem, Bethlehem | 1 | 1 | 2 |
| 2428 | The Bradford National Bank, Bradford | 1 | 0 | 1 |
| 593 | National Valley Bank and Trust Company, Chambersburg | 1 | 1 | 2 |
| 355 | The Delaware County National Bank, Chester | 0 | 1 | 1 |
| 4948 | The First National Bank of Coudersport, Coudersport | 0 | 1 | 1 |
| 311 | Adams County National Bank, Cumberland Township | 0 | 1 | 1 |
| 573 | The Doylestown National Bank and Trust Company, Doylestown | 0 | 1 | 1 |
| 870 | Marine National Bank, Erie | 0 | 1 | 1 |
| 8854 | The Citizens National Bank of Evans City, Evans City | 0 | 1 | 1 |
| 9256 | The First National Bank of Fairfield, Fairfield | 0 | 1 | 1 |
| 611 | The Gettysburg National Bank, Gettysburg | 1 | 0 | 1 |
| 249 | First National Bank of Mercer County, Greenville | 0 | 1 | 1 |
| 4204 | The Hazleton National Bank, Hazleton | 0 | 1 | 1 |
| 3893 | Peoples First National Bank and Trust Company, Hazleton | 0 | 1 | 1 |
| 10188 | The First National Bank of Herminie, Herminie | 0 | 1 | 1 |
| 31 | Penn Central National Bank, Huntingdon | 0 | 1 | 1 |
| 6615 | The Hoblitzell National Bank of Hyndman, Hyndman | 0 | 1 | 1 |
| 14098 | First National Bank in Indiana, Indiana | 0 | 1 | 1 |
| 2634 | The Fulton National Bank of Lancaster, Lancaster | 0 | 1 | 1 |
| 240 | The First National Bank of Lebanon, Lebanon | 0 | 1 | 1 |
| 5773 | The Farmers National Bank of Lititz, Lititz | 0 | 1 | 1 |
| 4625 | McKeesport National Bank, McKeesport | 1 | 0 | 1 |
| 12 | The First National Bank of Pennsylvania, Meadville | 0 | 2 | 2 |
| 2252 | Upper Dauphin National Bank, Millersburg | 0 | 1 | 1 |
| 9511 | The Farmers National Bank and Trust Company of Millheim, Millheim | 0 | 1 | 1 |
| 5574 | First Citizens National Bank, Montgomery | 1 | 0 | 1 |
| 14542 | Cumberland County National Bank and Trust Company, New Cumberland | 0 | 1 | 1 |
| 324 | The First National Bank and Trust Company of Newtown, Newtown | 0 | 1 | 1 |
| 5227 | The Cement National Bank, Northampton | 0 | 2 | 2 |
| 15393 | Lincoln National Bank, Philadelphia | 1 | 1 | 2 |
| 539 | The Philadelphia National Bank, Philadelphia | 1 | 3 | 4 |
| 15422 | Provident National Bank, Philadelphia | 1 | 3 | 4 |
| 252 | Pittsburgh National Bank, Pittsburgh | 0 | 1 | 1 |
| 2222 | Western Pennsylvania National Bank, Pittsburgh | 0 | 5 | 5 |
| 7511 | The First National Bank of State College, State College | 0 | 1 | 1 |
| 12261 | The Peoples National Bank of State College, State College | 0 | 1 | 1 |
| 5920 | First National Bank & Trust Co., Washington, Pa., Washington | 1 | 1 | 2 |
| 30 | The First National Bank of Wilkes-Barre, Wilkes-Barre | 0 | 1 | 1 |
| 694 | National Bank & Trust Company of Central Pennsylvania, York | 0 | 1 | 1 |
| | RHODE ISLAND | | | |
| 13981 | Columbus National Bank of Rhode Island, Providence | 0 | 2 | 2 |
| 15723 | Rhode Island Hospital Trust National Bank, Providence | 8 | 20 | 28 |

TABLE B–19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1969*

| Charter No. | Title and location of bank | Branches opened for business | | |
|---|---|---|---|---|
| | | Local | Other than local | Total |
| | **SOUTH CAROLINA** | | | |
| 2044 | The South Carolina National Bank of Charleston, Charleston | 0 | 1 | 1 |
| 13720 | The First National Bank of South Carolina, Columbia | 1 | 0 | 1 |
| 10536 | The Conway National Bank, Conway | 1 | 0 | 1 |
| 10635 | The Peoples National Bank, Greenville | 1 | 1 | 2 |
| 13918 | First National Bank of Orangeburg, Orangeburg | 0 | 1 | 1 |
| 14425 | The Citizens and Southern National Bank of South Carolina, Charleston | 3 | 5 | 8 |
| | **SOUTH DAKOTA** | | | |
| 10592 | Northwestern National Bank of Sioux Falls, Sioux Falls | 1 | 0 | 1 |
| 15639 | United National Bank of Vermillion, Vermillion, South Dakota, Vermillion | 0 | 2 | 2 |
| | **TENNESSEE** | | | |
| 14611 | American National Bank and Trust Company of Chattanooga, Chattanooga | 0 | 3 | 3 |
| 1666 | The Cleveland National Bank, Cleveland | 0 | 1 | 1 |
| 14760 | First National Bank of Clinton, Clinton | 0 | 1 | 1 |
| 7397 | The First National Bank of Franklin County at Decherd, Decherd | 0 | 1 | 1 |
| 5263 | First-Citizens National Bank of Dyersburg, Dyersburg | 0 | 1 | 1 |
| 4177 | The First National Bank of Greenville, Greenville | 1 | 0 | 1 |
| 13635 | The Hamilton National Bank of Johnson City, Johnson City | 1 | 0 | 1 |
| 13539 | The Hamilton National Bank of Knoxville, Knoxville | 1 | 1 | 2 |
| 10028 | The First National Bank of Anderson County, Lake City | 0 | 1 | 1 |
| 13303 | Third National Bank in Nashville, Nashville | 0 | 1 | 1 |
| 15590 | First National Bank of Selmer, Selmer | 0 | 1 | 1 |
| 7314 | The First National Bank of Tracy City, Tracy City | 0 | 1 | 1 |
| | **UTAH** | | | |
| 4341 | Zions First National Bank, Salt Lake City | 1 | 2 | 3 |
| 15243 | American National Bank, Salt Lake City | 0 | 1 | 1 |
| | **VERMONT** | | | |
| 1430 | Vermont National Bank, Brattleboro | 1 | 0 | 1 |
| 1197 | The Merchants National Bank of Burlington, Burlington | 0 | 1 | 1 |
| 194 | Catamount National Bank, Bennington | 1 | 1 | 2 |
| | **VIRGINIA** | | | |
| 651 | United Virginia Bank/First & Citizens National, Alexandria | 1 | 2 | 3 |
| 14893 | Mount Vernon National Bank and Trust Company of Fairfax County, Annandale | 0 | 1 | 1 |
| 15146 | Commonwealth National Bank of Arlington, Arlington | 3 | 4 | 7 |
| 15492 | Monticello National Bank, Charlottesville | 1 | 0 | 1 |
| 7937 | The First National Bank of Christiansburg, Christiansburg | 0 | 1 | 1 |
| 13275 | The Citizens National Bank of Front Royal, Front Royal | 1 | 0 | 1 |
| 15315 | Fairfield National Bank of Highland Springs, Highland Springs | 0 | 1 | 1 |
| 5290 | Chesapeake National Bank, Kilmarnock | 0 | 1 | 1 |
| 1522 | The Fidelity National Bank, Lynchburg | 1 | 0 | 1 |
| 15461 | First National Bank of Norfolk, Norfolk | 1 | 0 | 1 |
| 9885 | Virginia National Bank, Norfolk | 0 | 4 | 4 |
| 12477 | The First National Bank of Quantico, Quantico | 1 | 0 | 1 |
| 10080 | The Central National Bank of Richmond, Richmond | 1 | 0 | 1 |
| 15530 | Metropolitan National Bank, Richmond | 1 | 1 | 2 |
| 2737 | The First National Exchange Bank of Virginia, Roanoke | 0 | 2 | 2 |
| 15117 | Security National Bank of Roanoke, Roanoke | 0 | 1 | 1 |
| 15566 | First County National Bank, Strasburg | 0 | 1 | 1 |
| 6084 | Farmers and Merchants National Bank, Winchester | 0 | 1 | 1 |
| | **VIRGIN ISLANDS** | | | |
| 143335 | Virgin Island National Bank, St. Thomas | 0 | 1 | 1 |

TABLE B-19—Continued

*Domestic branches entering the National Banking System, by de novo opening, merger, or conversion, by States, calendar 1969*

| Charter No. | Title and location of bank | Branches opened for business: Local | Other than local | Total |
|---|---|---|---|---|
| | WASHINGTON | | | |
| 15233 | Valley National Bank of Auburn, Auburn | 1 | 0 | 1 |
| 6074 | First National Bank in Port Angeles, Port Angeles | 1 | 0 | 1 |
| 13230 | The Pacific National Bank of Seattle, Seattle | 1 | 0 | 1 |
| 4375 | The National Bank of Commerce of Seattle, Seattle | 1 | 2 | 3 |
| 14394 | Peoples National Bank of Washington, Seattle | 1 | 0 | 1 |
| 11280 | Seattle-First National Bank, Seattle | 4 | 5 | 9 |
| 15418 | National Bank of Mason County, Shelton | 0 | 1 | 1 |
| 4668 | Old National Bank of Washington, Spokane | 1 | 0 | 1 |
| 3417 | National Bank of Washington, Tacoma, Washington, Tacoma | 1 | 2 | 3 |
| 12293 | Puget Sound National Bank, Tacoma | 1 | 1 | 2 |
| | WISCONSIN | | | |
| 2132 | Kellogg-Citizens National Bank of Green Bay, Green Bay | 0 | 1 | 1 |
| 212 | The First National Bank of Kenosha, Kenosha | 0 | 1 | 1 |
| 14522 | Kenosha National Bank, Kenosha | 0 | 1 | 1 |
| 144 | The First National Bank of Madison, Madison | 0 | 1 | 1 |
| 15738 | Tri City National Bank of Oak Creek, Oak Creek | 0 | 1 | 1 |
| 13616 | First National Bank of Oconomowoc, Oconomowoc | 1 | 0 | 1 |
| 15081 | Marine National Bank of Waukesha, Waukesha | 0 | 1 | 1 |
| 15424 | First American National Bank of Wausau, Wausau | 0 | 2 | 2 |

TABLE B–20

*Domestic branches of National banks closed, by States, calendar 1969*

| Charter No. | Title and location of bank | Branches closed: Local | Branches closed: Other than local | Branches closed: Total |
|---|---|---|---|---|
| | Total | 54 | 72 | 126 |
| | ARIZONA | | | |
| 3728 | First National Bank of Arizona, Phoenix | | 1 | 1 |
| | ARKANSAS | | | |
| 10004 | First National Bank of Commerce, Paragould | 1 | | 1 |
| | CALIFORNIA | | | |
| 13044 | Bank of America National Trust and Savings Association, San Francisco | 1 | 2 | 3 |
| 1741 | Crocker-Citizens National Bank, San Francisco | | 2 | 2 |
| 15047 | Redwood National Bank, San Rafael | | 2 | 2 |
| | CONNECTICUT | | | |
| 4 | The State National Bank of Connecticut, Bridgeport | | 1 | 1 |
| 15040 | Lincoln National Bank, Stamford | 4 | | 4 |
| | DELAWARE | | | |
| 15033 | Colonial National Bank, Wilmington | 1 | | 1 |
| | DISTRICT OF COLUMBIA | | | |
| 3425 | The National Bank of Washington, Washington | 1 | | 1 |
| | GEORGIA | | | |
| 13068 | The Citizens and Southern National Bank, Savannah | | 2 | 2 |
| | HAWAII | | | |
| 5550 | First National Bank of Hawaii, Honolulu | 14 | 21 | 35 |
| | IDAHO | | | |
| 14444 | First Security Bank of Idaho, National Association, Boise | | 1 | 1 |
| 8822 | The First National Bank of Malad City, Malad City | | 1 | 1 |
| | INDIANA | | | |
| 13759 | American Fletcher National Bank and Trust Company, Indianapolis | 1 | | 1 |
| | IOWA | | | |
| 14799 | City National Bank of Cedar Rapids, Cedar Rapids | 1 | | 1 |
| 2469 | First National Bank, Clinton | 1 | | 1 |
| | KANSAS | | | |
| 10765 | Hutchinson National Bank and Trust Company, Hutchinson | 1 | | 1 |
| | KENTUCKY | | | |
| 2927 | First Georgetown National Bank and Trust Company, Georgetown | 1 | | 1 |
| | LOUISIANA | | | |
| 14477 | National American Bank of New Orleans, New Orleans | 1 | | 1 |
| | MAINE | | | |
| 941 | Canal National Bank, Portland | | 1 | 1 |

TABLE B-20—Continued

*Domestic branches of National banks closed, by States, calendar 1969*

| Charter No. | Title and location of bank | Branches closed: Local | Branches closed: Other than local | Branches closed: Total |
|---|---|---|---|---|
| | MICHIGAN | | | |
| 13738 | Manufacturers National Bank of Detroit, Detroit | 1 | | 1 |
| 14062 | Hillsdale County National Bank, Hillsdale | 1 | | 1 |
| 13820 | The American National Bank and Trust Company of Michigan, Kalamazoo | | 1 | 1 |
| 12697 | The Dart National Bank of Mason, Mason | 1 | | 1 |
| 13874 | The National Bank of Wyandotte, Wyandotte | | 1 | 1 |
| | MISSISSIPPI | | | |
| 15667 | First Citizens National Bank, Belmont | | 1 | 1 |
| 10523 | First National Bank of Jackson, Jackson | | 1 | 1 |
| 14592 | First National Bank of Picayune, Picayune | 1 | | 1 |
| | NEBRASKA | | | |
| 13953 | City National Bank of Hastings, Hastings | 1 | | |
| | NEW JERSEY | | | |
| 15709 | New Jersey Bank (National Association), Clifton | 1 | | |
| | NEW YORK | | | |
| 1301 | National Commercial Bank and Trust Company, Albany | | 1 | 1 |
| 13004 | The Endicott National Bank, Endicott | | 3 | 3 |
| 1461 | First National City Bank, New York | 1 | | 1 |
| | NORTH CAROLINA | | | |
| 15650 | First Union National Bank of North Carolina, Charlotte | | 2 | 2 |
| 13761 | North Carolina National Bank, Charlotte | 1 | | 1 |
| 15673 | Wachovia Bank and Trust Company, N.A., Winston-Salem | | 1 | 1 |
| | OHIO | | | |
| 14761 | Society National Bank of Cleveland, Cleveland | 1 | | 1 |
| 13899 | The First National Bank in Bryan, Bryan | 1 | | 1 |
| | PENNSYLVANIA | | | |
| 138 | The First National Bank and Trust Company of Bethlehem, Bethlehem | 7 | 1 | 8 |
| 2428 | The Bradford National Bank, Bradford | 1 | | 1 |
| 705 | The Union National Bank of Pittsburgh, Pittsburgh | | 1 | 1 |
| 13852 | Miners National Bank of Wilkes-Barre, Wilkes-Barre | 3 | 7 | 10 |
| | SOUTH CAROLINA | | | |
| 14425 | The Citizens and Southern National Bank of South Carolina, Charleston | | 1 | 1 |
| 2044 | The South Carolina National Bank of Charleston, Charleston | | 1 | 1 |
| 14135 | The Southern National Bank of Orangeburg, Orangeburg | 4 | | 4 |
| | VIRGINIA | | | |
| 14893 | Mount Vernon National Bank and Trust Company of Fairfax County, Annandale | | 16 | 16 |
| | WASHINGTON | | | |
| 13230 | The Pacific National Bank of Seattle, Seattle | 1 | | 1 |

TABLE B-21

*Principal assets, liabilities, and capital accounts of National banks, by deposit size, year-end 1968 and 1969*

[Dollar amounts in millions]

| | Number of banks | Total assets* | Cash and cash items | Loans, net | Securities, net | | Fixed assets | Deposits | | | Capital stock | Capital notes and debentures | Surplus, undivided profits, and reserves |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Total | U.S. Treasury securities | | Total | Demand | Time and savings | | | |
| *1969* | | | | | | | | | | | | | |
| Total | 4, 669 | $310, 263 | $54, 727 | $168, 005 | $70, 030 | $29, 589 | $5, 280 | $256, 426 | $141, 092 | $115, 334 | $6, 228 | $1, 120 | $15, 906 |
| Banks with deposits of— | | | | | | | | | | | | | |
| Less than $1.0 | 21 | 21 | 5 | 7 | 6 | 5 | 1 | 16 | 12 | 4 | 2 | 0 | 3 |
| 1.0 to 1.9 | 120 | 218 | 37 | 92 | 77 | 58 | 2 | 187 | 116 | 71 | 6 | 0 | 20 |
| 2.0 to 4.9 | 758 | 3, 059 | 456 | 1, 416 | 1, 013 | 635 | 46 | 2, 725 | 1, 382 | 1, 343 | 70 | 1 | 218 |
| 5.0 to 9.9 | 1, 184 | 9, 733 | 1, 325 | 4, 687 | 3, 180 | 1, 643 | 164 | 8, 765 | 4, 207 | 4, 558 | 203 | 3 | 591 |
| 10.0 to 24.9 | 1, 403 | 24, 387 | 3, 283 | 12, 014 | 7, 761 | 3, 612 | 437 | 21, 939 | 10, 174 | 11, 765 | 488 | 20 | 1, 357 |
| 25.0 to 49.9 | 584 | 22, 560 | 3, 126 | 11, 644 | 6, 708 | 2, 880 | 424 | 20, 098 | 9, 557 | 10, 541 | 463 | 39 | 1, 174 |
| 50.0 to 99.9 | 272 | 20, 932 | 3, 065 | 10, 848 | 6, 056 | 2, 594 | 385 | 18, 733 | 9, 066 | 9, 666 | 444 | 42 | 1, 065 |
| 100.0 to 499.9 | 253 | 62, 076 | 11, 246 | 32, 616 | 14, 566 | 6, 125 | 1, 148 | 52, 977 | 29, 753 | 23, 224 | 1, 296 | 155 | 3, 112 |
| Over 500.0 | 74 | 167, 277 | 32, 185 | 94, 681 | 30, 663 | 12, 037 | 2, 673 | 130, 982 | 76, 823 | 54, 160 | 3, 256 | 861 | 8, 366 |
| *1968* | | | | | | | | | | | | | |
| Total | 4, 716 | 296, 594 | 50, 953 | 154, 862 | 76, 871 | 35, 300 | 4, 363 | 257, 884 | 134, 629 | 123, 255 | 5, 752 | 1, 256 | 14, 516 |
| Banks with deposits of— | | | | | | | | | | | | | |
| Less than $1.0 | 23 | 21 | 5 | 9 | 7 | 5 | 0 | 19 | 15 | 4 | 1 | 0 | 2 |
| 1.0 to 1.9 | 160 | 295 | 51 | 125 | 111 | 87 | 4 | 256 | 154 | 102 | 9 | 0 | 26 |
| 2.0 to 4.9 | 841 | 3, 376 | 506 | 1, 560 | 1, 211 | 791 | 50 | 3, 018 | 1, 578 | 1, 441 | 81 | 0 | 240 |
| 5.0 to 9.9 | 1, 219 | 9, 931 | 1, 364 | 4, 681 | 3, 523 | 2, 011 | 160 | 8, 976 | 4, 376 | 4, 601 | 210 | 2 | 588 |
| 10.0 to 24.9 | 1, 348 | 23, 271 | 3, 111 | 11, 300 | 7, 935 | 4, 108 | 393 | 21, 063 | 9, 942 | 11, 121 | 473 | 15 | 1, 250 |
| 25.0 to 49.9 | 543 | 20, 680 | 2, 806 | 10, 237 | 6, 756 | 3, 221 | 360 | 18, 686 | 8, 922 | 9, 764 | 413 | 33 | 1, 018 |
| 50.0 to 99.9 | 266 | 20, 180 | 2, 894 | 10, 160 | 6, 338 | 2, 966 | 333 | 18, 208 | 8, 748 | 9, 460 | 416 | 40 | 963 |
| 100.0 to 499.9 | 244 | 57, 870 | 10, 572 | 29, 368 | 15, 671 | 7, 322 | 935 | 51, 621 | 28, 353 | 23, 268 | 1, 175 | 149 | 2, 786 |
| Over 500.0 | 72 | 160, 970 | 29, 645 | 87, 421 | 35, 319 | 14, 787 | 2, 128 | 136, 036 | 72, 542 | 63, 495 | 2, 975 | 1, 018 | 7, 642 |

NOTE: Data may not add to totals because of rounding.
*After deduction of securities and loan reserves.

## Table B–22

*Dates of reports of condition of National banks, 1914–69*

[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 |

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 condition 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 condition. (Five calls for reports of condition of private banks were made by the Comptroller, the first one for June 30, 1934, and the last one for June 29, 1935.)

Sec. 7(a)(3) of the Federal Deposit Insurance Act (Title 12, U.S.C., sec. 1817(a)) of July 14, 1960, provides, in part that, effective Jan. 1, 1961, each insured National bank shall make to the Comptroller of the Currency 4 reports of condition annually upon dates to be selected by the Comptroller, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation, or a majority thereof. Two dates shall be selected within the semiannual period of January to June, inclusive, and 2 within the semiannual period of July to December, inclusive, Sec. 161 of Title 12 also provides that the Comptroller of the Currency may call for additional reports of condition, 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, 1969*

[Dollar amounts in millions]

| | Number of banks | Total assets | Cash assets* | Securities (gross) | | | Loans, gross | Federal funds sold‡ | Direct lease financing |
|---|---|---|---|---|---|---|---|---|---|
| | | | | U.S. Government† | State and local | Other | | | |
| United States | 4, 701 | $305, 906 | $52, 283 | $34, 354 | $35, 640 | $1, 436 | $166, 832 | $4, 070 | $647 |
| Alabama | 89 | 3, 242 | 527 | 483 | 440 | 8 | 1, 650 | 49 | — |
| Alaska | 5 | 354 | 49 | 48 | 55 | 1 | 184 | 1 | — |
| Arizona | 4 | 2, 435 | 319 | 183 | 284 | 6 | 1, 539 | 22 | — |
| Arkansas | 68 | 1, 479 | 258 | 201 | 195 | 3 | 759 | 16 | — |
| California | 69 | 42, 179 | 6, 263 | 3, 567 | 4, 537 | 226 | 24, 966 | 507 | 255 |
| Colorado | 119 | 3, 211 | 618 | 340 | 308 | 8 | 1, 775 | 34 | 4 |
| Connecticut | 29 | 2, 714 | 487 | 172 | 345 | 10 | 1, 592 | 39 | 1 |
| Delaware | 5 | 32 | 4 | 9 | 1 | — | 15 | 2 | 0 |
| District of Columbia | 11 | 2, 122 | 415 | 414 | 168 | 9 | 1, 030 | 33 | 3 |
| Florida | 205 | 8, 631 | 1, 595 | 1, 435 | 1, 220 | 30 | 3, 874 | 207 | 3 |
| Georgia | 61 | 4, 162 | 735 | 332 | 409 | 23 | 2, 409 | 38 | 11 |
| Hawaii | 1 | 72 | 9 | 14 | 11 | — | 37 | 0 | 0 |
| Idaho | 9 | 929 | 127 | 101 | 131 | 1 | 540 | 3 | 0 |
| Illinois | 418 | 25, 147 | 3, 403 | 3, 689 | 3, 067 | 180 | 13, 551 | 335 | 71 |
| Indiana | 123 | 6, 593 | 1, 219 | 971 | 651 | 28 | 3, 369 | 211 | 7 |
| Iowa | 101 | 2, 180 | 437 | 401 | 233 | 6 | 1, 044 | 15 | 1 |
| Kansas | 171 | 2, 516 | 380 | 481 | 332 | 6 | 1, 230 | 24 | 1 |
| Kentucky | 80 | 2, 061 | 335 | 347 | 261 | 9 | 1, 027 | 35 | 1 |
| Louisiana | 49 | 3, 584 | 644 | 618 | 433 | 9 | 1, 712 | 63 | 2 |
| Maine | 21 | 642 | 92 | 59 | 111 | 2 | 354 | 7 | — |
| Maryland | 47 | 2, 742 | 535 | 323 | 286 | 9 | 1, 420 | 95 | 3 |
| Massachusetts | 86 | 8, 470 | 1, 659 | 663 | 1, 074 | 39 | 4, 564 | 114 | 30 |
| Michigan | 98 | 11, 912 | 1, 830 | 1, 556 | 1, 199 | 76 | 6, 852 | 86 | 14 |
| Minnesota | 198 | 6, 081 | 964 | 761 | 764 | 3 | 3, 379 | 34 | 20 |
| Mississippi | 39 | 1, 481 | 238 | 197 | 174 | 4 | 783 | 39 | 0 |
| Missouri | 98 | 5, 173 | 923 | 691 | 576 | 19 | 2, 740 | 92 | 21 |
| Montana | 48 | 838 | 111 | 126 | 115 | 2 | 458 | 2 | — |
| Nebraska | 126 | 2, 277 | 424 | 327 | 246 | 6 | 1, 204 | 16 | 1 |
| Nevada | 4 | 763 | 103 | 95 | 102 | 1 | 417 | 14 | — |
| New Hampshire | 52 | 685 | 109 | 85 | 73 | 2 | 386 | 17 | 0 |
| New Jersey | 145 | 9, 904 | 1, 298 | 1, 277 | 1, 703 | 51 | 5, 238 | 112 | 2 |
| New Mexico | 33 | 932 | 170 | 143 | 96 | 2 | 481 | 14 | 1 |
| New York | 173 | 50, 006 | 11, 674 | 3, 420 | 4, 522 | 216 | 26, 927 | 569 | 117 |
| North Carolina | 23 | 4, 650 | 815 | 403 | 580 | 10 | 2, 680 | 9 | 6 |
| North Dakota | 42 | 745 | 91 | 128 | 90 | 1 | 414 | — | 0 |
| Ohio | 217 | 12, 959 | 1, 859 | 1, 745 | 1, 851 | 56 | 6, 948 | 224 | 15 |
| Oklahoma | 219 | 4, 283 | 768 | 621 | 537 | 79 | 2, 084 | 91 | 7 |
| Oregon | 11 | 3, 685 | 474 | 379 | 450 | 7 | 2, 218 | 4 | 5 |
| Pennsylvania | 322 | 19, 049 | 2, 460 | 2, 215 | 2, 710 | 125 | 10, 630 | 382 | 21 |
| Rhode Island | 5 | 1, 639 | 134 | 155 | 232 | 5 | 1, 064 | 8 | 0 |
| South Carolina | 20 | 1, 385 | 267 | 185 | 133 | 3 | 739 | 17 | 0 |
| South Dakota | 34 | 844 | 108 | 147 | 98 | 2 | 462 | 2 | — |
| Tennessee | 77 | 4, 900 | 930 | 600 | 531 | 16 | 2, 629 | 56 | 1 |
| Texas | 534 | 18, 954 | 3, 855 | 2, 146 | 2, 277 | 84 | 9, 714 | 265 | 6 |
| Utah | 12 | 893 | 155 | 81 | 98 | 3 | 519 | 8 | 3 |
| Vermont | 27 | 441 | 45 | 50 | 54 | 4 | 276 | 3 | — |
| Virginia | 105 | 4, 750 | 677 | 584 | 606 | 16 | 2, 699 | 35 | 1 |
| Washington | 27 | 5, 029 | 738 | 444 | 569 | 8 | 3, 017 | 23 | 3 |
| West Virginia | 80 | 1, 359 | 187 | 312 | 170 | 5 | 621 | 21 | 1 |
| Wisconsin | 120 | 4, 139 | 678 | 527 | 461 | 17 | 2, 274 | 66 | 7 |
| Wyoming | 40 | 544 | 73 | 95 | 57 | 2 | 297 | 3 | 1 |
| Virgin Islands | 1 | 106 | 12 | 9 | 14 | — | 59 | 8 | 0 |
| District of Columbia—all§ | 14 | 3, 119 | 602 | 566 | 276 | 13 | 1, 550 | 44 | 3 |

*Cash, balances with other banks, and cash items in process of collection.

†Includes U.S. Treasury securities and obligations of other U.S. Government agencies and corporations.

‡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 less than $500,000.

TABLE B–24

*Total and principal liabilities of National banks, by States, June 30, 1969*

[Dollar amounts in millions]

| | Total liabilities | Deposits | | | | | Federal funds purchased† | Reserves on loans and securities |
|---|---|---|---|---|---|---|---|---|
| | | Total | Demand, total | Time and savings, total | Demand, IPC* | Time, IPC* | | |
| United States | $279, 888 | $251, 585 | $131, 015 | $120, 570 | $97, 217 | $107, 150 | $7, 763 | $3, 382 |
| Alabama | 2, 944 | 2, 818 | 1, 527 | 1, 291 | 1, 178 | 1, 202 | 23 | 36 |
| Alaska | 324 | 319 | 175 | 144 | 138 | 97 | 0 | 6 |
| Arizona | 2, 262 | 2, 187 | 938 | 1, 249 | 754 | 1, 147 | 5 | 23 |
| Arkansas | 1, 340 | 1, 285 | 752 | 533 | 579 | 503 | 17 | 13 |
| California | 39, 183 | 35, 392 | 14, 629 | 20, 763 | 11, 992 | 17, 430 | 958 | 432 |
| Colorado | 2, 953 | 2, 750 | 1, 477 | 1, 273 | 1, 145 | 1, 115 | 72 | 30 |
| Connecticut | 2, 494 | 2, 298 | 1, 256 | 1, 042 | 1, 087 | 951 | 41 | 29 |
| Delaware | 29 | 29 | 13 | 16 | 13 | 16 | 0 | 0 |
| District of Columbia | 1, 944 | 1, 869 | 1, 148 | 721 | 994 | 694 | 11 | 18 |
| Florida | 7, 963 | 7, 577 | 4, 122 | 3, 456 | 3, 076 | 3, 105 | 166 | 65 |
| Georgia | 3, 771 | 3, 455 | 2, 054 | 1, 401 | 1, 520 | 1, 272 | 120 | 47 |
| Hawaii | 67 | 66 | 24 | 42 | 18 | 24 | 0 | — |
| Idaho | 859 | 837 | 386 | 451 | 299 | 441 | 2 | 9 |
| Illinois | 22, 849 | 19, 915 | 10, 412 | 9, 503 | 7, 830 | 8, 602 | 651 | 353 |
| Indiana | 6, 061 | 5, 623 | 2, 952 | 2, 671 | 2, 056 | 2, 584 | 187 | 69 |
| Iowa | 2, 004 | 1, 911 | 1, 075 | 836 | 745 | 807 | 61 | 21 |
| Kansas | 2, 263 | 2, 216 | 1, 228 | 988 | 832 | 851 | 4 | 20 |
| Kentucky | 1, 873 | 1, 832 | 1, 018 | 814 | 834 | 771 | 5 | 22 |
| Louisiana | 3, 236 | 3, 104 | 1, 828 | 1, 276 | 1, 339 | 1, 090 | 33 | 36 |
| Maine | 581 | 540 | 269 | 271 | 238 | 262 | 10 | 7 |
| Maryland | 2, 515 | 2, 352 | 1, 410 | 942 | 1, 058 | 907 | 62 | 23 |
| Massachusetts | 7, 701 | 6, 184 | 4, 225 | 1, 959 | 3, 290 | 1, 728 | 282 | 103 |
| Michigan | 11, 017 | 10, 273 | 4, 102 | 6, 171 | 3, 240 | 5, 480 | 215 | 127 |
| Minnesota | 5, 593 | 5, 067 | 2, 551 | 2, 516 | 1, 800 | 2, 377 | 334 | 62 |
| Mississippi | 1, 344 | 1, 263 | 776 | 487 | 503 | 464 | 48 | 19 |
| Missouri | 4, 676 | 4, 293 | 2, 637 | 1, 656 | 1, 832 | 1, 512 | 290 | 49 |
| Montana | 775 | 734 | 315 | 419 | 247 | 387 | 7 | 9 |
| Nebraska | 2, 068 | 1, 982 | 1, 132 | 850 | 811 | 829 | 57 | 26 |
| Nevada | 702 | 685 | 327 | 358 | 261 | 321 | 0 | 5 |
| New Hampshire | 615 | 564 | 335 | 229 | 286 | 216 | 3 | 7 |
| New Jersey | 9, 080 | 8, 637 | 3, 989 | 4, 648 | 3, 271 | 4, 474 | 75 | 109 |
| New Mexico | 852 | 820 | 453 | 367 | 343 | 313 | 6 | 11 |
| New York | 45, 614 | 36, 162 | 23, 113 | 13, 049 | 13, 960 | 10, 870 | 1, 993 | 662 |
| North Carolina | 4, 258 | 3, 791 | 2, 062 | 1, 729 | 1, 590 | 1, 478 | 147 | 50 |
| North Dakota | 687 | 663 | 267 | 396 | 224 | 378 | 4 | 9 |
| Ohio | 11, 827 | 11, 099 | 5, 058 | 6, 041 | 3, 943 | 5, 576 | 253 | 138 |
| Oklahoma | 3, 866 | 3, 714 | 2, 065 | 1, 649 | 1, 500 | 1, 430 | 77 | 37 |
| Oregon | 3, 432 | 3, 212 | 1, 355 | 1, 857 | 1, 132 | 1, 571 | 75 | 31 |
| Pennsylvania | 17, 171 | 15, 940 | 7, 355 | 8, 585 | 5, 966 | 7, 878 | 266 | 200 |
| Rhode Island | 1, 495 | 1, 326 | 546 | 780 | 437 | 751 | 70 | 16 |
| South Carolina | 1, 264 | 1, 186 | 852 | 334 | 701 | 314 | 6 | 15 |
| South Dakota | 774 | 745 | 322 | 423 | 254 | 390 | 1 | 13 |
| Tennessee | 4, 459 | 4, 067 | 2, 225 | 1, 842 | 1, 510 | 1, 557 | 126 | 50 |
| Texas | 17, 275 | 15, 919 | 9, 338 | 6, 581 | 6, 881 | 5, 466 | 726 | 189 |
| Utah | 819 | 755 | 316 | 439 | 248 | 381 | 24 | 8 |
| Vermont | 403 | 391 | 141 | 250 | 125 | 244 | — | 4 |
| Virginia | 4, 356 | 4, 103 | 1, 839 | 2, 264 | 1, 500 | 2, 148 | 39 | 50 |
| Washington | 4, 627 | 4, 310 | 2, 129 | 2, 181 | 1, 728 | 2, 140 | 128 | 60 |
| West Virginia | 1, 220 | 1, 173 | 581 | 592 | 450 | 582 | 16 | 13 |
| Wisconsin | 3, 809 | 3, 573 | 1, 670 | 1, 903 | 1, 285 | 1, 732 | 66 | 47 |
| Wyoming | 493 | 480 | 222 | 258 | 161 | 238 | 1 | 5 |
| Virgin Islands | 99 | 97 | 23 | 74 | 16 | 53 | 0 | — |
| District of Columbia—all‡ | 2, 856 | 2, 752 | 1, 651 | 1, 101 | 1, 440 | 1, 053 | 14 | 25 |

*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, 1969*

[Dollar amounts in millions]

| | Total capital accounts | Debentures | Preferred stock | Common stock | Surplus | Undivided profits | Capital reserves |
|---|---|---|---|---|---|---|---|
| United States | $22, 635 | $1, 142 | $59 | $6, 090 | $10, 287 | $4, 368 | $689 |
| Alabama | 262 | 0 | 0 | 78 | 111 | 62 | 11 |
| Alaska | 24 | — | 0 | 8 | 8 | 7 | 1 |
| Arizona | 150 | 26 | 0 | 35 | 58 | 31 | — |
| Arkansas | 126 | 5 | 0 | 35 | 49 | 34 | 3 |
| California | 2, 564 | 188 | 0 | 679 | 1, 177 | 485 | 35 |
| Colorado | 228 | 4 | — | 65 | 98 | 59 | 2 |
| Connecticut | 191 | 10 | 0 | 49 | 99 | 32 | 1 |
| Delaware | 3 | 0 | 0 | 1 | 1 | 1 | — |
| District of Columbia | 160 | 1 | 2 | 39 | 82 | 35 | 1 |
| Florida | 603 | 31 | 0 | 207 | 239 | 109 | 17 |
| Georgia | 344 | 58 | 0 | 71 | 121 | 63 | 31 |
| Hawaii | 5 | 1 | 0 | 2 | 1 | 1 | 0 |
| Idaho | 61 | 0 | 0 | 19 | 33 | 9 | — |
| Illinois | 1, 945 | 22 | — | 606 | 864 | 293 | 160 |
| Indiana | 463 | 8 | 0 | 116 | 210 | 122 | 7 |
| Iowa | 155 | 1 | 0 | 40 | 66 | 45 | 3 |
| Kansas | 233 | 7 | — | 66 | 97 | 60 | 3 |
| Kentucky | 166 | 0 | 0 | 36 | 89 | 37 | 4 |
| Louisiana | 312 | 8 | 3 | 69 | 168 | 63 | 1 |
| Maine | 54 | 0 | 0 | 20 | 19 | 14 | 1 |
| Maryland | 204 | 3 | 0 | 51 | 93 | 50 | 7 |
| Massachusetts | 666 | 22 | 0 | 156 | 336 | 122 | 30 |
| Michigan | 768 | 115 | 4 | 177 | 329 | 128 | 15 |
| Minnesota | 426 | 20 | 0 | 127 | 158 | 116 | 5 |
| Mississippi | 118 | 6 | 0 | 29 | 75 | 7 | 1 |
| Missouri | 448 | 26 | 0 | 113 | 173 | 129 | 7 |
| Montana | 54 | 1 | 0 | 21 | 22 | 10 | — |
| Nebraska | 183 | 3 | — | 46 | 65 | 65 | 4 |
| Nevada | 56 | 0 | 0 | 23 | 20 | 13 | — |
| New Hampshire | 63 | — | 0 | 13 | 33 | 15 | 2 |
| New Jersey | 715 | 40 | — | 192 | 326 | 142 | 15 |
| New Mexico | 69 | 1 | 0 | 21 | 21 | 14 | 12 |
| New York | 3, 730 | 290 | 41 | 974 | 1, 851 | 413 | 161 |
| North Carolina | 342 | 50 | 0 | 71 | 157 | 61 | 3 |
| North Dakota | 49 | 1 | 0 | 16 | 19 | 12 | 1 |
| Ohio | 994 | 28 | 0 | 270 | 480 | 211 | 5 |
| Oklahoma | 380 | 21 | — | 106 | 134 | 114 | 5 |
| Oregon | 222 | 0 | 0 | 80 | 83 | 59 | — |
| Pennsylvania | 1, 678 | 62 | 7 | 354 | 856 | 342 | 57 |
| Rhode Island | 128 | — | 0 | 29 | 73 | 26 | — |
| South Carolina | 106 | 0 | 0 | 24 | 51 | 27 | 4 |
| South Dakota | 57 | — | 0 | 17 | 23 | 17 | — |
| Tennessee | 391 | 19 | 0 | 104 | 171 | 90 | 7 |
| Texas | 1, 490 | 55 | 1 | 473 | 596 | 322 | 43 |
| Utah | 66 | 0 | 0 | 19 | 36 | 11 | 0 |
| Vermont | 34 | 1 | 1 | 9 | 12 | 10 | 1 |
| Virginia | 344 | 2 | 0 | 108 | 153 | 79 | 2 |
| Washington | 342 | 0 | 0 | 111 | 138 | 87 | 6 |
| West Virginia | 126 | 1 | 0 | 27 | 64 | 30 | 4 |
| Wisconsin | 283 | 4 | 0 | 86 | 122 | 63 | 8 |
| Wyoming | 46 | 1 | 0 | 6 | 21 | 17 | 1 |
| Virgin Islands | 7 | 0 | 0 | — | 5 | 2 | — |
| District of Columbia—all* | 238 | 13 | 2 | 50 | 113 | 58 | 2 |

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

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

TABLE B-26

*Total and principal assets of National banks, by States, Dec. 31, 1969*

[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 | 4,669 | $314,048 | $54,727 | $34,229 | $34,526 | $1,362 | $171,702 | $5,811 | $696 |
| Alabama | 88 | 3,345 | 588 | 432 | 431 | 8 | 1,686 | 105 | — |
| Alaska | 5 | 419 | 62 | 71 | 72 | 1 | 192 | 4 | — |
| Arizona | 4 | 2,574 | 323 | 154 | 251 | 6 | 1,675 | 61 | 2 |
| Arkansas | 68 | 1,581 | 313 | 215 | 200 | 3 | 767 | 32 | — |
| California | 68 | 42,479 | 6,523 | 3,731 | 4,239 | 193 | 25,054 | 575 | 277 |
| Colorado | 120 | 3,342 | 694 | 337 | 315 | 8 | 1,790 | 65 | 4 |
| Connecticut | 27 | 2,590 | 412 | 143 | 329 | 10 | 1,548 | 58 | 1 |
| Delaware | 5 | 33 | 4 | 9 | 1 | 0 | 15 | 3 | 0 |
| District of Columbia | 11 | 2,104 | 411 | 360 | 179 | 9 | 1,038 | 44 | 3 |
| Florida | 209 | 9,033 | 1,880 | 1,335 | 1,187 | 28 | 4,082 | 232 | 5 |
| Georgia | 60 | 4,332 | 833 | 290 | 387 | 24 | 2,472 | 109 | 12 |
| Hawaii | 1 | 74 | 9 | 16 | 11 | 0 | 35 | 1 | 0 |
| Idaho | 8 | 968 | 129 | 97 | 150 | 2 | 563 | 2 | 0 |
| Illinois | 418 | 25,294 | 3,551 | 3,517 | 3,083 | 144 | 13,778 | 361 | 69 |
| Indiana | 122 | 7,131 | 1,520 | 978 | 640 | 28 | 3,457 | 352 | 12 |
| Iowa | 100 | 2,305 | 530 | 374 | 229 | 5 | 1,102 | 17 | 1 |
| Kansas | 172 | 2,700 | 482 | 480 | 336 | 6 | 1,267 | 59 | 2 |
| Kentucky | 80 | 2,226 | 382 | 356 | 255 | 9 | 1,108 | 68 | 1 |
| Louisiana | 49 | 3,731 | 703 | 579 | 426 | 8 | 1,806 | 101 | 2 |
| Maine | 21 | 645 | 106 | 58 | 88 | 2 | 360 | 13 | — |
| Maryland | 47 | 2,728 | 470 | 315 | 280 | 9 | 1,459 | 121 | 3 |
| Massachusetts | 86 | 8,439 | 1,650 | 715 | 771 | 32 | 4,696 | 178 | 51 |
| Michigan | 98 | 12,344 | 1,923 | 1,534 | 1,234 | 67 | 7,099 | 172 | 14 |
| Minnesota | 197 | 6,415 | 1,184 | 772 | 717 | 16 | 3,476 | 71 | 19 |
| Mississippi | 38 | 1,582 | 268 | 211 | 181 | 4 | 832 | 34 | — |
| Missouri | 97 | 5,585 | 1,265 | 697 | 558 | 24 | 2,762 | 130 | 20 |
| Montana | 48 | 882 | 127 | 140 | 118 | 3 | 458 | 12 | — |
| Nebraska | 126 | 2,489 | 538 | 341 | 252 | 5 | 1,236 | 54 | 1 |
| Nevada | 4 | 767 | 97 | 91 | 92 | 1 | 443 | 12 | — |
| New Hampshire | 50 | 716 | 132 | 82 | 58 | 2 | 392 | 35 | 0 |
| New Jersey | 137 | 10,322 | 1,358 | 1,282 | 1,702 | 52 | 5,551 | 137 | 2 |
| New Mexico | 33 | 961 | 162 | 138 | 107 | 1 | 508 | 17 | 1 |
| New York | 173 | 49,941 | 10,410 | 3,705 | 4,252 | 214 | 28,301 | 436 | 114 |
| North Carolina | 23 | 4,800 | 899 | 426 | 602 | 21 | 2,669 | 11 | 6 |
| North Dakota | 42 | 780 | 98 | 139 | 99 | 1 | 417 | 6 | 0 |
| Ohio | 217 | 13,518 | 2,000 | 1,743 | 1,813 | 60 | 7,173 | 434 | 15 |
| Oklahoma | 218 | 4,418 | 842 | 601 | 550 | 80 | 2,061 | 176 | 8 |
| Oregon | 11 | 3,729 | 530 | 329 | 456 | 7 | 2,246 | 5 | 6 |
| Pennsylvania | 315 | 19,728 | 2,703 | 2,184 | 2,520 | 111 | 11,018 | 605 | 21 |
| Rhode Island | 5 | 1,590 | 157 | 94 | 224 | 7 | 1,058 | 5 | 0 |
| South Carolina | 20 | 1,453 | 287 | 189 | 141 | 3 | 771 | 20 | 0 |
| South Dakota | 33 | 895 | 121 | 148 | 113 | 2 | 484 | 2 | 0 |
| Tennessee | 77 | 5,126 | 1,049 | 565 | 535 | 16 | 2,647 | 172 | 1 |
| Texas | 529 | 19,937 | 4,249 | 2,149 | 2,307 | 70 | 10,051 | 401 | 6 |
| Utah | 10 | 897 | 156 | 80 | 95 | 3 | 528 | 5 | 3 |
| Vermont | 26 | 462 | 49 | 50 | 46 | 4 | 290 | 14 | 1 |
| Virginia | 103 | 4,981 | 687 | 576 | 600 | 14 | 2,882 | 74 | 1 |
| Washington | 27 | 5,161 | 773 | 446 | 581 | 18 | 3,027 | 53 | 3 |
| West Virginia | 81 | 1,465 | 199 | 312 | 181 | 5 | 666 | 57 | 1 |
| Wisconsin | 121 | 4,327 | 779 | 528 | 455 | 14 | 2,355 | 72 | 8 |
| Wyoming | 40 | 584 | 102 | 102 | 61 | 2 | 291 | 9 | — |
| Virgin Islands | 1 | 120 | 8 | 13 | 16 | 0 | 60 | 19 | 0 |
| District of Columbia—all§ | 14 | 3,065 | 565 | 511 | 288 | 14 | 1,558 | 49 | 3 |

*Cash, balances with other banks, and cash items in process of collection.

†Includes investment securities and securities held in trading accounts.

‡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–27

*Total and principal liabilities of National banks, by States, Dec. 31, 1969*

[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 | $287, 009 | $256, 426 | $141, 092 | $115, 334 | $105, 961 | $103, 238 | $9, 947 | $3, 785 |
| Alabama | 3, 037 | 2, 904 | 1, 654 | 1, 250 | 1, 233 | 1, 177 | 38 | 38 |
| Alaska | 387 | 381 | 187 | 194 | 149 | 104 | 1 | 6 |
| Arizona | 2, 393 | 2, 284 | 1, 020 | 1, 264 | 836 | 1, 143 | 34 | 27 |
| Arkansas | 1, 437 | 1, 400 | 833 | 567 | 640 | 535 | 9 | 15 |
| California | 39, 315 | 34, 359 | 15, 244 | 19, 115 | 12, 780 | 16, 297 | 1, 705 | 516 |
| Colorado | 3, 073 | 2, 846 | 1, 661 | 1, 185 | 1, 305 | 1, 061 | 106 | 33 |
| Connecticut | 2, 366 | 2, 199 | 1, 260 | 939 | 1, 117 | 914 | 53 | 31 |
| Delaware | 30 | 30 | 14 | 16 | 13 | 16 | 0 | 0 |
| District of Columbia | 1, 920 | 1, 845 | 1, 162 | 683 | 988 | 654 | 13 | 20 |
| Florida | 8, 320 | 7, 950 | 4, 584 | 3, 366 | 3, 262 | 3, 074 | 163 | 73 |
| Georgia | 3, 934 | 3, 415 | 2, 125 | 1, 290 | 1, 554 | 1, 178 | 198 | 51 |
| Hawaii | 68 | 66 | 25 | 41 | 18 | 24 | 0 | 0 |
| Idaho | 895 | 874 | 430 | 444 | 328 | 437 | 0 | 10 |
| Illinois | 22, 932 | 20, 144 | 11, 137 | 9, 007 | 8, 587 | 8, 126 | 657 | 372 |
| Indiana | 6, 578 | 6, 093 | 3, 428 | 2, 665 | 2, 206 | 2, 567 | 280 | 70 |
| Iowa | 2, 118 | 2, 042 | 1, 191 | 851 | 803 | 816 | 41 | 23 |
| Kansas | 2, 437 | 2, 355 | 1, 388 | 967 | 928 | 848 | 24 | 20 |
| Kentucky | 2, 030 | 1, 974 | 1, 151 | 823 | 934 | 775 | 15 | 24 |
| Louisiana | 3, 373 | 3, 211 | 1, 965 | 1, 246 | 1, 455 | 1, 059 | 60 | 39 |
| Maine | 582 | 556 | 289 | 267 | 247 | 261 | 3 | 7 |
| Maryland | 2, 498 | 2, 329 | 1, 397 | 932 | 1, 093 | 901 | 75 | 28 |
| Massachusetts | 7, 645 | 6, 202 | 4, 599 | 1, 603 | 3, 453 | 1, 450 | 508 | 110 |
| Michigan | 11, 407 | 10, 310 | 4, 378 | 5, 932 | 3, 518 | 5, 381 | 355 | 147 |
| Minnesota | 5, 908 | 5, 308 | 2, 928 | 2, 380 | 2, 024 | 2, 303 | 272 | 63 |
| Mississippi | 1, 440 | 1, 354 | 850 | 504 | 586 | 481 | 50 | 20 |
| Missouri | 5, 070 | 4, 627 | 3, 162 | 1, 465 | 2, 043 | 1, 409 | 305 | 53 |
| Montana | 814 | 773 | 350 | 423 | 274 | 395 | 12 | 10 |
| Nebraska | 2, 272 | 2, 168 | 1, 309 | 859 | 933 | 840 | 58 | 27 |
| Nevada | 703 | 680 | 326 | 354 | 269 | 318 | 0 | 6 |
| New Hampshire | 642 | 596 | 381 | 215 | 301 | 210 | 5 | 8 |
| New Jersey | 9, 453 | 9, 060 | 4, 383 | 4, 677 | 3, 524 | 4, 534 | 61 | 119 |
| New Mexico | 877 | 845 | 468 | 377 | 364 | 314 | 8 | 11 |
| New York | 45, 391 | 36, 226 | 23, 814 | 12, 412 | 15, 577 | 10, 030 | 2, 125 | 770 |
| North Carolina | 4, 385 | 3, 978 | 2, 308 | 1, 670 | 1, 816 | 1, 449 | 123 | 59 |
| North Dakota | 720 | 696 | 295 | 401 | 250 | 385 | 3 | 9 |
| Ohio | 12, 326 | 11, 443 | 5, 555 | 5, 888 | 4, 350 | 5, 561 | 404 | 146 |
| Oklahoma | 3, 986 | 3, 796 | 2, 304 | 1, 492 | 1, 708 | 1, 311 | 119 | 39 |
| Oregon | 3, 466 | 3, 157 | 1, 359 | 1, 798 | 1, 163 | 1, 520 | 171 | 39 |
| Pennsylvania | 17, 806 | 16, 125 | 7, 910 | 8, 215 | 6, 588 | 7, 652 | 449 | 228 |
| Rhode Island | 1, 443 | 1, 259 | 561 | 698 | 480 | 691 | 126 | 16 |
| South Carolina | 1, 327 | 1, 257 | 920 | 337 | 753 | 320 | 9 | 17 |
| South Dakota | 823 | 796 | 354 | 442 | 289 | 410 | 1 | 13 |
| Tennessee | 4, 671 | 4, 361 | 2, 522 | 1, 839 | 1, 709 | 1, 623 | 132 | 53 |
| Texas | 18, 225 | 16, 688 | 10, 366 | 6, 322 | 7, 458 | 5, 154 | 850 | 217 |
| Utah | 823 | 771 | 375 | 396 | 288 | 354 | 25 | 8 |
| Vermont | 424 | 412 | 158 | 254 | 133 | 247 | 0 | 4 |
| Virginia | 4, 554 | 4, 276 | 2, 010 | 2, 266 | 1, 631 | 2, 151 | 88 | 53 |
| Washington | 4, 739 | 4, 385 | 2, 203 | 2, 182 | 1, 872 | 2, 109 | 115 | 59 |
| West Virginia | 1, 321 | 1, 260 | 632 | 628 | 488 | 614 | 23 | 14 |
| Wisconsin | 3, 983 | 3, 733 | 1, 887 | 1, 846 | 1, 442 | 1, 764 | 68 | 51 |
| Wyoming | 530 | 516 | 258 | 258 | 185 | 237 | 4 | 5 |
| Virgin Islands | 112 | 107 | 22 | 85 | 16 | 59 | 3 | 1 |
| District of Columbia—all‡ | 2, 792 | 2, 692 | 1, 666 | 1, 026 | 1, 436 | 968 | 17 | 27 |

*IPC deposits are those of individuals, partnerships, and corporations.

†Also includes securities sold under agreements to repurchase.

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

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

## Table B–28

*Capital accounts of National banks, by States, Dec. 31, 1969*

[Dollar amounts in millions]

| | Total capital accounts | Debentures | Preferred stock | Common stock | Surplus | Undivided profits | Capital reserves |
|---|---|---|---|---|---|---|---|
| United States | $23, 254 | $1, 120 | $62 | $6, 166 | $10, 488 | $4, 707 | $711 |
| Alabama | 270 | 0 | 0 | 79 | 113 | 67 | 11 |
| Alaska | 26 | — | 0 | 9 | 10 | 5 | 2 |
| Arizona | 155 | 26 | 0 | 35 | 58 | 36 | 0 |
| Arkansas | 130 | 5 | 0 | 35 | 52 | 34 | 4 |
| California | 2, 647 | 188 | 0 | 683 | 1, 208 | 527 | 41 |
| Colorado | 236 | 5 | — | 66 | 101 | 63 | 1 |
| Connecticut | 192 | 10 | 0 | 49 | 99 | 34 | — |
| Delaware | 3 | 0 | 0 | 1 | 1 | 1 | — |
| District of Columbia | 164 | 1 | 2 | 39 | 81 | 40 | 1 |
| Florida | 640 | 31 | 0 | 216 | 262 | 113 | 18 |
| Georgia | 347 | 56 | 0 | 71 | 124 | 67 | 29 |
| Hawaii | 6 | 2 | 0 | 2 | 1 | 1 | 0 |
| Idaho | 63 | 0 | 0 | 19 | 33 | 11 | — |
| Illinois | 1, 990 | 22 | — | 609 | 881 | 312 | 166 |
| Indiana | 483 | 6 | 0 | 118 | 217 | 134 | 7 |
| Iowa | 164 | 1 | 0 | 40 | 67 | 52 | 4 |
| Kansas | 243 | 7 | — | 67 | 98 | 67 | 4 |
| Kentucky | 172 | 0 | 0 | 36 | 91 | 41 | 4 |
| Louisiana | 319 | 7 | 3 | 72 | 171 | 65 | 1 |
| Maine | 56 | 0 | 0 | 20 | 20 | 15 | 1 |
| Maryland | 202 | 3 | 0 | 51 | 94 | 46 | 8 |
| Massachusetts | 684 | 22 | 0 | 156 | 340 | 136 | 29 |
| Michigan | 790 | 115 | 4 | 181 | 329 | 145 | 16 |
| Minnesota | 443 | 21 | 0 | 128 | 160 | 129 | 5 |
| Mississippi | 122 | 6 | 0 | 31 | 83 | 1 | 1 |
| Missouri | 462 | 27 | 3 | 115 | 174 | 136 | 7 |
| Montana | 57 | 1 | 0 | 21 | 22 | 13 | — |
| Nebraska | 190 | 4 | — | 46 | 65 | 71 | 4 |
| Nevada | 58 | 0 | 0 | 22 | 20 | 15 | — |
| New Hampshire | 66 | — | 0 | 14 | 35 | 15 | 2 |
| New Jersey | 750 | 39 | — | 202 | 336 | 158 | 15 |
| New Mexico | 73 | 1 | 0 | 20 | 21 | 16 | 14 |
| New York | 3, 779 | 283 | 41 | 982 | 1, 863 | 451 | 159 |
| North Carolina | 356 | 50 | 0 | 73 | 159 | 70 | 4 |
| North Dakota | 51 | 1 | 0 | 16 | 19 | 13 | 2 |
| Ohio | 1, 046 | 28 | 0 | 276 | 502 | 235 | 5 |
| Oklahoma | 393 | 21 | — | 108 | 136 | 123 | 5 |
| Oregon | 224 | 0 | 0 | 80 | 83 | 61 | — |
| Pennsylvania | 1, 694 | 62 | 7 | 352 | 862 | 355 | 56 |
| Rhode Island | 131 | — | 0 | 29 | 72 | 30 | — |
| South Carolina | 109 | 0 | 0 | 25 | 54 | 27 | 3 |
| South Dakota | 59 | — | 0 | 17 | 23 | 18 | — |
| Tennessee | 402 | 19 | 0 | 104 | 172 | 98 | 9 |
| Texas | 1, 495 | 36 | 1 | 477 | 604 | 328 | 49 |
| Utah | 66 | 0 | 0 | 19 | 35 | 12 | 0 |
| Vermont | 34 | 1 | 1 | 9 | 12 | 11 | 1 |
| Virginia | 373 | 2 | 0 | 113 | 167 | 89 | 2 |
| Washington | 363 | 0 | 0 | 112 | 140 | 101 | 10 |
| West Virginia | 130 | 1 | 0 | 28 | 66 | 31 | 4 |
| Wisconsin | 293 | 4 | 0 | 87 | 123 | 71 | 8 |
| Wyoming | 49 | 2 | 0 | 6 | 24 | 16 | 1 |
| Virgin Islands | 7 | 0 | 0 | — | 4 | 2 | — |
| District of Columbia—all* | 246 | 13 | 2 | 50 | 113 | 66 | 2 |

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

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

## TABLE B–29

*Loans of National banks, by States, Dec. 31, 1969*

[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 | $171, 702 | $40, 575 | $10, 607 | $4, 769 | $5, 143 | $68, 221 | $37, 586 | $4, 801 |
| Alabama | 1, 686 | 288 | 67 | 22 | 36 | 582 | 622 | 70 |
| Alaska | 192 | 83 | — | 5 | — | 62 | 41 | — |
| Arizona | 1, 676 | 474 | 89 | 8 | 194 | 467 | 424 | 20 |
| Arkansas | 767 | 197 | 21 | 18 | 51 | 228 | 243 | 9 |
| California | 25, 054 | 7, 539 | 1, 310 | 401 | 730 | 9, 907 | 4, 607 | 560 |
| Colorado | 1, 790 | 355 | 121 | 25 | 218 | 524 | 495 | 52 |
| Connecticut | 1, 549 | 546 | 20 | 33 | 2 | 432 | 427 | 89 |
| Delaware | 15 | 8 | 0 | 0 | — | 3 | 4 | — |
| District of Columbia | 1, 038 | 347 | 117 | 14 | — | 259 | 264 | 37 |
| Florida | 4, 082 | 920 | 201 | 112 | 54 | 1, 423 | 1, 297 | 75 |
| Georgia | 2, 472 | 399 | 156 | 27 | 21 | 879 | 938 | 52 |
| Hawaii | 35 | 14 | — | 2 | — | 13 | 6 | — |
| Idaho | 563 | 159 | 7 | 5 | 88 | 131 | 169 | 4 |
| Illinois | 13, 778 | 2, 505 | 1, 272 | 643 | 338 | 6, 501 | 2, 144 | 375 |
| Indiana | 3, 457 | 1, 129 | 180 | 55 | 75 | 980 | 950 | 88 |
| Iowa | 1, 102 | 299 | 35 | 20 | 231 | 241 | 262 | 14 |
| Kansas | 1, 267 | 196 | 49 | 28 | 287 | 375 | 323 | 9 |
| Kentucky | 1, 108 | 301 | 57 | 14 | 63 | 289 | 368 | 16 |
| Louisiana | 1, 806 | 319 | 113 | 48 | 25 | 772 | 486 | 43 |
| Maine | 360 | 128 | 4 | 2 | 8 | 106 | 106 | 6 |
| Maryland | 1, 459 | 426 | 83 | 34 | 18 | 445 | 415 | 38 |
| Massachusetts | 4, 696 | 682 | 273 | 42 | 3 | 2, 605 | 914 | 177 |
| Michigan | 7, 099 | 2, 851 | 486 | 149 | 47 | 1, 919 | 1, 415 | 232 |
| Minnesota | 3, 476 | 958 | 220 | 79 | 175 | 1, 193 | 779 | 72 |
| Mississippi | 832 | 170 | 23 | 22 | 32 | 258 | 286 | 41 |
| Missouri | 2, 762 | 509 | 233 | 81 | 113 | 1, 154 | 638 | 34 |
| Montana | 458 | 122 | 3 | 2 | 90 | 106 | 131 | 3 |
| Nebraska | 1, 236 | 158 | 31 | 36 | 396 | 325 | 273 | 17 |
| Nevada | 443 | 156 | 9 | 4 | 10 | 127 | 134 | 3 |
| New Hampshire | 392 | 105 | 3 | 2 | 5 | 119 | 150 | 8 |
| New Jersey | 5, 552 | 2, 198 | 200 | 85 | 11 | 1, 428 | 1, 456 | 174 |
| New Mexico | 508 | 83 | 12 | 7 | 51 | 168 | 166 | 21 |
| New York | 28, 301 | 4, 222 | 2, 690 | 1, 578 | 82 | 15, 415 | 3, 420 | 894 |
| North Carolina | 2, 669 | 318 | 83 | 48 | 31 | 1, 232 | 877 | 80 |
| North Dakota | 417 | 139 | 3 | 3 | 73 | 106 | 88 | 5 |
| Ohio | 7, 173 | 2, 051 | 327 | 113 | 82 | 2, 063 | 2, 276 | 261 |
| Oklahoma | 2, 061 | 367 | 90 | 17 | 191 | 752 | 555 | 89 |
| Oregon | 2, 246 | 567 | 116 | 17 | 112 | 972 | 441 | 21 |
| Pennsylvania | 11, 018 | 2, 991 | 587 | 126 | 132 | 4, 328 | 2, 429 | 425 |
| Rhode Island | 1, 058 | 443 | 46 | 4 | — | 318 | 203 | 44 |
| South Carolina | 771 | 111 | 35 | 8 | 14 | 268 | 300 | 35 |
| South Dakota | 484 | 120 | 6 | 6 | 146 | 105 | 96 | 5 |
| Tennessee | 2, 647 | 419 | 170 | 60 | 45 | 1, 032 | 869 | 52 |
| Texas | 10, 051 | 1, 151 | 630 | 642 | 500 | 4, 498 | 2, 335 | 295 |
| Utah | 528 | 188 | 19 | 13 | 23 | 156 | 118 | 11 |
| Vermont | 290 | 135 | — | 4 | 8 | 58 | 78 | 7 |
| Virginia | 2, 882 | 865 | 104 | 38 | 60 | 741 | 987 | 87 |
| Washington | 3, 027 | 727 | 200 | 36 | 152 | 1, 165 | 697 | 50 |
| West Virginia | 666 | 225 | 15 | 5 | 8 | 152 | 251 | 10 |
| Wisconsin | 2, 355 | 812 | 85 | 25 | 57 | 734 | 551 | 91 |
| Wyoming | 291 | 67 | 2 | 4 | 53 | 90 | 73 | 2 |
| Virgin Islands | 60 | 34 | 0 | 0 | 0 | 16 | 10 | — |
| District of Columbia—all* | 1, 557 | 510 | 186 | 24 | — | 357 | 430 | 50 |

*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

*Income and expenses of National banks,* by States, year ended Dec. 31, 1969*

[Dollar amounts in thousands]

| | *United States* | *Alabama* | *Alaska* | *Arizona* | *Arkansas* | *California* | *Colorado* | *Connecticut* | *Delaware* |
|---|---|---|---|---|---|---|---|---|---|
| Number of banks | 4, 669 | 88 | 5 | 4 | 68 | 68 | 120 | 27 | 5 |
| Operating income: | | | | | | | | | |
| Interest and fees on loans | $12, 492, 556 | $127, 777 | $15, 745 | $127, 006 | $56, 416 | $1, 924, 777 | $140, 656 | $117, 476 | $1, 060 |
| Income on Federal funds sold and securities purchased under agreements to resell | 473, 181 | 5, 653 | 644 | 1, 560 | 2, 308 | 76, 196 | 3, 884 | 3, 605 | 164 |
| Interest and dividends on investments: | | | | | | | | | |
| U.S. Treasury securities | 1, 524, 702 | 20, 896 | 2, 297 | 9, 113 | 8, 794 | 148, 456 | 17, 165 | 7, 637 | 428 |
| Securities of other U.S. Government agencies and corporations | 264, 166 | 3, 445 | 681 | 1, 582 | 2, 187 | 29, 399 | 2, 021 | 2, 431 | 77 |
| Obligations of States and political subdivisions | 1, 302, 223 | 16, 468 | 2, 559 | 10, 306 | 7, 403 | 158, 056 | 12, 111 | 12, 711 | 29 |
| Other securities | 81, 591 | 460 | 96 | 343 | 336 | 13, 306 | 450 | 479 | 8 |
| Trust department income | 562, 368 | 4, 753 | 181 | 3, 877 | 1, 137 | 72, 135 | 11, 150 | 9, 676 | 0 |
| Service charges on deposit accounts | 659, 101 | 10, 634 | 2, 114 | 8, 776 | 4, 484 | 124, 344 | 11, 802 | 7, 717 | 86 |
| Other service charges, collection and exchange charges, commissions, and fees | 426, 787 | 3, 943 | 1, 337 | 4, 122 | 1, 242 | 88, 333 | 8, 480 | 4, 133 | 38 |
| Other operating income | 434, 527 | 2, 788 | 474 | 1, 961 | 1, 021 | 60, 255 | 2, 921 | 1, 893 | 31 |
| *Total operating income* | 18, 221, 202 | 196, 817 | 26, 128 | 168, 646 | 85, 328 | 2, 695, 257 | 210, 640 | 167, 758 | 1, 921 |
| Operating expense: | | | | | | | | | |
| Salaries and wages of officers and employees | 3, 402, 598 | 41, 785 | 7, 074 | 38, 819 | 18, 663 | 535, 218 | 44, 747 | 40, 426 | 448 |
| Pensions and other employee benefits | 529, 968 | 5, 977 | 783 | 5, 536 | 2, 353 | 79, 262 | 5, 895 | 6, 905 | 44 |
| Interest on deposits | 6, 036, 219 | 55, 526 | 7, 256 | 57, 501 | 22, 880 | 1, 044, 365 | 57, 122 | 43, 574 | 577 |
| Expense of Federal funds purchased and securities sold under agreements to repurchase | 777, 062 | 1, 965 | 10 | 3, 583 | 1, 290 | 106, 701 | 6, 250 | 2, 664 | 2 |
| Interest on borrowed money | 255, 791 | 621 | 22 | 5 | 757 | 30, 605 | 2, 433 | 1, 400 | 0 |
| Interest on capital notes and debentures | 56, 282 | 0 | 10 | 1, 052 | 251 | 8, 787 | 253 | 475 | 0 |
| Occupancy expense of bank premises, net | 618, 849 | 5, 855 | 1, 124 | 6, 534 | 3, 763 | 105, 444 | 7, 137 | 8, 297 | 78 |
| Furniture and equipment, depreciation, rental costs, servicing, etc | 467, 453 | 6, 411 | 1, 041 | 4, 201 | 3, 590 | 56, 231 | 7, 473 | 5, 113 | 69 |
| Provision for loan losses (or actual net loan losses) | 296, 201 | 6, 813 | 710 | 2, 592 | 1, 938 | 49, 826 | 4, 070 | 2, 456 | 4 |
| Other operating expenses | 1, 865, 576 | 24, 695 | 3, 055 | 18, 836 | 10, 952 | 206, 877 | 31, 127 | 20, 097 | 253 |
| *Total operating expense* | 14, 305, 999 | 149, 648 | 21, 085 | 138, 659 | 66, 437 | 2, 223, 316 | 166, 507 | 131, 407 | 1, 475 |
| Income before income taxes and securities gains or losses | 3, 915, 203 | 47, 169 | 5, 043 | 29, 987 | 18, 891 | 471, 941 | 44, 133 | 36, 351 | 446 |
| Applicable income taxes | 1, 259, 146 | 15, 548 | 965 | 9, 926 | 5, 328 | 151, 520 | 16, 354 | 13, 760 | 143 |
| Income before securities gains or losses | 2, 656, 057 | 31, 621 | 4, 078 | 20, 061 | 13, 563 | 320, 421 | 27, 779 | 22, 591 | 303 |
| Net securities gains or losses (after tax effect) | −125, 716 | −167 | −195 | +29 | −180 | −7, 475 | −1, 163 | −702 | −8 |
| Net income before extraordinary items | 2, 530, 341 | 31, 454 | 3, 883 | 20, 090 | 13, 383 | 312, 946 | 26, 616 | 21, 889 | 295 |
| Extraordinary charges or credits | +3, 974 | +238 | −129 | +35 | −280 | −1, 520 | −139 | −28 | 0 |
| Minority interest in consolidated subsidiaries | −36 | 0 | 0 | 0 | −17 | −10 | 0 | 0 | 0 |
| Net income | 2, 534, 279 | 31, 692 | 3, 754 | 20, 125 | 13, 086 | 311, 416 | 26, 477 | 21, 861 | 295 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Changes in capital accounts: | | | | | | | | | |
| Increases: | | | | | | | | | |
| Net income transferred to undivided profits | 2, 534, 279 | 31, 692 | 3, 754 | 20, 125 | 13, 086 | 311, 416 | 26, 477 | 21, 861 | 295 |
| Capital stock, notes and debentures sold or issued, including premium received | 290, 517 | 1, 102 | 100 | 59 | 1, 336 | 8, 553 | 2, 896 | 1, 912 | 0 |
| Addition to surplus, undivided profits and reserves incident to mergers and consolidations | 252, 116 | 360 | 100 | 0 | 0 | 3, 640 | 188 | 1, 098 | 0 |
| Transfers from reserves on loans and securities | 69, 392 | 95 | 0 | 0 | 331 | 13, 287 | 21 | 39 | 0 |
| All other increases | 163, 009 | 7, 369 | 165 | 546 | 1, 739 | 16, 801 | 3, 784 | 526 | 21 |
| *Total increases* | 775, 034 | 8, 926 | 365 | 605 | 3, 406 | 42, 281 | 6, 889 | 3, 575 | 21 |
| Decreases: | | | | | | | | | |
| Cash dividends declared: | | | | | | | | | |
| On common stock | 1, 063, 666 | 11, 724 | 798 | 7, 306 | 4, 037 | 145, 730 | 10, 990 | 9, 943 | 70 |
| On preferred stock | 4, 429 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| Capital stock, notes and debentures retired, including premium paid | 203, 782 | 0 | 20 | 14 | 62 | 26, 531 | 0 | 0 | 0 |
| Reduction in surplus, undivided profits and reserves incident to mergers and consolidations | 13, 341 | 0 | 0 | 0 | 28 | 56 | 0 | 0 | 0 |
| Transfers to reserves on loans and securities | 293, 103 | 1, 536 | 0 | 3, 181 | 1, 312 | 52, 119 | 2, 756 | 2, 300 | 10 |
| All other decreases | 129, 400 | 7, 022 | 153 | 182 | 1, 689 | 11, 029 | 2, 609 | 228 | 74 |
| *Total decreases* | 1, 707, 721 | 20, 282 | 971 | 10, 683 | 7, 129 | 235, 465 | 16, 355 | 12, 471 | 154 |
| Net change in capital accounts | 1, 601, 592 | 20, 336 | 3, 148 | 10, 047 | 9, 363 | 118, 232 | 17, 011 | 12, 965 | 162 |
| Capital accounts† | 22, 510, 611 | 260, 293 | 23, 847 | 149, 762 | 125, 398 | 2, 578, 567 | 227, 880 | 187, 208 | 2, 687 |
| Ratios: | | | | | | | | | |
| Net income before dividends to capital accounts (percent) | 11. 26 | 12. 18 | 15. 74 | 13. 44 | 10. 44 | 12. 08 | 11. 62 | 11. 68 | 11. 98 |
| Total operating expense to total operating revenue (percent) | 78. 51 | 76. 03 | 80. 70 | 82. 22 | 77. 86 | 82. 49 | 79. 05 | 78. 33 | 76. 78 |

See footnotes at end of table:

## TABLE B-30—Continued

*Income and expenses of National banks,* by States, year ended Dec. 31, 1969*

[Dollar amounts in thousands]

| | *District of Columbia* | *Florida* | *Georgia* | *Hawaii* | *Idaho* | *Illinois* | *Indiana* | *Iowa* | *Kansas* |
|---|---|---|---|---|---|---|---|---|---|
| Number of banks | 11 | 209 | 60 | 1 | 8 | 418 | 122 | 100 | 172 |
| Operating income: | | | | | | | | | |
| Interest and fees on loans | $80, 254 | $300, 763 | $212, 517 | $3, 275 | $41, 589 | $980, 225 | $248, 240 | $74, 343 | $90, 675 |
| Income on Federal funds sold and securities purchased under agreements to resell | 3, 266 | 21, 666 | 5, 914 | 77 | 1, 109 | 32, 765 | 14, 420 | 2, 563 | 4, 025 |
| Interest and dividends on investments: | | | | | | | | | |
| U.S. Treasury securities | 19, 126 | 53, 683 | 15, 343 | 813 | 5, 415 | 148, 587 | 44, 971 | 15, 676 | 21, 299 |
| Securities of other U.S. Government agencies and corporations | 2, 750 | 24, 621 | 2, 544 | 2 | 29 | 30, 927 | 8, 341 | 3, 868 | 4, 787 |
| Obligations of States and political subdivisions | 6, 224 | 45, 962 | 16, 731 | 374 | 5, 410 | 114, 696 | 24, 409 | 8, 170 | 12, 293 |
| Other securities | 504 | 1, 481 | 1, 557 | 5 | 145 | 8, 406 | 1, 048 | 300 | 304 |
| Trust department income | 4, 170 | 15, 110 | 8, 098 | 0 | 437 | 57, 172 | 11, 066 | 3, 023 | 2, 548 |
| Service charges on deposit accounts | 5, 833 | 22, 950 | 15, 584 | 57 | 3, 467 | 29, 184 | 13, 999 | 4, 707 | 6, 550 |
| Other service charges, collection and exchange charges, commissions, and fees | 1, 689 | 14, 962 | 5, 342 | 179 | 2, 315 | 22, 384 | 11, 316 | 3, 267 | 4, 303 |
| Other operating income | 1, 575 | 13, 510 | 11, 942 | 24 | 270 | 43, 148 | 4, 708 | 2, 700 | 1, 847 |
| *Total operating income* | 125, 391 | 514, 708 | 295, 572 | 4, 806 | 60, 186 | 1, 467, 494 | 382, 518 | 118, 617 | 148, 631 |
| Operating expense: | | | | | | | | | |
| Salaries and wages of officers and employees | 26, 535 | 98, 868 | 64, 061 | 1, 038 | 12, 927 | 225, 541 | 73, 140 | 24, 102 | 29, 052 |
| Pensions and other employee benefits | 2, 824 | 13, 341 | 10, 773 | 116 | 1, 725 | 37, 870 | 10, 615 | 3, 137 | 3, 684 |
| Interest on deposits | 31, 123 | 153, 255 | 64, 476 | 2, 040 | 19, 170 | 557, 917 | 116, 420 | 37, 203 | 44, 346 |
| Expense of Federal funds purchased and securities sold under agreements to repurchase | 1, 136 | 15, 706 | 16, 886 | 17 | 100 | 79, 358 | 16, 190 | 1, 937 | 1, 393 |
| Interest on borrowed money | 1, 853 | 1, 343 | 14, 033 | 0 | 29 | 29, 544 | 1, 269 | 476 | 462 |
| Interest on capital notes and debentures | 57 | 1, 618 | 2, 234 | 75 | 0 | 1, 240 | 343 | 84 | 466 |
| Occupancy expense of bank premises, net | 4, 641 | 14, 143 | 12, 350 | 263 | 1, 333 | 40, 083 | 13, 054 | 4, 049 | 4, 072 |
| Furniture and equipment, depreciation, rental costs, servicing, etc | 3, 398 | 17, 128 | 9, 801 | 116 | 1, 670 | 30, 289 | 11, 838 | 5, 925 | 4, 549 |
| Provision for loan losses (or actual net loan losses) | 3, 497 | 14, 211 | 4, 935 | 207 | 858 | 21, 361 | 8, 016 | 1, 388 | 3, 617 |
| Other operating expenses | 15, 050 | 69, 140 | 40, 379 | 540 | 6, 662 | 131, 776 | 45, 808 | 14, 819 | 16, 868 |
| *Total operating expense* | 90, 114 | 398, 753 | 239, 928 | 4, 412 | 44, 474 | 1, 154, 979 | 296, 693 | 93, 120 | 108, 509 |
| Income before income taxes and securities gains or losses | 35, 277 | 115, 955 | 55, 644 | 394 | 15, 712 | 312, 515 | 85, 825 | 25, 497 | 40, 122 |
| Applicable income taxes | 15, 736 | 32, 906 | 18, 031 | 34 | 5, 623 | 93, 297 | 28, 745 | 8, 273 | 12, 348 |
| Income before securities gains or losses | 19, 541 | 83, 049 | 37, 613 | 360 | 10, 089 | 219, 218 | 57, 080 | 17, 224 | 27, 774 |
| Net securities gains or losses (after tax effect) | —246 | —3, 419 | —4, 917 | +3 | —1, 624 | —7, 559 | —1, 307 | +160 | —385 |
| Net income before extraordinary items | 19, 295 | 79, 630 | 32, 696 | 363 | 8, 465 | 211, 659 | 55, 773 | 17, 384 | 27, 389 |
| Extraordinary charges or credits | +262 | +501 | —1, 585 | 0 | —9 | +1, 387 | —31 | +160 | —58 |
| Minority interest in consolidated subsidiaries | 0 | 0 | 0 | 0 | 0 | —27 | 0 | 0 | 0 |
| Net income | 19, 557 | 80, 131 | 31, 111 | 363 | 8, 456 | 213, 019 | 55, 742 | 17, 544 | 27, 331 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Changes in capital accounts: | | | | | | | | | |
| Increases: | | | | | | | | | |
| Net income transferred to undivided profits | 19, 557 | 80, 131 | 31, 111 | 363 | 8, 456 | 213, 019 | 55, 742 | 17, 544 | 27, 331 |
| Capital stock, notes and debentures sold or issued, including premium received | 26 | 25, 367 | 7, 704 | 0 | 0 | 10, 503 | 11, 718 | 1, 234 | 352 |
| Addition to surplus, undivided profits and reserves incident to mergers and consolidations | 25 | 2, 494 | 2, 171 | 0 | 0 | 570 | 330 | 87 | 34 |
| Transfers from reserves on loans and securities | 194 | 244 | 314 | 0 | 0 | 2, 519 | 4, 997 | 74 | 121 |
| All other increases | 562 | 5, 014 | 1, 308 | 0 | 35 | 8, 554 | 3, 995 | 3, 756 | 3, 977 |
| *Total increases* | 807 | 33, 119 | 11, 497 | 0 | 35 | 22, 146 | 21, 040 | 5, 151 | 4, 484 |
| Decreases: | | | | | | | | | |
| Cash dividends declared: | | | | | | | | | |
| On common stock | 7, 975 | 23, 159 | 15, 052 | 160 | 3, 133 | 87, 388 | 19, 816 | 6, 074 | 9, 009 |
| On preferred stock | 632 | 0 | 0 | 0 | 0 | 5 | 0 | 0 | 18 |
| Capital stock, notes and debentures retired, including premium paid | 0 | 280 | 3, 586 | 0 | 0 | 38 | 5, 847 | 0 | 0 |
| Reduction in surplus, undivided profits and reserves incident to mergers and consolidations | 0 | 1, 000 | 45 | 0 | 0 | 4 | 172 | 11 | 0 |
| Transfers to reserves on loans and securities | 1, 212 | 7, 190 | 5, 206 | 0 | 355 | 17, 625 | 3, 732 | 1, 724 | 2, 063 |
| All other decreases | 430 | 4, 082 | 1, 331 | 0 | 57 | 7, 520 | 4, 257 | 1, 759 | 2, 297 |
| *Total decreases* | 10, 249 | 35, 711 | 25, 220 | 160 | 3, 545 | 112, 580 | 33, 824 | 9, 568 | 13, 387 |
| Net change in capital accounts | 10, 115 | 77, 539 | 17, 388 | 203 | 4, 946 | 122, 585 | 42, 958 | 13, 127 | 18, 428 |
| Capital accounts† | 159, 226 | 601, 663 | 340, 206 | 4, 996 | 60, 632 | 1, 931, 555 | 461, 696 | 156, 558 | 232, 944 |
| Ratios: | | | | | | | | | |
| Net income before dividends to capital accounts (percent) | 12. 28 | 13. 31 | 9. 14 | 7. 27 | 13. 95 | 11. 03 | 12. 07 | 11. 21 | 11. 73 |
| Total operating expense to total operating revenue (percent) | 71. 87 | 77. 47 | 81. 17 | 91. 80 | 73. 89 | 78. 70 | 77. 56 | 78. 50 | 73. 01 |

See footnotes at end of table.

# TABLE B-30—Continued

*Income and expenses of National banks,* by States, year ended Dec. 31, 1969*

[Dollar amounts in thousands]

| | *Kentucky* | *Louisiana* | *Maine* | *Maryland* | *Massachusetts* | *Michigan* | *Minnesota* | *Mississippi* | *Missouri* |
|---|---|---|---|---|---|---|---|---|---|
| Number of banks | 80 | 49 | 21 | 47 | 86 | 98 | 197 | 38 | 97 |
| Operating income: | | | | | | | | | |
| Interest and fees on loans | $76, 621 | $129, 227 | $27, 364 | $107, 469 | $372, 731 | $495, 133 | $248, 019 | $61, 649 | $195, 918 |
| Income on Federal funds sold and securities purchased under agreements to resell | 3, 935 | 5, 952 | 1, 351 | 6, 839 | 15, 112 | 15, 272 | 4, 751 | 2, 549 | 8, 915 |
| Interest and dividends on investments: | | | | | | | | | |
| U.S. Treasury securities | 17, 181 | 28, 476 | 3, 073 | 16, 353 | 36, 151 | 68, 795 | 30, 052 | 9, 261 | 31, 853 |
| Securities of other U.S. Government agencies and corporations | 1, 833 | 2, 951 | 235 | 1, 867 | 3, 160 | 8, 604 | 7, 492 | 906 | 5, 021 |
| Obligations of States and political subdivisions | 9, 885 | 16, 915 | 4, 066 | 10, 833 | 31, 855 | 44, 521 | 25, 298 | 6, 546 | 20, 572 |
| Other securities | 317 | 625 | 114 | 451 | 1, 680 | 4, 020 | 769 | 191 | 1, 197 |
| Trust department income | 1, 825 | 2, 149 | 1, 702 | 3, 335 | 20, 464 | 18, 051 | 13, 279 | 1, 181 | 12, 888 |
| Service charges on deposit accounts | 4, 565 | 9, 087 | 1, 876 | 7, 963 | 17, 806 | 20, 782 | 11, 786 | 5, 627 | 5, 934 |
| Other service charges, collection and exchange charges, commissions, and fees | 1, 794 | 6, 044 | 962 | 2, 097 | 14, 349 | 10, 626 | 11, 729 | 3, 604 | 6, 493 |
| Other operating income | 1, 409 | 3, 325 | 444 | 1, 869 | 22, 205 | 10, 651 | 10, 564 | 2, 824 | 9, 790 |
| *Total operating income* | 119, 365 | 204, 751 | 41, 187 | 159, 076 | 535, 513 | 696, 455 | 363, 739 | 94, 338 | 298, 581 |
| Operating expense: | | | | | | | | | |
| Salaries and wages of officers and employees | 24, 375 | 38, 615 | 9, 391 | 33, 376 | 109, 152 | 120, 257 | 60, 761 | 18, 085 | 53, 723 |
| Pensions and other employee benefits | 3, 390 | 5, 628 | 1, 473 | 4, 948 | 17, 961 | 19, 981 | 9, 793 | 2, 646 | 7, 368 |
| Interest on deposits | 34, 687 | 56, 033 | 10, 827 | 35, 122 | 91, 743 | 278, 196 | 116, 321 | 21, 371 | 74, 609 |
| Expense of Federal funds purchased and securities sold under agreements to repurchase | 906 | 4, 888 | 688 | 6, 030 | 31, 016 | 27, 748 | 22, 947 | 4, 853 | 29, 154 |
| Interest on borrowed money | 186 | 2, 038 | 146 | 1, 001 | 65, 985 | 8, 611 | 8, 665 | 334 | 1, 528 |
| Interest on capital notes and debentures | 0 | 308 | 0 | 168 | 911 | 5, 608 | 996 | 299 | 1, 224 |
| Occupancy expense of bank premises, net | 4, 080 | 8, 049 | 1, 765 | 7, 398 | 20, 822 | 24, 665 | 9, 965 | 2, 594 | 8, 513 |
| Furniture and equipment, depreciation, rental costs, servicing, etc | 3, 676 | 6, 853 | 1, 640 | 5, 352 | 13, 369 | 16, 588 | 12, 684 | 3, 501 | 8, 390 |
| Provision for loan losses (or actual net loan losses) | 2, 793 | 5, 482 | 589 | 2, 167 | 9, 649 | 6, 258 | 3, 910 | 3, 112 | 3, 653 |
| Other operating expenses | 14, 971 | 26, 606 | 5, 843 | 21, 104 | 49, 782 | 60, 480 | 38, 684 | 14, 653 | 30, 743 |
| *Total operating expense* | 89, 064 | 154, 500 | 32, 362 | 116, 666 | 410, 390 | 568, 392 | 284, 726 | 71, 448 | 218, 905 |
| Income before income taxes and securities gains or losses | 30, 301 | 50, 251 | 8, 825 | 42, 410 | 125, 123 | 128, 063 | 79, 013 | 22, 890 | 79, 676 |
| Applicable income taxes | 9, 604 | 17, 216 | 2, 133 | 15, 902 | 49, 134 | 41, 634 | 28, 084 | 7, 576 | 29, 861 |
| Income before securities gains or losses | 20, 697 | 33, 035 | 6, 692 | 26, 508 | 75, 989 | 86, 429 | 50, 929 | 15, 314 | 49, 815 |
| Net securities gains or losses (after tax effect) | —484 | —30 | —215 | —1, 911 | —6, 089 | —1, 149 | —2, 480 | —754 | —902 |
| Net income before extraordinary items | 20, 213 | 33, 005 | 6, 477 | 24, 597 | 69, 900 | 85, 280 | 48, 449 | 14, 560 | 48, 913 |
| Extraordinary charges or credits | +215 | +1, 423 | −16 | —23 | +138 | +163 | +59 | —92 | —31 |
| Minority interest in consolidated subsidiaries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income | 20, 428 | 34, 428 | 6, 461 | 24, 574 | 70, 038 | 85, 443 | 48, 508 | 14, 468 | 48, 882 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Changes in capital accounts: | | | | | | | | | |
| Increases: | | | | | | | | | |
| Net income transferred to undivided profits | 20, 428 | 34, 428 | 6, 461 | 24, 574 | 70, 038 | 85, 443 | 48, 508 | 14, 468 | 48, 882 |
| Capital stock, notes and debentures sold or issued, including permium received | 1, 149 | 1, 296 | 528 | 3, 060 | 15, 457 | 19, 291 | 3, 689 | 2, 336 | 9, 272 |
| Addition to surplus, undivided profits and reserves incident to mergers and consolidations | 292 | 32 | 40 | 1, 599 | 3, 185 | 1, 092 | 85 | 2, 750 | 3, 169 |
| Transfers from reserves on loans and securities | 1, 252 | 1, 642 | 50 | 46 | 228 | 17 | 6, 034 | 1, 639 | 2, 009 |
| All other increases | 1, 635 | 2, 881 | 182 | 1, 359 | 5, 092 | 1, 621 | 1, 160 | 458 | 2, 410 |
| *Total increases* | 4, 328 | 5, 851 | 800 | 6, 064 | 23, 962 | 22, 021 | 10, 968 | 7, 183 | 16, 860 |
| Decreases: | | | | | | | | | |
| Cash dividends declared: | | | | | | | | | |
| On common stock | 6, 591 | 10, 422 | 3, 135 | 9, 338 | 34, 631 | 27, 566 | 20, 449 | 7, 487 | 20, 967 |
| On preferred stock | 0 | 146 | 0 | 0 | 0 | 227 | 0 | 0 | 61 |
| Capital stock, notes and debentures retired, including premium paid | 0 | 302 | 0 | 0 | 40 | 392 | 48 | 20 | .......... |
| Reduction in surplus, undivided profits and reserves incident to mergers and consolidations | 0 | 176 | 0 | 0 | 244 | 134 | 0 | 172 | .......... |
| Transfers to reserves on loans and securities | 2, 527 | 5, 176 | 415 | 2, 663 | 6, 376 | 11, 497 | 4, 641 | 1, 716 | 5, 977 |
| All other decreases | 2, 041 | 2, 904 | 300 | 2, 443 | 3, 500 | 1, 042 | 1, 425 | 437 | 2, 680 |
| *Total decreases* | 11, 159 | 19, 126 | 3, 850 | 14, 444 | 44, 791 | 40, 858 | 26, 563 | 9, 832 | 29, 685 |
| Net change in capital accounts | 13, 597 | 21, 153 | 3, 411 | 16, 194 | 49, 209 | 66, 606 | 32, 913 | 11, 819 | 36, 057 |
| Capital accounts† | 165, 421 | 309, 627 | 54, 085 | 197, 209 | 661, 575 | 760, 117 | 426, 230 | 116, 570 | 445, 431 |
| Ratios: | | | | | | | | | |
| Net income before dividends to capital accounts (percent) | 12. 35 | 11. 12 | 11. 95 | 12. 46 | 10. 59 | 11. 24 | 11. 38 | 12. 41 | 10. 97 |
| Total operating expense to total operating revenue (percent) | 74. 61 | 75. 46 | 78. 57 | 73. 34 | 76. 63 | 81. 61 | 78. 28 | 75. 74 | 73. 32 |

See footnotes at end of table.

# TABLE B-30—Continued

*Income and expenses of National banks,* by States, year ended Dec. 31, 1969*

[Dollar amounts in thousands]

| | *Montana* | *Nebraska* | *Nevada* | *New Hampshire* | *New Jersey* | *New Mexico* | *New York* | *North Carolina* | *North Dakota* |
|---|---|---|---|---|---|---|---|---|---|
| Number of banks | 48 | 126 | 4 | 50 | 137 | 33 | 173 | 23 | 42 |
| Operating income: | | | | | | | | | |
| Interest and fees on loans | $33, 276 | $90, 998 | $33, 721 | $29, 923 | $363, 182 | $37, 926 | $1, 996, 573 | $213, 843 | $28, 424 |
| Income on Federal funds sold and securities purchased under agreements to resell | 1, 295 | 3, 201 | 1, 766 | 2, 316 | 17, 593 | 2, 198 | 63, 996 | 3, 136 | 674 |
| Interest and dividends on investments: | | | | | | | | | |
| U.S. Treasury securities | 6, 150 | 13, 498 | 4, 849 | 4, 501 | 54, 841 | 6, 139 | 167, 911 | 15, 832 | 5, 974 |
| Securities of other U.S. Government agencies and corporations | 794 | 4, 944 | 487 | 216 | 12, 829 | 996 | 12, 758 | 4, 057 | 1, 204 |
| Obligations of States and political subdivisions | 4, 411 | 9, 070 | 3, 631 | 2, 756 | 59, 297 | 3, 929 | 172, 587 | 22, 809 | 3, 553 |
| Other securities | 114 | 315 | 96 | 130 | 5, 506 | 89 | 14, 286 | 948 | 83 |
| Trust department income | 356 | 3, 950 | 1, 341 | 729 | 15, 653 | 980 | 101, 359 | 10, 265 | 619 |
| Service charges on deposit accounts | 2, 994 | 4, 944 | 3, 110 | 2, 912 | 25, 753 | 3, 470 | 60, 779 | 11, 115 | 2, 089 |
| Other service charges, collection and exchange charges, commissions, and fees | 1, 415 | 4, 846 | 784 | 767 | 6, 945 | 1, 991 | 52, 272 | 9, 840 | 1, 504 |
| Other operating income | 474 | 2, 768 | 1, 207 | 644 | 5, 596 | 720 | 128, 049 | 6, 188 | 391 |
| *Total operating income* | 51, 279 | 138, 534 | 50, 992 | 44, 894 | 567, 195 | 58, 438 | 2, 770, 570 | 298, 033 | 44, 515 |
| Operating expense: | | | | | | | | | |
| Salaries and wages of officers and employees | 9, 633 | 28, 515 | 10, 651 | 9, 855 | 114, 214 | 12, 495 | 456, 421 | 70, 196 | 7, 376 |
| Pensions and other employee benefits | 1, 526 | 3, 993 | 1, 426 | 1, 546 | 18, 835 | 1, 607 | 83, 968 | 11, 990 | 1, 166 |
| Interest on deposits | 19, 100 | 38, 869 | 15, 200 | 9, 960 | 181, 964 | 16, 258 | 1, 065, 301 | 81, 545 | 18, 612 |
| Expense of Federal funds purchased and securities sold under agreements to repurchase | 699 | 4, 368 | 29 | 281 | 5, 556 | 663 | 168, 206 | 9, 164 | 214 |
| Interest on borrowed money | 309 | 433 | 77 | 132 | 1, 298 | 150 | 12, 838 | 2, 405 | 98 |
| Interest on capital notes and debentures | 61 | 155 | 0 | 21 | 1, 885 | 69 | 17, 028 | 2, 469 | 71 |
| Occupancy expense of bank premises, net | 1, 523 | 3, 913 | 2, 103 | 1, 885 | 23, 914 | 2, 018 | 95, 743 | 11, 077 | 1, 325 |
| Furniture and equipment, depreciation, rental costs, servicing, etc | 1, 459 | 5, 763 | 1, 352 | 1, 353 | 15, 473 | 1, 968 | 48, 942 | 9, 419 | 1, 353 |
| Provision for loan losses (or actual net loan losses) | 625 | 2, 640 | 2, 564 | 598 | 5, 695 | 1, 482 | 36, 722 | 2, 268 | 485 |
| Other operating expense | 7, 304 | 18, 528 | 6, 620 | 6, 641 | 61, 870 | 7, 180 | 224, 666 | 32, 966 | 4, 587 |
| *Total operating expense* | 42, 239 | 107, 177 | 40, 022 | 32, 272 | 430, 704 | 43, 890 | 2, 209, 835 | 233, 499 | 35, 287 |
| Income before income taxes and securities gains or losses | 9, 040 | 31, 357 | 10, 970 | 12, 622 | 136, 491 | 14, 548 | 560, 735 | 64, 534 | 9, 228 |
| Applicable income taxes | 2, 335 | 10, 154 | 4, 374 | 4, 564 | 34, 366 | 5, 197 | 186, 180 | 21, 876 | 2, 785 |
| Income before securities gains or losses | 6, 705 | 21, 203 | 6, 596 | 8, 058 | 102, 125 | 9, 351 | 374, 555 | 42, 658 | 6, 443 |
| Net securities gains or losses (after tax effect) | −18 | −238 | +99 | −115 | −3, 740 | −10 | −35, 883 | −4, 116 | −137 |
| Net income before extraordinary items | 6, 687 | 20, 965 | 6, 695 | 7, 943 | 98, 385 | 9, 341 | 338, 672 | 38, 542 | 6, 306 |
| Extraordinary charges or credits | +23 | −49 | +5 | −26 | −116 | +158 | +615 | +171 | −11 |
| Minority interest in consolidated subsidiaries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income | 6, 710 | 20, 916 | 6, 700 | 7, 917 | 98, 269 | 9, 499 | 339, 287 | 38, 713 | 6, 295 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Changes in capital accounts: | | | | | | | | | |
| Increases: | | | | | | | | | |
| Net income transferred to undivided profits | 6, 710 | 20, 916 | 6, 700 | 7, 917 | 98, 269 | 9, 499 | 339, 287 | 38, 713 | 6, 295 |
| Capital stock, notes and debentures sold or issued, including premium received | −2 | 505 | 0 | 2, 130 | 24, 233 | 768 | 48, 479 | 12, 339 | 6 |
| Addition to surplus, undivided profits and reserves incident to mergers and consolidations | 0 | 647 | 0 | 4, 817 | 15, 436 | 0 | 169, 044 | 3, 274 | 0 |
| Transfers from reserves on loans and securities | 495 | 540 | 12 | 272 | 1, 180 | 115 | 326 | 127 | 290 |
| All other increases | 234 | 4, 298 | 597 | 818 | 3, 594 | 864 | 4, 159 | 7, 179 | 165 |
| *Total increases* | 727 | 5, 990 | 609 | 8, 037 | 44, 443 | 1, 747 | 222, 008 | 22, 919 | 461 |
| Decreases: | | | | | | | | | |
| Cash dividends declared: | | | | | | | | | |
| On common stock | 3, 502 | 8, 428 | 2, 937 | 2, 946 | 35, 399 | 3, 336 | 181, 437 | 17, 456 | 2, 338 |
| On preferred stock | 0 | 6 | 0 | 0 | 3 | 0 | 2, 936 | 0 | 0 |
| Capital stock, notes and debentures retired, including premium paid | 5 | 0 | 0 | 0 | 93 | 35 | 162, 049 | 0 | 0 |
| Reduction in surplus, undivided profits and reserves incident to mergers and consolidations | 0 | 3 | 0 | 0 | 2, 088 | 0 | 991 | 0 | 0 |
| Transfers to reserves on loans and securities | 700 | 2, 819 | 780 | 388 | 5, 951 | 737 | 50, 474 | 4, 197 | 238 |
| All other decreases | 215 | 2, 854 | 17 | 707 | 4, 145 | 343 | 8, 969 | 5, 662 | 659 |
| *Total decreases* | 4, 422 | 14, 110 | 3, 734 | 4, 041 | 47, 679 | 4, 451 | 406, 856 | 27, 315 | 3, 235 |
| Net changes in capital accounts | 3, 015 | 12, 796 | 3, 575 | 11, 913 | 95, 033 | 6, 795 | 154, 439 | 34, 317 | 3, 521 |
| Capital accounts† | 55, 222 | 183, 069 | 55, 755 | 60, 971 | 706, 698 | 69, 197 | 3, 717, 452 | 340, 123 | 49, 366 |
| Ratios | | | | | | | | | |
| Net income before dividends to capital accounts (percent) | 12. 15 | 11. 43 | 12. 02 | 12. 98 | 13. 91 | 13. 73 | 9. 13 | 11. 38 | 12. 75 |
| Total operating expense to total operating revenue (percent) | 82. 37 | 77. 37 | 78. 49 | 71. 88 | 75. 94 | 75. 11 | 79. 76 | 78. 35 | 79. 27 |

See footnotes at end of table.

## Table B-30—Continued

*Income and expenses of National banks,* by States, year ended Dec. 31, 1969*

[Dollar amounts in thousands]

| | *Ohio* | *Oklahoma* | *Oregon* | *Pennsylvania* | *Rhode Island* | *South Carolina* | *South Dakota* | *Tennessee* | *Texas* |
|---|---|---|---|---|---|---|---|---|---|
| Number of banks | 217 | 218 | 11 | 315 | 5 | 20 | 33 | 77 | 529 |
| Operating income: | | | | | | | | | |
| Interest and fees on loans | $485, 360 | $156, 485 | $170, 723 | $752, 184 | $78, 051 | $58, 363 | $33, 408 | $198, 775 | $730, 466 |
| Income on Federal funds sold and securities purchased under agreements to resell | 24, 012 | 8, 364 | 491 | 32, 580 | 408 | 2, 168 | 763 | 6, 036 | 34, 819 |
| Interest and dividends on investments: | | | | | | | | | |
| U.S. Treasury securities | 84, 686 | 30, 916 | 16, 574 | 96, 280 | 6, 043 | 7, 794 | 7, 185 | 26, 930 | 90, 108 |
| Securities of other U.S. Government agencies and corporations | 10, 411 | 2, 608 | 2, 186 | 13, 467 | 402 | 1, 678 | 1, 084 | 3, 168 | 24, 026 |
| Obligations of States and political subdivisions | 70, 089 | 18, 871 | 17, 874 | 92, 646 | 9, 050 | 5, 180 | 3, 881 | 18, 886 | 84, 205 |
| Other securities | 3, 441 | 3, 222 | 315 | 6, 102 | 294 | 150 | 126 | 808 | 3, 795 |
| Trust department income | 19, 474 | 4, 929 | 5, 044 | 45, 804 | 7, 149 | 2, 123 | 690 | 6, 823 | 29, 139 |
| Service charges on deposit accounts | 27, 596 | 11, 150 | 14, 373 | 22, 880 | 2, 870 | 5, 940 | 2, 637 | 10, 205 | 36, 636 |
| Other service charges, collection and exchange charges, commissions, and fees | 12, 281 | 6, 428 | 5, 821 | 19, 672 | 3, 016 | 2, 161 | 1, 778 | 8, 321 | 21, 220 |
| Other operating income | 9, 939 | 3, 859 | 3, 341 | 9, 636 | 929 | 2, 107 | 657 | 6, 891 | 16, 858 |
| *Total operating income* | 747, 289 | 246, 832 | 236, 742 | 1, 091, 251 | 108, 212 | 87, 664 | 52, 209 | 286, 843 | 1, 071, 272 |
| Operating expense: | | | | | | | | | |
| Salaries and wages of officers and employees | 132, 502 | 48, 293 | 50, 044 | 185, 263 | 17, 661 | 24, 250 | 9, 666 | 55, 925 | 182, 969 |
| Pensions and other employee benefits | 17, 315 | 6, 327 | 8, 223 | 31, 550 | 4, 299 | 3, 695 | 1, 508 | 8, 516 | 24, 497 |
| Interest on deposits | 240, 580 | 72, 589 | 86, 788 | 355, 130 | 33, 048 | 12, 447 | 19, 449 | 76, 933 | 307, 081 |
| Expense of Federal funds purchased and securities sold under agreements to repurchase | 25, 236 | 8, 634 | 11, 745 | 37, 629 | 5, 356 | 874 | 104 | 14, 716 | 71, 627 |
| Interest on borrowed money | 4, 529 | 1, 332 | 1, 437 | 26, 969 | 1, 290 | 130 | 66 | 8, 182 | 15, 633 |
| Interest on capital notes and debentures | 1, 379 | 979 | 0 | 3, 314 | 22 | 11 | 14 | 917 | 975 |
| Occupancy expense of bank premises, net | 22, 783 | 6, 100 | 8, 900 | 35, 045 | 3, 357 | 2, 980 | 1, 815 | 9, 091 | 25, 745 |
| Furniture and equipment, depreciation, rental costs, servicing, etc | 18, 384 | 8, 280 | 5, 820 | 26, 474 | 2, 472 | 3, 876 | 1, 725 | 10, 002 | 30, 069 |
| Provision for loan losses (or actual net loan losses) | 11, 308 | 5, 954 | 2, 589 | 10, 597 | 1, 949 | 794 | 803 | 5, 191 | 25, 598 |
| Other operating expenses | 93, 664 | 27, 751 | 21, 068 | 110, 911 | 12, 078 | 13, 039 | 5, 335 | 36, 075 | 131, 750 |
| *Total operating expense* | 567, 680 | 186, 239 | 196, 614 | 822, 882 | 81, 532 | 62, 096 | 40, 485 | 225, 548 | 815, 944 |
| Income before income taxes and securities gains or losses | 179, 609 | 60, 593 | 40, 128 | 268, 369 | 26, 680 | 25, 568 | 11, 724 | 61, 295 | 255, 328 |
| Applicable income taxes | 53, 570 | 17, 156 | 12, 577 | 77, 633 | 9, 752 | 10, 118 | 3, 860 | 18, 804 | 80, 862 |
| Income before securities gains or losses | 126, 039 | 43, 437 | 27, 551 | 190, 736 | 16, 928 | 15, 450 | 7, 864 | 42, 491 | 174, 466 |
| Net securities gains or losses (after tax effect) | −8, 577 | −879 | −1, 934 | −9, 672 | −902 | −121 | −261 | −1, 241 | −10, 438 |
| Net income before extraordinary items | 117, 462 | 42, 558 | 25, 617 | 181, 064 | 16, 026 | 15, 329 | 7, 603 | 41, 250 | 164, 028 |
| Extraordinary charges or credits | +70 | −68 | 0 | +81 | −69 | +20 | −13 | −12 | +2, 127 |
| Minority interest in consolidated subsidiaries | 0 | −1 | 0 | 0 | 0 | 0 | 0 | +17 | −3 |
| Net income | 117, 532 | 42, 489 | 25, 617 | 181, 145 | 15, 957 | 15, 349 | 7, 590 | 41, 255 | 166, 152 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Changes in capital accounts:** | | | | | | | | | |
| Increases: | | | | | | | | | |
| Net income transferred to undivided profits | 117, 532 | 42, 489 | 25, 617 | 181, 145 | 15, 957 | 15, 349 | 7, 590 | 41, 255 | 166, 152 |
| Capital stock, notes and debentures sold or issued, including premium received | 9, 624 | 2, 052 | 240 | 19, 022 | 825 | 1, 705 | 253 | 2, 359 | 20, 474 |
| Addition to surplus, undivided profits and reserves incident to mergers and consolidations | 12, 747 | 2, 740 | 58 | 7, 545 | 50 | 2, 743 | 368 | 354 | 759 |
| Transfers from reserves on loans and securities | 11, 271 | 1, 132 | 0 | 2, 726 | 0 | 46 | 278 | 4, 710 | 2, 855 |
| All other increases | 7, 454 | 4, 243 | 1 | 14, 772 | 587 | 1, 938 | 675 | 1, 241 | 11, 469 |
| *Total increases* | 41, 096 | 10, 167 | 299 | 44, 065 | 1, 462 | 6, 432 | 1, 574 | 8, 664 | 35, 557 |
| Decreases: | | | | | | | | | |
| Cash dividends declared: | | | | | | | | | |
| On common stock | 45, 622 | 16, 233 | 12, 331 | 77, 884 | 8, 069 | 5, 753 | 3, 524 | 13, 105 | 62, 824 |
| On preferred stock | 0 | 21 | 0 | 292 | 0 | 0 | 0 | 0 | 52 |
| Capital stock, notes and debentures retired, including premium paid | 0 | 0 | 0 | 4, 092 | 12 | 0 | 25 | 25 | 48 |
| Reduction in surplus, undivided profits and reserves incident to mergers and consolidations | 159 | 191 | 0 | 6, 153 | 0 | 0 | 7 | 0 | 20 |
| Transfers to reserves on loans and securities | 12, 251 | 3, 285 | 5, 182 | 18, 256 | 1, 628 | 2, 081 | 226 | 6, 126 | 20, 287 |
| All other decreases | 4, 475 | 4, 402 | 32 | 13, 137 | 20 | 1, 236 | 627 | 2, 709 | 10, 596 |
| *Total decreases* | 62, 507 | 24, 132 | 17, 545 | 119, 814 | 9, 729 | 9, 070 | 4, 409 | 21, 965 | 93, 827 |
| Net change in capital accounts | 96, 121 | 28, 524 | 8, 371 | 105, 396 | 7, 690 | 12, 711 | 4, 755 | 27, 954 | 107, 882 |
| Capital accounts† | 997, 111 | 377, 695 | 220, 660 | 1, 653, 251 | 127, 537 | 103, 905 | 57, 094 | 388, 950 | 1, 456, 173 |
| Ratios: | | | | | | | | | |
| Net income before dividends to capital accounts (percent) | 11. 79 | 11. 25 | 11. 61 | 10. 96 | 12. 51 | 14. 77 | 13. 29 | 10. 61 | 11. 41 |
| Total operating expense to total operating revenue (percent) | 75. 97 | 75. 45 | 83. 05 | 75. 41 | 75. 34 | 70. 83 | 77. 54 | 78. 63 | 76. 17 |

See footnotes at end of table.

TABLE B-30—Continued

*Income and expenses of National banks,* by States, year ended Dec. 31, 1969*

[Dollar amounts in thousands]

| | *Utah* | *Vermont* | *Virginia* | *Washington* | *West Virginia* | *Wisconsin* | *Wyoming* | *Virgin Islands* | *District of Columbia—all‡* |
|---|---|---|---|---|---|---|---|---|---|
| Number of banks | 10 | 26 | 103 | 27 | 81 | 121 | 40 | 1 | 14 |
| Operating income: | | | | | | | | | |
| Interest and fees on loans | $40, 351 | $19, 492 | $212, 698 | $237, 616 | $44, 312 | $162, 016 | $22, 773 | $4, 692 | $118, 051 |
| Income on Federal funds sold and securities purchased under agreements to resell | 1, 624 | 927 | 5, 263 | 3, 435 | 3, 432 | 7, 233 | 685 | 271 | 3, 840 |
| Interest and dividends on investments: | | | | | | | | | |
| U.S. Treasury securities | 3, 782 | 2, 307 | 27, 001 | 21, 905 | 13, 981 | 23, 278 | 4, 849 | 494 | 26, 284 |
| Securities of other U.S. Government agencies and corporations | 592 | 288 | 5, 346 | 1, 360 | 1, 804 | 5, 231 | 469 | 0 | 2, 957 |
| Obligations of States and political subdivisions | 4, 116 | 1, 922 | 21, 910 | 21, 854 | 5, 849 | 16, 723 | 2, 126 | 595 | 10, 094 |
| Other securities | 186 | 180 | 723 | 636 | 350 | 909 | 188 | 7 | 574 |
| Trust department income | 1, 085 | 386 | 8, 185 | 9, 474 | 1, 566 | 5, 551 | 287 | 0 | 7, 617 |
| Service charges on deposit accounts | 3, 125 | 1, 333 | 12, 448 | 23, 042 | 1, 762 | 6, 338 | 1, 759 | 127 | 8, 643 |
| Other service charges, collection, and exchange charges, commissions, and fees | 2, 532 | 215 | 8, 251 | 10, 370 | 1, 086 | 7, 089 | 987 | 112 | 2, 363 |
| Other operating income | 391 | 334 | 3, 775 | 7, 727 | 1, 222 | 5, 858 | 538 | 279 | 1, 813 |
| *Total operating income* | 57, 784 | 27, 384 | 305, 600 | 337, 419 | 75, 364 | 240, 226 | 34, 661 | 6, 577 | 182, 236 |
| Operating expense: | | | | | | | | | |
| Salaries and wages of officers and employees | 9, 068 | 5, 723 | 62, 245 | 82, 035 | 13, 904 | 44, 929 | 7, 111 | 1, 475 | 36, 728 |
| Pensions and other employee benefits | 1, 293 | 844 | 9, 586 | 11, 287 | 1, 702 | 8, 315 | 778 | 148 | 3, 911 |
| Interest on deposits | 19, 590 | 10, 382 | 98, 103 | 100, 214 | 23, 409 | 85, 014 | 11, 551 | 3, 442 | 47, 145 |
| Expense of Federal funds purchased and securities sold under agreements to repurchase | 2, 261 | 61 | 6, 080 | 11, 108 | 1, 677 | 7, 007 | 349 | 0 | 2, 177 |
| Interest on borrowed money | 469 | 25 | 1, 453 | 1, 179 | 87 | 1, 612 | 292 | 20 | 2, 180 |
| Interest on capital notes and debentures | 0 | 44 | 85 | 0 | 38 | 234 | 52 | 0 | 651 |
| Occupancy expense of bank premises, net | 1, 809 | 992 | 10, 055 | 14, 094 | 2, 467 | 8, 546 | 1, 364 | 134 | 7, 818 |
| Furniture and equipment, depreciation, rental costs, servicing, etc | 1, 315 | 812 | 9, 129 | 10, 022 | 1, 910 | 8, 143 | 951 | 91 | 4, 554 |
| Provision for loan losses or (actual net loan losses) | 665 | 344 | 4, 519 | 4, 327 | 1, 126 | 2, 339 | 815 | 92 | 4, 173 |
| Other operating expenses | 5, 957 | 2, 984 | 38, 889 | 35, 948 | 10, 000 | 24, 925 | 4, 409 | 631 | 20, 291 |
| *Total operating expense* | 42, 427 | 22, 211 | 240, 144 | 270, 214 | 56, 320 | 191, 064 | 27, 672 | 6, 033 | 129, 628 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Income before income taxes and securities gains or losses | 15, 357 | 5, 173 | 65, 456 | 67, 205 | 19, 044 | 49, 162 | 6, 989 | 544 | 52, 608 |
| Applicable income taxes | 6, 323 | 1, 468 | 19, 592 | 22, 640 | 5, 753 | 15, 574 | 1, 952 | 0 | 23, 290 |
| Income before securities gains or losses | 9, 034 | 3, 705 | 45, 864 | 44, 565 | 13, 291 | 33, 588 | 5, 037 | 544 | 29, 318 |
| Net securities gains or losses (after tax effect) | −2, 800 | −132 | −1, 097 | −208 | −192 | +103 | −38 | 0 | −77 |
| Net income before extraordinary items | 6, 234 | 3, 573 | 44, 767 | 44, 357 | 13, 099 | 33, 691 | 4, 999 | 544 | 29, 241 |
| Extraordinary charges or credits | +203 | −44 | +137 | −15 | + | +24 | +61 | +39 | +262 |
| Minority interest in consolidated subsidiaries | 0 | 0 | +8 | −3 | 0 | 0 | 0 | 0 | 0 |
| Net income | 6, 437 | 3, 529 | 44, 912 | 44, 339 | 13, 122 | 33, 715 | 5, 060 | 583 | 29, 503 |
| Changes in capital accounts: | | | | | | | | | |
| Increases: | | | | | | | | | |
| Net income transferred to undivided profits | 6, 437 | 3, 529 | 44, 912 | 44, 339 | 13, 122 | 33, 715 | 5, 060 | 583 | 29, 503 |
| Capital stock, notes and debentures sold or issued, including premium received | 0 | 128 | 10, 881 | 70 | 800 | 3, 343 | 1, 344 | 0 | 26 |
| Addition to surplus, undivided profits and reserves incident to mergers and consolidations | 0 | 246 | 7, 318 | 123 | 7 | 334 | 140 | 25 | 25 |
| Transfers from reserves on loans and securities | 8 | 25 | 3, 393 | 3, 900 | 255 | 273 | 9 | 0 | 194 |
| All other increases | 48 | 153 | 13, 237 | 7, 499 | 1, 197 | 1, 151 | 486 | 0 | 562 |
| *Total increases* | 56 | 552 | 34, 829 | 11, 592 | 2, 259 | 5, 101 | 1, 979 | 25 | 807 |
| Decreases: | | | | | | | | | |
| Cash dividends declared: | | | | | | | | | |
| On common stock | 3, 761 | 1, 292 | 19, 021 | 14, 654 | 4, 170 | 12, 784 | 1, 910 | 0 | 11, 929 |
| On preferred stock | 0 | 29 | 0 | 0 | 0 | 0 | 0 | 0 | 632 |
| Capital stock, notes and debentures retired, including premium paid | 0 | 66 | 0 | 0 | 0 | 152 | 0 | 0 | 0 |
| Reduction in surplus, undivided profits and reserves incident to mergers and consolidations | 434 | 0 | 740 | 513 | 0 | 0 | 0 | 0 | 0 |
| Transfers to reserves on loans and securities | 78 | 346 | 5, 750 | 3, 936 | 1, 135 | 2, 237 | 473 | 233 | 1, 699 |
| All other decreases | 104 | 357 | 1, 549 | 1, 048 | 1, 970 | 1, 709 | 329 | 38 | 430 |
| *Total decreases* | 4, 377 | 2, 090 | 27, 060 | 20, 151 | 7, 275 | 16, 882 | 2, 712 | 271 | 14, 690 |
| Net change in capital accounts | 2, 116 | 1, 991 | 52, 681 | 35, 780 | 8, 106 | 21, 934 | 4, 327 | 337 | 15, 620 |
| Capital accounts† | 65, 060 | 33, 710 | 345, 424 | 344, 100 | 125, 720 | 282, 033 | 46, 459 | 6, 493 | 238, 374 |
| Ratios: | | | | | | | | | |
| Net income before dividends to capital accounts (percent) | 9. 89 | 10. 47 | 13. 00 | 12. 89 | 10. 44 | 11. 95 | 10. 89 | 8. 98 | 12. 37 |
| Total operating expense to total operating revenue (percent) | 73. 42 | 81. 11 | 78. 58 | 80. 08 | 74. 73 | 79. 54 | 79. 84 | 91. 73 | 71. 13 |

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

†Includes the aggregate book value of debentures, preferred stock, common stock, surplus, undivided profits, and reserves. These are averages from the June and December call dates in the year indicated and the previous December call date.

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

NOTE: The information in this table is not directly comparable to that for 1968, due to a change in report format.

# TABLE B-31

*Income and expenses of National banks,* by deposit size, year ended Dec. 31, 1969*

[Dollar amounts in thousands]

| | Banks with deposits in December 1969, 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, 669 | 141 | 758 | 1, 184 | 1, 403 | 584 | 272 | 253 | 74 |
| Operating income: | | | | | | | | | |
| Interest and fees on loans | $12, 492, 556 | $7, 201 | $101, 443 | $337, 257 | $866, 411 | $835, 278 | $792, 391 | $2, 391, 336 | $7, 161, 239 |
| Income on Federal funds sold and securities purchased under agreements to resell | 473, 181 | 391 | 6, 923 | 23, 229 | 56, 191 | 46, 530 | 33, 041 | 85, 005 | 221, 871 |
| Interest and dividends on investments: | | | | | | | | | |
| U.S. Treasury securities | 1, 524, 702 | 3, 287 | 33, 595 | 90, 231 | 193, 512 | 153, 600 | 135, 773 | 324, 585 | 590, 119 |
| Securities of other U.S. Government agencies and corporations | 264, 166 | 507 | 8, 586 | 25, 672 | 50, 954 | 42, 667 | 36, 208 | 48, 568 | 51, 004 |
| Obligations of States and political subdivisions | 1, 302, 223 | 266 | 7, 144 | 35, 318 | 112, 490 | 111, 855 | 107, 990 | 283, 983 | 643, 177 |
| Other securities | 81, 591 | 50 | 816 | 2, 120 | 6, 966 | 5, 748 | 4, 600 | 15, 494 | 45, 797 |
| Trust department income | 562, 368 | 0 | 129 | 653 | 6, 595 | 18, 595 | 29, 285 | 121, 497 | 385, 614 |
| Service charges on deposit accounts | 659, 101 | 543 | 8, 386 | 30, 647 | 75, 388 | 67, 444 | 52, 533 | 146, 203 | 277, 957 |
| Other service charges, collection and exchange charges, commissions, and fees | 426, 787 | 250 | 3, 490 | 11, 017 | 25, 939 | 26, 989 | 26, 509 | 92, 719 | 239, 874 |
| Other operating income | 434, 527 | 192 | 2, 089 | 6, 062 | 15, 529 | 18, 511 | 17, 308 | 65, 008 | 309, 828 |
| *Total operating income* | 18, 221, 202 | 12, 687 | 172, 601 | 562, 206 | 1, 409, 975 | 1, 327, 217 | 1, 235, 638 | 3, 574, 398 | 9, 926, 480 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Operating expense: | | | | | | | | | |
| Salaries and wages of officers and employees | 3, 402, 598 | 3, 778 | 41, 341 | 119, 520 | 275, 651 | 260, 653 | 240, 678 | 719, 946 | 1, 741, 031 |
| Pensions and other employee benefits | 529, 968 | 282 | 3, 770 | 13, 740 | 35, 180 | 36, 878 | 34, 988 | 111, 429 | 293, 701 |
| Interest on deposits | 6, 036, 219 | 2, 696 | 53, 050 | 185, 000 | 488, 321 | 447, 649 | 420, 854 | 1, 048, 801 | 3, 389, 848 |
| Expense of Federal funds purchased and securities sold under agreements to repurchase | 777, 062 | 0 | 85 | 799 | 3, 072 | 6, 790 | 12, 040 | 113, 736 | 640, 540 |
| Interest on borrowed money | 255, 791 | 16 | 160 | 587 | 2, 299 | 3, 396 | 4, 656 | 23, 595 | 221, 082 |
| Interest on capital notes and debentures | 56, 282 | 1 | 10 | 91 | 1, 022 | 1, 949 | 2, 382 | 7, 761 | 43, 066 |
| Occupancy expense of bank premises, net | 618, 849 | 437 | 5, 821 | 19, 471 | 50, 571 | 49, 475 | 46, 178 | 128, 334 | 318, 562 |
| Furniture and equipment, depreciation, rental costs, servicing, etc | 467, 453 | 293 | 4, 317 | 14, 620 | 36, 804 | 38, 346 | 37, 778 | 125, 113 | 210, 182 |
| Provision for loan losses (or actual net loan losses) | 296, 201 | 464 | 4, 741 | 15, 502 | 32, 947 | 26, 621 | 24, 568 | 59, 044 | 132, 314 |
| Other operating expenses | 1, 865, 576 | 1, 931 | 22, 958 | 72, 833 | 179, 287 | 167, 986 | 148, 568 | 418, 358 | 853, 655 |
| *Total operating expense* | 14, 305, 999 | 9, 898 | 136, 253 | 442, 163 | 1, 105, 154 | 1, 039, 743 | 972, 690 | 2, 756, 117 | 7, 843, 981 |
| Income before income taxes and securities gains or losses | 3, 915, 203 | 2, 789 | 36, 348 | 120, 043 | 304, 821 | 287, 474 | 262, 948 | 818, 281 | 2, 082, 499 |
| Applicable income taxes | 1, 259, 146 | 628 | 8, 692 | 32, 189 | 84, 372 | 85, 359 | 78, 040 | 269, 119 | 700, 747 |
| Income before securities gains or losses | 2, 656, 057 | 2, 161 | 27, 656 | 87, 854 | 220, 449 | 202, 115 | 184, 908 | 549, 162 | 1, 381, 752 |
| Net securities losses (after tax effect) | 125, 716 | 40 | 1, 159 | 3, 363 | 6, 154 | 7, 573 | 4, 859 | 19, 405 | 83, 163 |
| Net income before extraordinary items | 2, 530, 341 | 2, 121 | 26, 497 | 84, 491 | 214, 295 | 194, 542 | 180, 049 | 529, 757 | 1, 298, 589 |
| Extraordinary charges or credits | +3, 974 | +9 | −12 | −68 | −154 | +2, 294 | +126 | +3, 196 | −1, 417 |
| Minority interest in consolidated subsidiaries | −36 | −3 | 0 | −27 | −27 | +7 | 0 | −3 | +17 |
| Net income | 2, 534, 279 | 2, 127 | 26, 485 | 84, 396 | 214, 114 | 196, 843 | 180, 175 | 532, 950 | 1, 297, 189 |
| Cash dividends declared: | | | | | | | | | |
| On common stock | 1, 063, 666 | 714 | 7, 411 | 23, 032 | 60, 572 | 62, 456 | 61, 933 | 208, 262 | 639, 286 |
| On preferred stock | 4, 429 | 0 | 0 | 5 | 71 | 33 | 29 | 518 | 3, 773 |
| *Total cash dividends declared* | 1, 068, 095 | 714 | 7, 411 | 23, 037 | 60, 643 | 62, 489 | 61, 962 | 208, 780 | 643, 059 |

***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–32

*Capital accounts, net income, and dividends of National banks, 1944–69*

[Dollar amounts in thousands]

| *Year (last call)* | *Number of banks* | *Capital stock (par value)** | | | *Total capital accounts** | *Net income before dividends* | *Cash dividends* | | *Ratios (percent)* | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | *Preferred* | *Common* | *Total* | | | *On preferred stock* | *On common stock* | *Net income before dividends to capital accounts* | *Cash dividends to net income before dividends* | *Cash dividends on preferred stock to preferred capital* | *Total cash dividends to capital accounts* |
| 1944 | 5, 031 | $110, 597 | $1, 440, 519 | $1, 551, 116 | $4, 114, 972 | $411, 844 | $5, 296 | $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 |

*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-33

*Loan losses and recoveries of National banks, 1945–69*

[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 | 1959 | $59,961,989 | +$25,767 | .04 |
| 1946 | 17,309,767 | 3,207 | .02 | 1960 | 63,693,668 | 130,177 | .20 |
| 1947 | 21,480,457 | 29,913 | .14 | 1961 | 67,308,734 | 112,412 | .17 |
| 1948 | 23,818,513 | 19,349 | .08 | 1962 | 75,548,316 | 97,617 | .13 |
| 1949 | 23,928,293 | 33,199 | .14 | 1963 | 83,388,446 | 121,724 | .15 |
| 1950 | 29,277,480 | 14,445 | .05 | 1964 | 95,577,392 | 125,684 | .13 |
| 1951 | 32,423,777 | 22,108 | .07 | 1965 | 116,833,479 | 189,826 | .16 |
| 1952 | 36,119,673 | 19,326 | .05 | 1966 | 126,881,261 | 240,880 | .19 |
| 1953 | 37,944,146 | 32,201 | .08 | 1967 | 136,752,887 | 279,257 | .20 |
| 1954 | 39,827,678 | 25,674 | .06 | 1968 | 154,862,018 | 257,280 | .17 |
| 1955 | 43,559,726 | 29,478 | .07 | 1969 | 168,004,686 | 303,357 | .18 |
| 1956 | 48,248,332 | 41,006 | .08 | | | | |
| 1957 | 50,502,277 | 35,428 | .07 | Average for | | | |
| 1958 | 52,796,224 | 38,173 | .07 | 1945–69 | 64,827,930 | 88,790 | .14 |

NOTE: For earlier data, including figures on gross losses and chargeoffs and gross recoveries, see *Annual Report of the Comptroller of the Currency*, 1947, p. 100 and 1968, p. 233.

## TABLE B-34

*Securities losses and recoveries of National banks, 1945–69*

[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 | 1959 | $42,652,855 | $483,526 | 1.09 |
| 1946 | 46,642,816 | 74,620 | .09 | 1960 | 43,852,194 | 154,372 | .30 |
| 1947 | 44,009,966 | 69,785 | .10 | 1961 | 49,093,539 | 51,236 | .08 |
| 1948 | 40,228,353 | 55,369 | .07 | 1962 | 51,705,503 | 47,949 | .08 |
| 1949 | 44,207,750 | 23,595 | .04 | 1963 | 52,601,949 | 45,923 | .07 |
| 1950 | 43,022,623 | 26,825 | .04 | 1964 | 54,366,781 | 86,500 | .15 |
| 1951 | 43,043,617 | 57,546 | .12 | 1965 | 57,309,892 | 67,898 | .11 |
| 1952 | 44,292,285 | 76,524 | .15 | 1966 | 57,667,429 | 302,656 | .52 |
| 1953 | 44,210,233 | 119,124 | .25 | 1967 | 69,656,371 | 149,545 | .21 |
| 1954 | 48,932,258 | 49,469 | .08 | 1968 | 76,871,528 | 344,068 | .44 |
| 1955 | 42,857,330 | 152,858 | .32 | 1969 | 70,216,983 | 286,215 | .41 |
| 1956 | 40,503,392 | 238,997 | .56 | | | | |
| 1957 | 40,981,709 | 151,152 | .35 | Average for | | | |
| 1958 | 46,788,224 | 67,455 | .12 | 1945–69 | 50,053,088 | 130,313 | .26 |

NOTE: For earlier data, including figures on gross losses and chargeoffs and gross recoveries, see *Annual Report of the Comptroller of the Currency*, 1947, p. 100 and 1968, p. 234.

# TABLE B–35

*Assets and liabilities of National banks, date of last report of condition, 1950–69*

[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, 105, 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 |

NOTE: For earlier data, revised for certain years and made comparable to those in this table, references should be made as follows: years 1863 to 1913, inclusive *Annual Report of the Comptroller of the Currency*, 1913; figures 1914 to 1919, inclusive, report for 1936; figures 1920 to 1939, inclusive, report for 1939; and figures 1936 to 1949, inclusive, report for 1966:

*After deduction of securities and loan reserves.

## Table B–36

*Total assets of foreign branches* of National banks, year-end 1953–69*

[Dollar amounts in thousands]

| | | | |
|---|---|---|---|
| 1953 | $1, 682, 919 | 1962 | $2, 008, 478 |
| 1954 | 1, 556, 326 | 1963 | 2, 678, 717 |
| 1955 | 1, 116, 003 | 1964 | 3, 319, 879 |
| 1956 | 1, 301, 883 | 1965 | 7, 241, 068 |
| 1957 | 1, 342, 616 | 1966 | 9, 364, 278 |
| 1958 | 1, 405, 020 | 1967 | 11, 856, 316 |
| 1959 | 1, 543, 985 | 1968 | 16, 021, 617 |
| 1960 | 1, 628, 510 | 1969 | 28, 217, 139 |
| 1961 | 1, 780, 926 | | |

*Includes military facilities operated abroad by National banks in 1966 and thereafter.

## Table B–37

*Foreign branches of National banks, 1960–69*

| End of year | Number of branches operated by National banks | National bank branches as a percentage of total foreign branches of U.S. banks | End of year | Number of branches operated by National banks | National bank branches as a percentage of total foreign branches of U.S. banks |
|---|---|---|---|---|---|
| 1960 | 93 | 75. 0 | 1965 | 196 | 93. 5 |
| 1961 | 102 | 75. 6 | 1966 | 230 | 94. 3 |
| 1962 | 111 | 76. 6 | 1967 | 278 | 95. 5 |
| 1963 | 124 | 77. 5 | 1968 | 355 | 95. 0 |
| 1964 | 138 | 76. 7 | 1969 | 428 | 93. 0 |

## Table B–38

*Assets and liabilities of foreign branches* of National banks, Dec. 31, 1969: consolidated statement*

[Dollar amounts in thousands]

| | | | |
|---|---|---|---|
| Cash and cash items | $225, 519 | Total demand deposits | $2, 704, 449 |
| Due from banks (time and demand) | 4, 352, 936 | Total time deposits | 19, 297, 775 |
| Securities | 341, 632 | U.S. Government deposits | 234, 964 |
| Loans, discounts and overdrafts | 9, 109, 486 | Certified checks, officers' checks, official checks | 93, 369 |
| Customers' liability on acceptances | 942, 874 | | |
| Fixed assets | 114, 064 | Total deposits | 22, 330, 557 |
| Other assets | 347, 127 | | |
| Due from head office and branches (gross) | 12, 783, 501 | Other liabilities and borrowed funds | 703, 317 |
| | | Liabilities on acceptances | 940, 727 |
| Total | 28, 217, 139 | Due to head office and branches (gross, including capital) | 4, 242, 538 |
| | | Total | 28, 217, 139 |

*Includes military facilities.

## Table B–39

*Trust assets* and income of National banks, by States, calendar 1969*

[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 amounts (Dollar in thousands) |
|---|---|---|---|---|---|---|---|
| United States | 1,678 | 42,551 | 71,738 | 114,289 | 30,249 | 144,536 | 565,815 |
| Alabama | 27 | 205 | 789 | 994 | 119 | 1,113 | 4,753 |
| Alaska | 4 | 11 | 24 | 34 | 17 | 51 | 181 |
| Arizona | 2 | 35 | 465 | 500 | 38 | 538 | 3,877 |
| Arkansas | 30 | 26 | 226 | 252 | 13 | 265 | 1,137 |
| California | 17 | 4,092 | 7,725 | 11,817 | 1,421 | 13,238 | 72,135 |
| Colorado | 30 | 253 | 1,099 | 1,352 | 318 | 1,670 | 11,150 |
| Connecticut | 11 | 271 | 1,472 | 1,744 | 817 | 2,561 | 9,676 |
| Delaware | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| District of Columbia‖ | 6 | 284 | 1,051 | 1,335 | 901 | 2,237 | 7,617 |
| Florida | 82 | 284 | 2,702 | 2,986 | 348 | 3,334 | 15,110 |
| Georgia | 26 | 299 | 1,049 | 1,348 | 1,416 | 2,765 | 8,098 |
| Hawaii | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Idaho | 3 | 9 | 50 | 59 | 22 | 81 | 437 |
| Illinois | 161 | 6,298 | 5,745 | 12,043 | 3,821 | 15,865 | 57,172 |
| Indiana | 95 | 345 | 2,032 | 2,377 | 820 | 3,197 | 11,066 |
| Iowa | 47 | 74 | 419 | 493 | 232 | 725 | 3,023 |
| Kansas | 45 | 45 | 405 | 451 | 88 | 539 | 2,548 |
| Kentucky | 52 | 39 | 296 | 335 | 165 | 501 | 1,825 |
| Louisiana | 20 | 114 | 223 | 337 | 77 | 414 | 2,149 |
| Maine | 17 | 30 | 226 | 256 | 73 | 329 | 1,702 |
| Maryland | 11 | 123 | 538 | 661 | 353 | 1,014 | 3,335 |
| Massachusetts | 45 | 1,481 | 2,393 | 3,874 | 963 | 4,836 | 20,464 |
| Michigan | 34 | 3,168 | 2,445 | 5,613 | 1,200 | 6,813 | 18,051 |
| Minnesota | 21 | 813 | 1,612 | 2,425 | 744 | 3,169 | 13,279 |
| Mississippi | 20 | 42 | 160 | 202 | 8 | 210 | 1,181 |
| Missouri | 34 | 490 | 2,067 | 2,557 | 822 | 3,379 | 12,888 |
| Montana | 12 | 5 | 42 | 47 | 13 | 60 | 356 |
| Nebraska | 19 | 134 | 537 | 671 | 188 | 859 | 3,950 |
| Nevada | 3 | 5 | 205 | 209 | 17 | 226 | 1,341 |
| New Hampshire | 19 | 7 | 131 | 138 | 63 | 201 | 729 |
| New Jersey | 84 | 258 | 1,668 | 1,926 | 658 | 2,582 | 15,653 |
| New Mexico | 18 | 18 | 193 | 210 | 36 | 246 | 980 |
| New York | 76 | 13,373 | 8,428 | 21,801 | 6,468 | 28,270 | 101,359 |
| North Carolina | 16 | 798 | 1,644 | 2,443 | 499 | 2,942 | 10,265 |
| North Dakota | 10 | 14 | 72 | 86 | 9 | 96 | 619 |
| Ohio | 58 | 1,534 | 3,874 | 5,408 | 968 | 6,376 | 19,474 |
| Oklahoma | 38 | 202 | 798 | 1,000 | 255 | 1,255 | 4,929 |
| Oregon | 2 | 208 | 610 | 819 | 106 | 924 | 5,044 |
| Pennsylvania | 138 | 4,430 | 7,874 | 12,304 | 2,567 | 14,871 | 45,804 |
| Rhode Island | 3 | 193 | 1,120 | 1,313 | 354 | 1,667 | 7,149 |
| South Carolina | 7 | 95 | 364 | 458 | 57 | 515 | 2,123 |
| South Dakota | 9 | 19 | 69 | 88 | 11 | 99 | 690 |
| Tennessee | 30 | 140 | 1,107 | 1,247 | 523 | 1,770 | 6,823 |
| Texas | 137 | 1,489 | 3,783 | 5,272 | 1,180 | 6,452 | 29,139 |
| Utah | 2 | 69 | 144 | 213 | 10 | 223 | 1,085 |
| Vermont | 11 | 3 | 44 | 48 | 11 | 59 | 386 |
| Virginia | 50 | 182 | 1,223 | 1,405 | 739 | 2,144 | 8,185 |
| Washington | 11 | 298 | 1,307 | 1,605 | 298 | 1,902 | 9,474 |
| West Virginia | 32 | 21 | 306 | 327 | 29 | 356 | 1,566 |
| Wisconsin | 38 | 219 | 935 | 1,154 | 365 | 1,520 | 5,551 |
| Wyoming | 14 | 3 | 49 | 52 | 23 | 75 | 287 |

*As of December 31, 1969.

†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.

TABLE B-40

*Common trust funds of National and State banks, by States, 1968 and 1969**

| | *Number of banks with common trust funds* | | *Number of common trust funds* | | *Number of account participations* | | *Total assets (Dollar amounts in millions)* | | *Percent change in in assets* | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1968 | 1969 | 1968 | 1969 | 1968 | 1969 | 1968 | 1969 | 1967–68 | 1968–69 |
| United States | 602 | 642 | 1, 429 | 1, 590 | 343, 590 | 373, 083 | $9, 553. 5 | $9, 203. 2 | 14. 4 | −3. 7 |
| Alabama | 7 | 7 | 16 | 14 | 2, 338 | 2, 427 | 28. 0 | 28. 3 | 23. 9 | 1. 1 |
| Alaska | 1 | 1 | 1 | 1 | 51 | 52 | 0. 7 | 0. 8 | 16. 7 | 14. 3 |
| Arizona | 4 | 4 | 13 | 15 | 3, 131 | 3, 446 | 107. 7 | 109. 5 | 30. 7 | 1. 7 |
| Arkansas | 4 | 7 | 8 | 12 | 1, 141 | 1, 388 | 14. 8 | 15. 7 | 24. 4 | 6. 1 |
| California | 13 | 12 | 41 | 42 | 26, 847 | 24, 983 | 716. 7 | 596. 2 | 16. 9 | −16. 8 |
| Colorado | 16 | 17 | 34 | 43 | 6, 630 | 7, 892 | 230. 1 | 192. 9 | 15. 2 | −16. 2 |
| Connecticut | 17 | 18 | 44 | 55 | 9, 007 | 10, 658 | 261. 1 | 306. 2 | 31. 5 | 17. 3 |
| Delaware | 3 | 3 | 11 | 13 | 3, 260 | 3, 405 | 94. 2 | 109. 8 | 13. 4 | 16. 6 |
| District of Columbia | 6 | 6 | 12 | 11 | 3, 041 | 3, 488 | 104. 4 | 95. 0 | 5. 3 | −9. 0 |
| Florida | 21 | 24 | 52 | 58 | 4, 734 | 5, 185 | 105. 4 | 103. 2 | 23. 3 | −2. 1 |
| Georgia | 10 | 12 | 22 | 28 | 5, 667 | 6, 488 | 137. 9 | 177. 4 | 15. 8 | 28. 6 |
| Hawaii | 3 | 3 | 8 | 10 | 1, 790 | 2, 011 | 37. 2 | 43. 1 | 35. 8 | 15. 9 |
| Idaho | 3 | 3 | 5 | 7 | 923 | 1, 284 | 12. 4 | 21. 7 | 65. 3 | 75. 0 |
| Illinois | 22 | 27 | 56 | 65 | 13, 003 | 14, 183 | 520. 7 | 491. 0 | 14. 2 | −5. 7 |
| Indiana | 17 | 22 | 42 | 54 | 5, 116 | 5, 660 | 107. 1 | 95. 5 | 28. 0 | −10. 8 |
| Iowa | 4 | 5 | 9 | 10 | 1, 249 | 1, 382 | 30. 0 | 29. 1 | 38. 9 | −3. 0 |
| Kansas | 7 | 8 | 14 | 16 | 948 | 1, 322 | 16. 9 | 18. 5 | 21. 6 | 9. 5 |
| Kentucky | 8 | 8 | 19 | 22 | 3, 076 | 3, 379 | 62. 9 | 62. 7 | 24. 3 | −. 3 |
| Louisiana | 3 | 3 | 6 | 7 | 408 | 593 | 6. 2 | 9. 3 | 59. 0 | 50. 0 |
| Maine | 9 | 10 | 21 | 24 | 2, 836 | 3, 199 | 76. 7 | 76. 9 | 14. 6 | . 3 |
| Maryland | 7 | 7 | 18 | 21 | 6, 524 | 7, 010 | 178. 6 | 162. 9 | −. 3 | −8. 8 |
| Massachusetts | 28 | 28 | 62 | 68 | 14, 908 | 13, 836 | 552. 5 | 455. 7 | 7. 7 | −17. 5 |
| Michigan | 14 | 17 | 43 | 54 | 10, 319 | 12, 588 | 290. 5 | 332. 4 | 34. 5 | 14. 4 |
| Minnesota | 13 | 14 | 38 | 39 | 7, 286 | 7, 890 | 168. 7 | 148. 4 | 35. 4 | −12. 0 |
| Mississippi | 3 | 3 | 7 | 6 | 1, 913 | 1, 269 | 29. 1 | 14. 8 | 49. 2 | −49. 1 |
| Missouri | 10 | 10 | 26 | 27 | 11, 658 | 11, 798 | 327. 7 | 296. 6 | 10. 8 | −9. 5 |
| Montana | 4 | 4 | 6 | 6 | 730 | 770 | 9. 9 | 9. 5 | 30. 3 | 4. 0 |
| Nebraska | 5 | 5 | 9 | 9 | 2, 607 | 2, 914 | 56. 8 | 61. 4 | 50. 7 | 8. 1 |
| Nevada | 1 | 1 | 3 | 3 | 554 | 568 | 9. 4 | 8. 6 | 10. 6 | −8. 5 |
| New Hampshire | 4 | 4 | 6 | 6 | 364 | 365 | 13. 2 | 11. 8 | 15. 8 | −10. 6 |
| New Jersey | 22 | 20 | 49 | 44 | 7, 863 | 7, 356 | 151. 9 | 128. 2 | 19. 5 | −15. 6 |
| New Mexico | 3 | 4 | 9 | 12 | 1, 584 | 1, 809 | 31. 4 | 33. 9 | 19. 4 | 8. 0 |
| New York | 26 | 27 | 84 | 86 | 30, 244 | 32, 275 | 1, 613. 4 | 1, 466. 4 | 5. 4 | −9. 1 |
| North Carolina | 11 | 11 | 27 | 28 | 10, 052 | 9, 985 | 221. 9 | 218. 4 | 16. 2 | −1. 6 |
| North Dakota | 3 | 3 | 8 | 11 | 839 | 961 | 7. 9 | 8. 1 | 21. 5 | 2. 5 |
| Ohio | 33 | 33 | 96 | 94 | 13, 624 | 14, 663 | 405. 1 | 367. 2 | 16. 4 | −9. 4 |
| Oklahoma | 6 | 6 | 16 | 16 | 1, 732 | 1, 886 | 49. 7 | 50. 7 | 30. 8 | 2. 0 |
| Oregon | 4 | 4 | 13 | 14 | 5, 500 | 5, 342 | 107. 6 | 94. 9 | 9. 6 | −11. 8 |
| Pennsylvania | 88 | 90 | 173 | 187 | 67, 628 | 70, 705 | 1, 531. 2 | 1, 378. 6 | 11. 6 | −10. 0 |
| Rhode Island | 3 | 3 | 13 | 14 | 2, 282 | 2, 483 | 58. 2 | 56. 1 | 12. 6 | −3. 6 |
| South Carolina | 3 | 3 | 7 | 7 | 2, 233 | 2, 074 | 29. 7 | 26. 5 | 8. 4 | −10. 8 |
| South Dakota | 5 | 5 | 9 | 13 | 822 | 934 | 9. 2 | 10. 6 | 24. 3 | 15. 2 |
| Tennessee | 9 | 10 | 15 | 22 | 2, 386 | 3, 492 | 49. 2 | 73. 1 | −9. 7 | 48. 6 |
| Texas | 44 | 49 | 86 | 108 | 12, 291 | 13, 633 | 362. 2 | 372. 2 | 25. 9 | 2. 8 |
| Utah | 5 | 5 | 10 | 11 | 2, 680 | 2, 739 | 32. 7 | 32. 1 | 11. 6 | −1. 8 |
| Vermont | 6 | 6 | 13 | 11 | 1, 078 | 1, 061 | 10. 8 | 10. 5 | 13. 7 | −2. 8 |
| Virginia | 26 | 28 | 61 | 67 | 9, 632 | 9, 505 | 235. 2 | 226. 0 | 20. 9 | −3. 9 |
| Washington | 7 | 8 | 22 | 25 | 6, 740 | 7, 420 | 154. 5 | 156. 9 | 12. 2 | 1. 6 |
| West Virginia | 11 | 13 | 17 | 19 | 1, 614 | 1, 755 | 20. 6 | 23. 3 | 20. 5 | 13. 1 |
| Wisconsin | 19 | 20 | 47 | 53 | 10, 649 | 21, 489 | 163. 3 | 383. 9 | 23. 4 | 135. 1 |
| Wyoming | 1 | 1 | 2 | 2 | 58 | 83 | 0. 4 | 0. 6 | ........ | 50. 0 |

*These figures were derived from a survey of banks and trust companies operating common trust funds. Data are for the last valuation date in 1968 and 1969.

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

# APPENDIX C

# Addresses and Selected Congressional Testimony of the Comptroller of the Currency

# Addresses and Selected Congressional Testimony

## Remarks of William B. Camp, Comptroller of the Currency, Before the Arkansas Bankers Convention, May 12, 1969

One of the most heartening things I see, wherever I go, is the strength and soundness of our National Banking System—and indeed the healthy growth and steady progress of the commercial banking system as a whole.

I am confident that this is because the banks of this Nation are remarkably alert in anticipating and meeting the needs of the customers they serve. New tools, new techniques, and new methods of approach to the business of banking help make this possible. But it takes the imagination and ingenuity of progressive management to put these processes to effective use. Management, in turn, is spurred by the healthy, competitive spirit that drives individuals to the better performance of any job they undertake. And the inevitable result is to produce the greatest possible good—at the lowest possible price—to the public they serve.

This kind of progress is as old as our Nation, which long ago committed itself and its people to the competitive free enterprise system. It has not always gone forward at the same pace, but it has always gone in the same direction. Bluntly speaking, free enterprise is a system of economic selfishness; but it is a selfishness that, to borrow from Lincoln, has added the fuel of interest to the fire of American genius. It is a form of enlightened self-interest that—in a not very mysterious manner—has done more to raise the economic standards of mankind than has any system of economic altruism ever devised.

American free enterprise is a far cry from the *laissez faire* economic philosophy of Adam Smith, which flourished during the first century of our country's independence. The essential difference lies in our recognizing the economic complexities and strains that have grown out of highly mechanized industrialization and in meeting them with measures based upon essentially American principles.

All of our history demonstrates the vital importance of an alert and aggressive banking system in our steady industrial progress. Without it, any nation's resources will lie dormant, and the skills and talents of its people will find no effective means of expression. Once begun, however, the job of shaping and reshaping an effective banking system has no foreseeable end. At each stage of our expanding growth, the progress we have made lays new demands upon the banking system that helped to bring about the achievements realized. At almost any moment in time, therefore, the good banker is challenged with the necessity to become a better banker—and the goal of becoming the best seems as elusive as ever.

Undoubtedly, the mainspring of the effective activity of our free enterprise system is *initiative,* and as I said before, that initiative stems from self-interest. Americans are free to buy and sell, to change their jobs and start new businesses, to advertise and market their goods and services—all of us have benefitted greatly from these freedoms because each knows that the greater his efforts, the greater will be the rewards for him and his family.

A banking system able to support and serve an economy growing with such boundless energy as ours must take on the same qualities of initiative and enterprise. If it does not, other financial institutions will be quick to seize the opportunities that are overlooked or left unsatisfied.

Each of you, I am sure, knows examples of this within your own experience. And I am well aware of the particularly keen frustrations that arise when initiative is shackled by what are regarded as artificial barriers to normal patterns of growth and expansion.

While in process of preparing my remarks to you today, I received a publication entitled "Freedom of Choice" sponsored by The Magazine Publishers Association, an association of 365 leading U.S. magazines. While thumbing through this publication, a caption on one of the pages immediately caught my eye. In bold print at the top of the page was, "Don't throw the baby out with the bathwater." I was quite impressed by the contents of that particular page, as it set forth the basic theme of my talk to you today. With your indulgence, I would like to read it to you:

> There's a funny thing about the American economy. Ask any two economists what makes it tick and you've started a debate.
>
> Because, the simple, ingenuous truth of the matter is this: nobody really knows or agrees on all the influences that

combine to give it muscle. Or, where all its weaknesses may lie.

All you'll get agreement on is that it seems to work. It has produced the broadest and most abundant prosperity in all the histories of man * * * the highest standard of living for the greatest number of people.

The heart of this restless, surging, vital economy is and always has been: free competition. That's what has distinguished it from the managed economies of the Old World * * * economies managed either by government or by cartel.

Competition has been the sharp spur that has produced the incredible variety of products and services we have today. It has produced the endless innovations that have made life easier to live. More enjoyable. More rewarding.

It has encouraged manufacturers to build more things * * * and build them better * * * and at lower prices. They have to build more and better * * * and the prices have to be right * * * or the consumer stops buying. Because, the other side of free competition is *your free choice in the marketplace.*

This is the astonishing power of the American consumer. He can make or break the largest businesses with a nod or a shake of the head. He has the choice. He has the ballot of the dollar.

That's why it is disturbing to find people of influence in America today who would like to make both free competition and free choice a little less free. They may concede that the system has produced some great results but they'd like to "fix it a little." There are too many kinds of olives, they say. Let's standardize. Company "A" spends more on advertising than Company "B", and that's unfair competition, they plead. Let's regulate.

Yet, our system was built on exactly the opposite kind of thinking. Regulation doesn't stimulate competition. It tends to make all products the same.

How much can you interfere with the competitive economy, which has brought us so many benefits, without damaging it? The truth is, nobody knows. The "little" fixes may someday add up to quite a lot.

Of course, any economy needs some regulation—*but let's be sure that we don't throw out the baby with the bath water.*

The growth and relocation of population centers, the formation of new industries to produce new products, the expansion of communication and transportation facilities, the increased requirements for higher job skills, the growing affluence of our people and the variety of leisure activities open to them, and technological improvements in industrial processes—all of these forces and developments have placed insistent new demands upon the financial institutions of the Nation.

The manner in which alert and progressive banks have met these demands has encouraged and heartened all of us who believe that banks should be free to provide the widest variety of financial services possible, as long as they offer no threat to bank solvency and liquidity. The range of these services is constantly expanding, due partly to a new spirit of increased awareness of the opportunities represented and partly to regulatory policies ever more responsive to the needs of the banks and of their customers. From time to time, individual banks which feel hampered by what they regard as restrictive policies of one regulatory system apply for conversion to another.

I might say in this connection, that the Comptroller's Office welcomes these expressions of free choice in whichever system seems best suited to serve the public needs.

Evidence of this new vitality in all phases of banking activity is readily apparent. Banks across the country have become more skillful and active competitors for the resources they need to sustain and enlarge the scope of their activities. They have vastly enlarged the use of certificates of deposit, capital debentures, and promissory notes—and they have searched more actively for ways to attract savings deposits—in order to adjust and accommodate to the needs of savers and investors.

The growing requirements of industry and commerce also have inspired the revitalized spirit of enterprise in the banking industry. Leasing and factoring services have multiplied. Foreign trade financing has been more actively pursued as our exports have increased.

The application of computer technology to banking has promoted the performance of payroll and accounting services for their customers, as well as the leasing of excess computer capacity. Larger staffs of expert personnel have provided the base for a broader range of advisory services to industry and commerce. Local governments have been aided immensely through the underwriting of sound bond issues and the extension of community development loans. And wherever competition from banks in the underwriting field has led to lower financing costs, individual taxpayers have benefitted directly and substantially.

These examples are only illustrative of the rebirth of initiative in banking—but they demonstrate both the unrealized potential during the past years of neglect and the shining promise of a banking industry now imaginatively attuned to a more vital role in the Nation's progress. In this search to enlarge the range of activities in which banks may put to work their unmatched capacities to perform financial services—as well as in their efforts to expand into growing new markets and develop or combine into units of the most efficient size—we are witnessing the finest expressions of the renaissance of those qualities of innovation and initiative that have fired the engines of enterprise throughout our society.

Few things are more difficult to accept than change, and no change arouses more opposition than that which comes from an unexpected quarter. The degree of opposition raised by bank competitors to some of these innovations is, in itself, a testament to their far-reaching importance. But the revived assertiveness of banks has demonstrated once again the advantages that flow to the public from enlivened competition.

We properly expect from banks the exercise of a degree of prudence in their operations beyond that required in most other businesses. But it is imprudent, unwise, and wasteful to restrain banks from the performance of any financial function that will not impair their solvency and liquidity. I think we all have a positive responsibility to try to eliminate any obstacles that hamper the effective functioning of this crucial component in the advance of our society and our economy.

In many cases, only larger banks can effectively serve the financial requirements of the growing number of industrial and commercial enterprises whose operations are spreading throughout our broad national markets and beyond our shores.

When reasonably planned, soundly conceived, and broadly beneficial combinations of banking assets are proposed, they frequently incur the hostility of those whose concept of competition is limited solely to the numbers of units involved. It is easy—and superficial, in my judgment—to focus attention on the *quantity* of competing banking units that now exist and to conclude that any lessening of these numbers will act as a restraint on trade. Quite often, the *quality* of effective competition that can result from a beneficial merger is either minimized or overlooked entirely by those who are hostile to size alone. Those who suffer most from arbitrary restraints on growth by both merger and branching processes are the individual communities and their citizens whose full potential remains unrealized because of an insufficiency of locally accessible financing.

These deficiencies may be local in nature, but they are also a matter of national concern, for wherever any of our productive power remains at low ebb, it diminishes our total national effort.

I believe, therefore, that we must continue to work for the full realization of the great potential of the banking industry. Our aim should be to fashion and sustain a banking system that responds swiftly to new demands and opportunities, that alertly applies new techniques which enhance proficiency of operations, and that persistently searches for new functions that can be performed safely and prudently. In the process, I believe that growth in size of units, through effective combination of complementary functions, is a necessary corollary to growth in service capacity.

These goals are fully consonant with the best traditions of our private free enterprise system. Nothing less will allow our banking system to fulfill its essential role in the Nation's future. Remarkable as our past has been, I am confident that we are entering a new era of achievement in banking service that will far outdistance any other accomplishment we have known.

## Remarks of William B. Camp, Comptroller of the Currency, Before the National Bank Division of the American Bankers Association, Honolulu, Hawaii, September 29, 1969

In recent years, I have done a good deal of traveling, and I have had the enviable opportunity to meet and renew acquaintances with a great many banker friends from all parts of our country. I look upon these opportunities in many ways as fringe benefits of my job, because the occasions are always pleasant ones, and the friendships that are formed and strengthened are among my most cherished memories.

As some of you may know, I am now in my 33d year with the Comptroller's Office. Most of these years were spent as a bank examiner, and I must say that nothing has given me the same sense of satisfaction and accomplishment as examining banks.

I have a particular fondness for the American Bankers Association. Our relationship is a close and harmonious one.

So, when I say—as all speakers do—that I am pleased to be with you today, I know you will appreciate the sincerity of my feelings.

But companionship amid pleasant surroundings is certainly not my main purpose in attending meetings such as yours. I learn from every banker I talk to. I hear about the problems and opportunities of large banks and small. I am grateful for these contacts because I am convinced that the whole process of bank regulation is improved—to our mutual benefit—when those of us on opposite sides of the line of authority understand each other better, and the inevitable result is to produce the greatest possible good—at the lowest possible price—to the public we serve.

It has been said that many mountains have been climbed and oceans crossed merely because they were there. Some even view the historic feats of our courageous astronauts in these same terms. I am certain that many of our bankers must be appalled and even confused by the impression that some of the recent suggested innovations in bank regulatory policy rested on this dubious basis, but without the positive hopes of other ventures into the unknown.

Banks have often represented a convenient scapegoat for deficiencies in other segments of our economic spectrum. The regulatory power has been accepted and there to use for more than a century. Increasingly, the daily lives of our citizens have been deeply influenced by banking policy. The mysteries of finance have been perhaps the least understood in our economy. And the public image of banks, it must be confessed, has not always been the finest.

We find a reflection of these facts in a number of often contradictory ways. Essentially, the confusion has stemmed from the question of how competitive the regulated industry of banking should be in an otherwise largely competitive economy. Even though banking has been, for more than a century, a closely regulated industry, some have sought to make it behave as though it were fully competitive. Yet others have criticized almost every act of banks to operate more competitively—by allocating its products through the price mechanism, by expanding to markets that afford better prospects, by offering services that permit fuller use of its facilities, and by organizing in forms that allow the greatest latitude in garnering capital and performing efficiently.

Banks are, it might be said, "sitting ducks" for antitrust prosecution—based on a purely competitive ideology—since their plans under the law must be made and furnished to public authorities before their consummation. The danger of favoritism in loans has been cited as a principal basis for opposition to one-bank holding companies, yet banks are being asked, as they must be in the present inflationary climate, to ration loans according to their own standards. Bank mergers and the diversification of banking activities have been widely opposed, yet banks are being persuaded to accept, voluntarily, riskier and less lucrative types of loans in furtherance of the Nation's social and economic policies.

The result of these contradictory thrusts has been to make more complex the tasks of bankers and those who regulate banks. We can cope with these challenges only if we can gain a better perspective of their implications and a broader understanding of their meaning.

The factor we need most to bear in mind is that banks are private enterprises, and that they compete with other private enterprises in the markets for capital and labor. The markets they serve are also largely private in nature, and in substantial degree they compete in those markets with other private institutions that remain largely free of public controls. For these reasons, if banks are to perform effectively they must meet the needs of a private enterprise economy.

The essential hallmark of a private enterprise system is its principal reliance on individual initiative to identify and serve public needs. Public controls in such a system are properly justified only where private initiative can demonstrably not be relied upon to serve public needs. And, perhaps more significantly, the role of public authority should be carefully patterned and clearly confined to the limited needs that private enterprise cannot effectively serve.

It should not be surprising that the facts have not always conformed to these principles. The nature of public needs are constantly changing, and the need for and the effectiveness of public controls are not always accurately foreseen. As elsewhere in our society, moreover, the forces of inertia often foreclose or delay required change.

The regulation of banking has not been free from these defects. As the regulation of banking developed, it became clear that only two considerations merited public control—the solvency and the liquidity of such institutions. But the consequences of public controls are to be found, not so much in the bare legal provisions, as in the spirit in which they are administered, and in the effects they have on the vitality and strength of the industries that are regulated.

This has been particularly evident in the case of banking. Because of a faulty understanding of its role in the depression of the thirties, bank regulation became inordinately severe, and this attitude found reflection both in the public image of banking and the conduct of bankers themselves. Unfortunately, these debilitating factors persisted during much of the subsequent years of the Nation's most rapid technological changes and economic growth, and, despite recent efforts to modernize bank regulation and banking practices, we still labor under some remnants of outmoded attitudes and images.

This constricting concept of banking and bank regulation is particularly damaging—not only to the industry itself, but to the public at large—in the present age of unparalleled technological advance and economic growth. Despite the governmentally and self-imposed limitations on banking functions that prevailed in much of the past quarter century, banks have nevertheless remained the single most significant source of vital financing for the Nation's economic development. But the tasks that lie ahead will be immeasurably greater, and the challenges to our ingenuity and productive power will be correspondingly enlarged.

The course of technological change leaves in its wake not only the task of financing the growth of new industries, but also the even more difficult problem of finding new outlets for the talents and energies of those who are displaced by these advances. This, however, is only one aspect of the broader revolution that is taking place in the generally accepted standards of performance of our society and our economy. Improved and more widespread education and communication will bring more incisive criticism and greater demands and more insistent requirements for a better life, as we are beginning to see.

These mounting needs will call for the most resourceful measures we can conceive—and the margin of ineffectiveness that may be tolerated will surely diminish. Both government and private enterprise will have to share these new tasks. But the dangers of preserving the scope of private initiative will be greatest. They can be overcome only if determined efforts are sustained to maximize the creativity and vigor of individual enterprise, and public policies are wisely directed to this aim.

These concerns have particular validity for the banking industry, not only because of the crucial part it may play in the financing of enterprise, but also because governmental policies may either hinder or advance the level of its performance. At no time has the necessity been more urgent to shape these policies so that we may realize the fullest capabilities of this industry. A philosophy of regulation that is founded largely on fears of abuse, rather than hopes of achievement, cannot cope with the needs we will face. It is wholly unsuited to an age of dynamic change.

Few things are more difficult to accept than change, and no change arouses more opposition than that which comes from an unexpected quarter. The degree of opposition raised by bank competitors to some of these innovative, necessary, and constructive changes is, in itself, a testament to their far-reaching importance. Those who suffer most from arbitrary restraints on the growth of our banking system are the individual communities and their citizens, whose full potential remains unrealized because of an insufficiency of locally accessible financing.

The question of efficiency has become increasingly a matter of utmost concern. The same factors that have led to industrial and business units of large size and broader geographic scope are making their influence felt in the financial community.

If trained people needed to provide the most effective and efficient banking services are to be attracted and held to this industry, and if the new technology constantly emerging in our economy is to be properly applied to banking, then banks must be expected to grow to a size sufficient to meet the competition for personnel and to utilize the most advanced methods and techniques of operation.

There is now—as there always has been—a proper basis for public regulation of banking. But I can find no justifiable basis for such controls beyond the need to preserve the solvency and liquidity of banks, sustain their competitive effectiveness, and allow them to maintain the highest level of creativity and operating efficiency within these limits.

In the end, it is the public's needs that determine the viability of any regulatory policy in a democratic society. Any differences which may now divide us in the field of banking policy rest largely, I believe, on a failure to perceive the full meaning of the changes that are now taking place in our society and our economy—and the implications these changes have for the responsibilities the banking industry shall be called upon to perform. It is to a better understanding of these facts that our attention should be devoted.

I believe, therefore, that we must continue to work for the full realization of the great potential of the banking industry. Our aim should be to fashion and sustain a banking system that responds swiftly to new demands and opportunities, that alertly applies new techniques which enhance proficiency of operations, and that persistently searches for new functions that can be performed safely and prudently. In the process, I believe that growth in size of units, through effective combination of complementary functions, is a necessary corollary to growth in service capacity.

These goals are fully consonant with the best traditions of our private free enterprise system. Nothing less will allow our banking system to fulfill its essential role in the Nation's future. Remarkable as our past has been, I am confident that we are entering a new era of achievement in banking service that will far outdistance any other accomplishment we have known.

I am well aware that you and other leaders of the American economy are facing a task of unique difficulty if the future path of American civilization is to be traversed without the loss of more and more freedom and independence.

If our problems are to be solved through the democratic process of intelligent, self-disciplined action by our people as a whole, there must be leaders in thought and action to whom the people can look for both precept and example. You bankers fit that role, for by setting a true standard for others to follow, you can reorient the attitude of American business and the American people with respect to worthwhile economic goals and enlightened means to attain them.

George Bernard Shaw once cynically observed: "Liberty means responsibility. That is why most men dread it."

The American people, under the leadership of those best suited by training and position to lead, can and must prove themselves worthy of liberty in accomplishing and discharging their responsibilities. Only in this way can we preserve the fundamentals of the free, unregimented economic system that has been the wonder of the world.

In closing, I wish to assure you that our Office will continue to be responsive to the efforts of our banks to serve the evergrowing needs of their customers, their communities and our Nation as a whole.

### Lecture of Dean E. Miller, Deputy Comptroller for Trusts, Before the Assemblies of Bank Directors of the Southwest School of Banking, Palm Springs, Calif., February 24, 1969

At the risk of being presumptuous, I propose to take a "definitional" approach to my subject this afternoon by beginning with an attempt to answer the question, "What is a trust department?" There are a number of possible answers to this question, and I will give you three.

First would be the technical answer. The trust department is really the fiduciary department of the bank. It is there that the bank acts in fiduciary capacities. Usually this means where it acts as trustee, executor, administrator or guardian—the so-called "true fiduciary" accounts, a characterization which I detest. However, inasmuch as "fiduciary" has a broader definition, the activities of the bank trust department includes other capacities. Basically speaking, "fiduciary" means having trust and confidence. This definition is broad enough to include agencies within its purview, and so it is that bank trust departments act in a number of agency capacities, involving varying degrees of discretion. The trust department also includes some activities which are somewhat anomalous when related to the definition of fiduciary. Those would include such duties as registrar and transfer agent, which are performed by trust departments largely as a matter of statutory accident.

So much for the technical definition. Let me now offer you a couple of practical ones. The trust department can be an auxiliary department of the bank—an instrumentality if you will—where the fiduciary needs of the commercial customers of the bank are taken care of. Most such auxiliary departments, at least in the smaller banks, aren't profitable in dollar-and-cent terms.

One thing which is not fully understood about such departments is that management always decides to have this kind of operation. This decision may not have been made formally or consciously, however. A bank will unconsciously decide to operate its trust department solely as an auxiliary, a byproduct of a series of decisions over an extended period of time. It makes the decision to take the trust account of a commercial customer without consideration of its profitability. It makes the decision to allocate new resources to other areas such as promising young executives, clerical help, space, equipment, or pay raises. It may decide to make innovations only to meet competition. By doing these things, the bank has made the decision to operate the trust department as an instrumentality, whether or not its management is aware of it.

Please do not misunderstand, I do not mean by this to demean trust departments which are so operated. It may be the best decision for a bank in this day of acute scarcity of qualified management personnel. Limited resources may dictate it, or because of the limited possibilities of a locality, it may be inevitable. That decision, however, is one which should be made formally, as a policy, and implemented in a series of supplemental decisions designed to control the cost and preserve the quality of the services performed. This is where most banks go wrong.

By now the third definition of a trust department has become obvious. It may be a constituent department of the bank which is contributing in its own right to the bank's profits. Where this is the case in a small bank, it usually results from an express policy decision to do so, unless it is in a highly unusual situation. The decision to operate a profitable department must be supplemented by some specifics, which may be quite painful. The bank must decide what business, in what amounts, is required to make a profit, and adhere to that decision. This may mean turning down a number of accounts offered by good customers, and charging higher fees than the competition. The bank must assign good men, of ability and promise to the department—men who in all probability would make good lending officers—and then promote them, and give them assistance. You will recall the dismal figures presented to this Assembly, taken from a survey of salaries of chief executive officers. What was true for that group goes in spades for trust officers.

A bank which wishes to operate a profitable department must develop a vigorous new business operation. It must also be prepared to innovate new services. Here are some examples in the common fund field. While the establishment of a full-blown common trust fund is likely to be clumsy and inefficient for small banks, it is little recognized that the Federal regulations fairly easily permit setting up smaller and less formal common funds. Regulation 9 permits the establishment of such funds subject to virtually no formal requirements, as long as the amount invested therein for any particular account does not exceed $10,000, the overall size of the fund does not exceed $100,000, or the number of participating accounts does not exceed 99. There may be impediments in the law of a particular State to the establishment of these informal common funds, but there are none in the Federal regulations.

There are several justifications for the use of common funds which are not fully realized. The usual one is achievement of diversification of investments for small accounts. However, common funds can also provide operating economies. They can enable the bank to standardize and formalize its investment-decision process. The portfolio of the trust department can be markedly reduced, enabling the trust officers to pay more attention to each holding and get better investment results. In addition, it cuts the paperwork involved in changing investments and thus promotes greater efficiency. Larger banks can obtain several advantages from the establishment of multiple special purpose funds. I am constantly amazed at the number of banks in the medium size classification which still have only one balanced common trust fund. This, in my opinion, provides little advantage over individual portfolios. Banks of this size might do well to consider the establishment of equity and fixed-income funds.

Another potential area of innovation, to which I would call your attention, solely by way of example, is in the development of procedures for permitting the handling of smaller accounts. For example, in some localities banks have entered into arrangements with brokerage houses to come up with means of handling self-employed individuals' retirement trusts economically and profitably. Basically, these arrangements involve leaving custody of the trusts' securities at the broker, subject to suitable safeguards, and the making of the investment decisions for the accounts by the self-employed person, as the Smathers-Keogh Act specifically permits, also subject to suitable safeguards.

As I said before these are only examples. As you are well aware, a trust department can be a very important aspect of the bank's operation. It can be in many cases a profitmaker. We all too readily assume that a small department is inherently unprofitable. In addition, the trust department can be responsible for the bank's entire image in the community—either positive or negative.

Let me now devote some time to the responsibility of the director of the trust department. Understanding the peculiar position of the trust department requires an understanding of the legal and regulatory framework within which it operates. The law of trusts, rather than the law of contracts or the commercial codes, applies to the activities of a trust department, along with the probate laws of the various States. These are, for the most part, administered by the courts and indeed, for many years this is the only supervision which was applicable to the corporate fiduciaries. The State bank supervisors began to examine State banks' and trust companies' trust departments, following the Panic of 1873 when a number of them failed. But it was not until 1913, when the Federal Reserve Act was passed, that there emerged Federal supervision. In addition, it was not until that date that National banks were permitted to act in fiduciary capacities.

The Federal Reserve Act became the touchstone for all banks in the operation of trust departments. This was because its regulatory scheme was applied by the Federal Reserve to State member banks also, as a condition of membership, and resulted eventually in what might be characterized as a rough codification of regulatory techniques for these institutions. Let me summarized some of the provisions of the Act.

1. Separate books and records must be kept for the trust department. This has resulted in a complete physical separation in some banks.

2. There must be a pledge of assets for trust funds on deposit in the commercial side of the bank.

3. In passing upon applications by National banks for permits to exercise fiduciary powers, the Federal Reserve (now the Comptroller) is required to consider the bank's adequacy of capital, the needs of the community for a corporate fiduciary and any other circumstances which seem proper.

Under the authority of the Federal Reserve Act, the Board put out its trust regulation, which, with its interpretations, imposed very detailed requirements as to the organization and conduct of a trust department. The effects of the Board regulations and interpretations remain apparent in trust department organization today. It is important for us to be familiar with some of these, in order to understand why most trust departments operate as they do, for as will be shown, there are no longer regulatory requirements behind some of them.

In the Fed's regulation the directors' responsibility, in several areas, was outlined. For example, the acceptance of trusts, and the closing out of trusts were expressly made the responsibility of the board or a committee appointed by it. The regulation provided for a trust investment committee, with specific duties. The committee had to approve all investments and review them annually. The regulation required that a trust officer be placed in charge of each trust department. The department had to have competent legal counsel, but not engage in practice of law. It was required to keep a record of pending trust litigation. A committee of the board had to make, or cause to be made, suitable audits each year. The securities and investments of the trust department were to be kept separate from those of the bank. In 1937, the Board added detailed regulations concerning common trust funds which served as the standard of reference to qualify these funds for tax-exempt treatment under the Internal Revenue Code.

In 1962 the authority over trust activities of National banks and common trust funds was transferred to the Comptroller of the Currency. The statutory requirements of the Federal Reserve Act were left in effect, but Regulation 9 was issued by the Comptroller, replacing the Fed's Regulation F. At first it was identical to Regulation F. A comprehensive study was then conducted by the Comptroller, resulting in a sweeping revision of the regulation, of which I was privileged to be the draftsman.

Regulation 9, as revised, gave more freedom to the board of directors in carrying out their authority. A trust investment committee was not required. The common trust fund regulations were liberalized. The Comptroller also issued his Manual of Instructions for Representatives in Trusts, which superseded the Board interpretations of Regulation F. The Manual is an authoritative interpretation of Regulation 9, as well as an instruction book for our trust examiners, and is made available to banks. It sets forth in detail many regulatory requirements and guidelines. It also reproduces all of the questions in the National Bank Trust Department Report of Examination, together with explanatory material, showing what the examiner is looking for, and the legal and policy backgrounds behind the questions. National bank directors should read the Manual—every National bank with a trust department has at least one. It has a wealth of useful material. It would also be of use to State bankers, as a guide, especially in reference to common trust funds.

Now let us briefly review the mechanics of supervision of the trust department by the board of directors. The board is responsible for the proper exercise, by the bank, of its fiduciary powers and everything pertinent to it. The board is responsible for the determination of policies, the investment and disposition of property held as fiduciary, and the direction and review of the actions of all officers, employees, and committees. In performing these responsibilities, the board may assign to officers, employees, or committees the performance of the administration of the trust department, by action reflected in the minutes, but it can never delegate its authority. This is a distinction which we put into Regulation 9, and which I think is important. It is possible for the board itself to run the trust department, but is usually impractical. However, it is being done in some small banks.

Regulations 9 requires: "A committee of directors, exclusive of active officers of the bank, shall at least once during each calendar year and within 15 months of the last such audit, make or cause to be made suitable audits, and determine whether the department has been operated in accordance with law, Regulation 9 and sound fiduciary principles." The Manual sets forth the essential ingredients of a proper director's examination. This is potentially the most effective vehicle through which the board of directors supervises the trust department. It should be emphasized that the duties of the committee are not confined to an audit, but require, in addition, the transmittal of a written report to the board and a determination that the department be operated in accordance with law, Regulation 9, and sound fiduciary principles.

A bank might also have a trust committee which actively supervises the activities of the trust department. In essence, this committee works as a subcommittee of the board, monitoring the activities of the subordinate committees, initiating all policy changes, and passing on other matters of importance. This committee usually has officers of the bank, as well as directors, serving on it. It is possible to have other committees, upon which directors serve, performing special functions for the trust department; Brown mentions several in his article. In such cases the director becomes involved intimately in the actual operation of the trust department.

I would like to suggest one additional technique which might be quite useful to directors in carrying out their responsibilities toward the bank's trust department. This is the establishment of a trust policy handbook; no department is too small to warrant having one. What I have in mind is the establishment of an official publication which would contain a compilation of the principles and policies relating to the internal administration of the department. It would thus provide a philosophy for the conduct of business and assistance in standardizing administrative policy, have value as a training medium, and assure the orderly growth of the department.

Now let me discuss the problems which are most often encountered with reference to trust departments. Most breakdowns result from the failure of the directors to acquaint themselves with basic fiduciary principles. Decisions in a trust department must be completely divorced from considerations of the commercial side of the bank, with sole reference to the purposes of the individual account and the well-being of its beneficiaries. As indicated earlier, purity of motive is not sufficient authority in conflict of interest situations. Specific authority in governing instruments or orders of court is necessary.

The most common specific complaint is of failure to perform the director's examination, or to do it properly, or on time. Perhaps allied to this is the failure to establish certain specific audit controls, such as dual control of assets, or vault records.

The next problem is the failure to have prior approval of account acceptances. Under Regulation 9 this may be done by an officer or a committee. It is extremely important to scrutinize closely new business before accepting it. You can weed out unprofitable business and avoid potential lawsuits at this point.

Then there is the failure to perform initial and annual asset reviews. I can't overemphasize the importance of reviews. The initial review is necessary to set investment policy. Immediate action may be needed, and this review will reveal it. Allied to the problem of improper reviews is the failure to maintain adequate history and synoptic records. These are not required by Regulation 9 but are very desirable to enable a bank to perform its duties properly.

Another frequent criticism is the failure to appraise real estate regularly. A full-fledged appraisal is not required each year, but the trust officer can at least drive by occasionally. Visits to the premises can be quite revealing. Also, with respect to real estate, I would like to mention the failure to maintain adequate insurance. To properly carry out the fiduciary duties and to be prudent and protect the trust property, you must maintain adequate insurance. This can mean carrying protection which you might decide to do without on your own property.

The administration of estates for an undue length of time is the most common complaint we get from beneficiaries. Quite often they are just too impatient, but occasionally their complaints are justified. Such administration is a quick way for a bank to get a black eye, particularly in an area which is unaccustomed to corporate fiduciaries.

The failure to obtain all account assets is a dangerous omission. A bank must be diligent, and sometimes stand up to the survivors. Allied to this is the failure to set up assets properly on ledgers, perhaps reflecting a delay in posting trust work. Although it might be unreasonable, in a very small department, to expect daily posting, it should be done at least weekly. The failure to register assets in the bank's name as fiduciary could be a breach of trust. The failure to invest cash promptly and convert substandard assets in favor of trust quality assets leads back into the review procedure. Not only must an adequate review be made, it must be carried out.

Another shortcoming is the improper investment in stock of the bank or related concerns. Putting it bluntly, you just can't mess with your own bank stock. Specific authority in the governing instrument or a court order is required. The same is true for a sale from a trust to a director, officer, or employee.

Another potential problem area is the voting of stock of the fiduciary bank. For National banks, a provision of the National Banking Act prevents voting of stock, held in trust, in elections of directors, except in certain situations. In some States, there is a similar provision for State banks and trust companies. In matters not covered by express statutory provisions, the common law of trusts applies. This requires the voting of stock solely with reference to the purposes of the account and the interests of the beneficiaries.

Next, I would comment on self-dealing transactions. This includes purchases from, or sales to, the trust department, which serve the ends of the bank and in which the trust department may come out second best. Here, even specific authority may not be sufficient, for these authorities must be read in the context of the whole governing instrument, including the purposes of the account.

Pension or profit sharing trusts should be mentioned. Employers cannot use them as another source of capital. To try to permit this by writing broad authorities and exculpatory clauses in governing instruments is asking for trouble. Any such broad self-dealing authority must be read in the context of the purpose of the trust, one of which, in the case of every employee benefit trust, is that it be for the exclusive benefit of the employees. The same observation may be made concerning some exculpatory State statutes. You can't find much comfort in them if you plan to use the funds for bank purposes.

Now let me outline a couple of external considerations bearing upon trust department management decisions. First, national legislative policy—presently there are a number of proposed pension bills before Congress, all of which would put limits on what may be done with pension funds. The severity of that which is passed (and a bill will be passed one of these days) may be affected by the wisdom with which pension and profit sharing funds are administered. The same conclusion is apparent in other bills and investigations relating to bank trust departments. Absolute restrictions on voting the stock of the trustee bank, for example, have been proposed. That would place corporate fiduciaries at a disadvantage to individuals. Such restrictions are included in the so-called cumulative voting bill, which Chairman Patman has reintroduced. Another interesting proposal is contained in Mr. Patman's one-bank holding company bill. A section of that bill would require banks to report their trust department holdings to the Securities and Exchange Commission quarterly.

This leads to another factor which should be considered, the SEC. That agency has become increasingly interested in the activities of bank trust departments. You may have noticed that Mr. Cohen indicated that the Merrill-Lynch and Texas Gulf Sulphur cases applied to banks' trust departments, and that a bank could not make an investment for its trust department based upon information which it had gained in its commercial lending function until it had made that information public. This poses a question as to whether the bank would commit a breach of trust by not investing or selling promptly upon becoming aware of such information. Although Chairman Cohen has resigned, I think it can be assumed that the Commission will remain as interested in banks as before. This is because most of the Commission's actions must be initiated by the staff, and it is there that the militant attitude is strongest.

Paralleling the interest of the SEC in bank trust department activities is that of the administrators of the various State blue-sky laws. Following the assertion of the SEC that various bank pooled-fund activities, notably those for self-employed retirement trusts, involve the public distribution of securities, some of the State blue-sky administrators demanded that banks register those funds with them. In addition, in at least one instance a State administrator has taken the position that the operation of investment management accounts by a bank is subject to State security laws. From all indications, we can expect more of the same from those people.

Accordingly, in the operation of its trust department, a bank should be aware of the possible interest of these external groups. As was so wisely observed earlier, onerous laws are almost always the product of earlier abuse. The same can be concluded of onerous court decisions, and onerous administrative actions Banks have but to err slightly in their trust department operations and any number of strange persons rush in.

## Remarks of Dean E. Miller, Deputy Comptroller for Trusts, Before the Corporate Fiduciaries Association of Minneapolis, Minn., March 28, 1969

I propose this evening to presume upon your good will, and devote some time to running through statistics which some of you may believe to be slightly stale, the common trust fund figures for the year 1967. As you know, we annually conduct a survey of common trust funds. We send a questionnaire to all banks operating such funds, and elicit a variety of information pertaining to their operation. It has been our practice to publish the results of this survey each year in the June issue of the *National Banking Review.* The last such issue appeared in June of 1967, covering the survey fot the year 1966. Since that time we have ceased publication of the *Review.* It has been the plan of the Office to publish the common trust fund survey as a separate monograph, such a document is being drafted by our economics staff, and will present a sophisticated analysis of common fund operation and performance for the year 1967. However, inasmuch as almost a year has elapsed since the time that these statistics would ordinarily be available, it occurred to me that it might be useful if I were to disclose some of them this evening, without extended analysis.

Common trust funds continued to expand during 1967 with all measures of growth—number of funds, number of banks operating funds, and asset holdings—showing increases. The 1,195 common trust funds being administered by 539 banks at the end of the survey year had total assets of over $8.3 billion, a net increase of 106 funds, or 9.7 percent, during the year. In terms of asset values, there was an increase of over $735 million or 9.7 percent. Those 1,195 funds were in operation in 50 of the 51 jurisdictions which permit them. In Minnesota, the number of banks with common trust funds increased from nine to 10, and the number of funds, from 23 to 27. Total fund assets in Minnesota rose from $97.3 to $124.6 million, reflecting a 28 percent increase.

National banks constituted 66 percent of the total number of banks operating common trust funds, and operated 66 percent of the total number of funds. They held slightly more than 50 percent of all common trust fund assets at the end of 1967. The National bank share has increased substantially over the years; in 1962, National banks constituted 60 percent of the banks operating the funds, had 58 percent of the funds, and held only 36 percent of all common trust fund assets. By comparison, the ratio of National banks to State banks only increased from 33.5 to 34.6 percent.

Banks continued their increased use of single-purpose funds both in number of such funds and in dollar holdings. During 1967 such funds increased by 100 in number, and by $509 million in dollar holdings. As noted in previous surveys, an increasing number of banks operate more than one fund. The practice of using more than one single-purpose fund provides a choice of funds, greater flexibility in diversifying the investments of the individual participating trust, and permits participation in two or more funds in varying proportions in accordance with the purposes of the individual fiduciary account. Many banks now rely solely on single-purpose funds, usually a fixed-income investment fund operated in conjunction with a common stock fund. At the end of 1967, the number of those banks was 146; 164 banks had three or more funds, while 166 still had only a diversified fund. This last figure has remained largely unchanged for several years. The disadvantages of a single fund vis-a-vis several special purpose funds are so many that one would expect the number with single funds to diminish over the years.

In 1967, the largest increases in assets, $411 million, took place in equity funds, as one would expect. Then came diversified funds, with an increase of $224 million; tax-exempt funds, increasing $58 million; and fixed-income, $40 million. Also, as one might expect, the largest increase in number of funds, 47, was in equity funds. By contrast, only six diversified funds were established. Forty-five fixed-income funds and eight tax-exempt funds were set up.

Some interesting, if not surprising, observations may be made as to correlation between common trust fund operation and bank size. Larger banks had more funds, with more assets and larger average participations. At the end of 1967, the 95 largest banks accounted for 321 funds, with over $5.2 billion of common trust assets. Common trust funds were also operated by a great number of smaller banks. Of the 539 banks in the survey, 231, with total bank assets of less than $100 million, operated 341 funds. However, those funds totaled only $677 million, and had an average size of participation of almost $15,000. On the other hand, the average participation in funds operated by the 95 largest banks was over $33,500.

So much for slightly stale statistics. We are now processing the bank common trust fund reports for the year 1968. I hope we will have the figures available for comparison relatively soon.

I am sure that you are aware of the general tenor, if not the specifics, of the events occurring in Washington these days in relation to the banking industry. There are a number of proposals in diverse forms before various of the governmental bodies, which would, in one manner or another, add further controls to bank operations in this country. There are bills before Congress affecting one-bank holding companies, administration of pension funds, mutual fund reform, and cumulative voting of bank stock, to name a few. Pending administrative revisions include proposals concerning stock dividends, holding company common trust funds, and the allowance of interest deductions where bank portfolios contain tax-exempt securities. In addition, there are judicial proceedings which will make law just as fully as the two previous categories. Those proceedings will affect, among other things, branch banking, insurance, commingled funds, and the use of computers.

Most of these have come as a reaction to the entry of banks into new areas, the development on a large scale of services which heretofore were very minor, or the refinement or adaptation of existing services to novel situations. Some of the questions currently in the process of resolution were raised by those who are affected competitively by banks. Others, however, have come from persons who are seriously concerned about the role banks can safely play in our economy. These concerns are based largely on a fear of banks dominating large segments of the economy, and on a desire to avoid a recurrence of the "Great Depression."

I could attempt to evaluate these proposals for you and predict which will come to pass. I think, however, that we can assume without fear of contradiction that, by the end of the year, there will have been a net increase in the various types of regulatory controls which are imposed upon banking by the Federal Government. This has been the trend, and I am sure that it is going to continue. In some cases it is justified; certainly when banks begin to engage in activities which in some degree or manner are dissimilar to those which they have done before, it is, I think, incumbent upon the supervisory authorities to determine whether, in the public interest, additional safeguards need to be devised. In many cases the answer will be found to be affirmative, I am certain. Similarly, as banking activities evolve, supervisory authorities should periodically examine the controls imposed upon banks and remove those which are no longer justified. This unfortunately doesn't always happen, although it would be an ideal situation. However, we live in a world which falls short of perfection.

When we speak of the Federal supervisory authorities, we are in fact speaking in the plural; there is no single administrator or agency which regulates banking. There are, however, several bodies which have authority over one or more aspects of a bank's activities, and this number seems to be increasing. As the services that banks perform come into competition with services that nonbanks are supplying, it becomes quite easy to compare the similarities between the competing services and disregard the utter dissimilarities between the institutions involved, and their regulatory frameworks, if any. In the area of trusts, for example, bank services begin to look like mutual funds. To the staff of the SEC that means that trust department activities should be made over in the image of mutual funds. I firmly believe, on the basis of nearly 8 years of close observation, that, had the establishment of the SEC preceded the entry of banks into the corporate fiduciary business, the latter would never have occurred.

Today, banking, and indeed, most regulated businesses, are faced with a bewildering and ever increasing maze of Federal and State regulators, each administering its own little field of operation, not only uncoordinated with, but often contrary to, the policy or program of some other body. Witness the differences in opinion between the Antitrust Division of the Justice Department, and the banking agencies.

As a one-time student of public administration, I would say that the situation has moved from the anomalous to the absurd, but, having been no more than a student of public administration, I would not have you believe that I have a solution that I am about to reveal. The political realities of our government are such that the broad reform of governmental regulation of business, which would bring logic and order, can probably never occur. The most that can be hoped for is an occasional minor reordering of existing responsibilities, and the application of a broader and more enlightened perspective to questions of future needs for regulation. In banking, I believe, this should involve a greater adaptation of existing banking supervisors to novel regulatory necessities. This approach could even, occasionally, lead to the unusual conclusion that, in a given case, there is no need for additional controls. Often, only when viewed in the abstract does there appear to be such a need.

A significant element in the problem of multiplicity of supervision in banking is the fact that the nature of present bank supervision is so little understood. The day-to-day corrective actions being taken by bank examiners and their respective chiefs are performed quietly, without fanfare and accompanying screaming headlines. I suppose it is for this reason that the general impression so often arises that there is no supervision. This impression is compounded because most students of banking supervision have proved themselves unworthy of that label. For example, a note in the December issue of the *Harvard Law Review*—a publication which, until that issue, I had come to view as being as near as possible to perfection in legal scholarly achievement—characterized the activities of the Comptroller as being limited to preventing embezzlements and insuring that adequate reserves were maintained. This is an appallingly unlearned conclusion, one that could not have been based on more research than might be involved in 30 seconds' idle conversation over coffee. Yet it dramatically illustrates the lack of informed judgment characteristic of much of the study of this public administration field, today.

Another element in this problem is created by some bank supervisors themselves. Some of my colleagues have demonstrated a curious reluctance to adapt to emerging bank practices. Not infrequently, the reaction has been either to attempt to force new operations into the preexisting regulatory pattern, or to avoid facing the problem and take the posture that someone else should supervise it. You are well aware that banks of today cannot take sanctuary from competition in the comfortable boundaries of banking services as provided in the past. Neither should bank supervisors be permitted to take refuge from reality in their own similarly oriented havens.

Accordingly, I say to you that there is a fruitful field where improvement of governmental regulation can be accomplished. Much more consideration and serious study needs to be given to the possible benefits from allowing the existing primary supervisory authorities to implement all aspects of government regulation for the industry for which they are responsible. I submit to you that not only is it likely to yield improved efficiency in government, but it may well be the only practical way left to avoid the ultimate stifling of our business economy through the progressive construction of a hopelessly unmanageable governmental regulatory wilderness.

REMARKS OF DAVID C. MOTTER, DEPUTY COMPTROLLER OF THE CURRENCY (ECONOMICS), BEFORE THE ANNUAL FORUM OF THE AMERICAN INSTITUTE OF BANKING, WASHINGTON, D.C., NOVEMBER 18, 1969.

For a considerable period of time, the goal of our fiscal policy-monetary policy mix has been to achieve a reduction in the rate of growth in our economy sufficient to stem price inflation without bringing on a recession. There is a wealth of evidence to indicate that a reduction in rates of growth has been achieved. For example, the first three quarters of 1969 showed only a 2.2 percent rate of growth of real output, roughly half that of the preceding three quarters.

Ironically, some critics of current public policy have held that *absolute* increases in various economic series offer evidence of the failure of public policy. Yet absolute declines would herald the arrival of a recession, the avoidance of which is a major public policy objective.

A recent headline in the *American Banker* states: "Forecasters Agree: Slowdown, but no Recession, Is Ahead for U.S." Note that, in the context of the decline already noted in real output, that this typical consensus view involves precision forecasting. Most forecasts now being publicized fall in a range from a 1 or 2 percent rate of growth in real output to a 1 percent decline. One Cabinet member has been quoted as predicting that a slight decline in real production will "continue for some time," while another foresees growth, "but at a slow pace for a while."

There appears to be more agreement, and more pessimism, concerning prices in 1970. Forecasts hover in the 4 to 5 percent range for price advances. As Herbert Stein has pointed out, the inflation rate in 1970 depends importantly on the rate of GNP growth. He predicts that "if the GNP should rise by 6 percent, we should expect the price increase between 1969 and 1970 to be closer to 4 percent than 5 percent, and the rate of inflation closer to 3 percent, by the end of 1970." Higher rates of inflation would be associated with GNP growth above 6 percent.

Since well-grounded counterinflationary public policy, if successful, will keep the economy hovering in the range between near-recession and recession, it is only prudent to try to assess the factors that will determine the severity of an economic dip. There are several plus and minus factors in the picture.

First, on the negative side, we see that the elements of strength and weakness in the current pictue differ somewhat from those found in other recent near-recession situations. It is personal consumption and construction expenditures that have slowed down; in other postwar recessions these sectors have, in effect, rescued an economy beginning to falter from cutbacks in government and business spending. As always, anticipating correctly the expenditures of the U.S. consumer represents the biggest single problem of the forecasters.

Second, the very length of the economic advance from 1961 has rather steadily drained liquidity from financial institutions. When the monetary screws can finally be loosened, it is likely that replenishment of liquidity will be the near-term goal of these institutions. Consequently, to achieve the expansive effect desired, the monetary authorities may have to allow an expansion of bank reserves which would otherwise appear excessive.

Third, since monetary authorities are only human, it is not unlikely that the monetary screws will be kept tight longer than would be ideal, given the gift of hindsight. Especially in view of criticisms leveled at the Federal Reserve Board's loosening posture in 1967 and after the surtax passage in 1968, it would appear that the Federal Reserve Board would this time be more willing to err on the side of excessively long retention of restraint than premature relaxation.

Finally, business expenditures tend to be importantly affected by business conditions. We have had a precedent-shattering period of large-scale business expenditures on plant and equipment. The current projections for 1970 are still at high levels, in fact considerably higher than public policymakers hoped. My point here, however, is that such expenditures tend to drop rather precipitately when business "conditions" worsen. When public policy is finally successful in achieving a decline in business expenditures, rather immediately the problem becomes one of not allowing this reduction to go too far and be too prolonged.

On the plus side, the present mix of fiscal-monetary policies is a much healthier one than was present in 1966–67. Then, virtually the full burden of restriction fell on monetary policy. As a result, monetary action was drastic, both in the contraction and expansion phases, with consequent unfortunate dislocations. Now, fiscal policy is carrying its share, with a significant budget surplus. The money stock has been held nearly constant, but at least has not had to be reduced. This better balance should allow a healthier and less dislocative loosening of restrictive policies when such action can be taken. Parenthetically, extension of the surtax and repeal of the investment tax credit are key elements in maintaining the healthy fiscal-monetary balance noted.

Looking for additional positive elements relating to our ability to contain a slow-down to moderate proportions, it appears that current inventory levels are not excessive. Thus we may be able to avoid the unsettling dislocations that go hand-in-hand with a sharp inventory adjustment.

There is no question in my mind, however, that the overriding reason for optimism about the resiliency of our economy today relates to the causes for our current difficulties. Essentially, we are looking at a situation which illustrates *the economic problem:* the allocation of scarce resources among competing ends. We have found that the demands of a sizable war effort, when overlaid on the demands of a high-level, full employment economy, inevitably generate substantial inflationary pressures. But, in terms of resource use, and unmet needs, we find we are creating a backlog of essential projects, both in the public and private sectors. These projects have had to be deferred in the current overheated economy. They remain as a highly significant pool of programs and projects which can be crucial in effecting a relatively smooth adjustment, after an economic slowdown, and, hopefully, after the end of the Vietnam war.

In concluding this first section, I echo the verdict given time after time by the stock market, that peace is bullish, and that we can successfully adjust, in a productive and healthy manner, to the end of hostilities in Southeast Asia.

Let us turn now to a brief examination of the impact on banks and banking operations of an inflationary climate. The interest rate is, of course, the basic price of the principal product offered by banking. The whole structure of interest rates, from rates paid on savings deposits to rates received on high-risk personal loans, determines the gross margins for banking operations.

Interest rate levels have risen sharply since 1965, reflecting strong demand for funds. This demand was initially fueled by entrepreneurs' optimism about the future demand for their products and by individual borrowers' optimism over their future income prospects. As inflation persisted, an important supplementary thrust came from the desire of businessmen and consumers to buy goods now, before prices advanced further. The emphasis on the demand side as the dynamic element appears justified. An inflationary increase in credit funds available will not deter an interest rate increase if the demand for credit is increasing even faster. As Paul McCracken points out, this result occurred in late 1968, when "interest rates were rising persistently even though the rate of monetary expansion was itself already too rapid to avoid an inflationary pace for the economy."

In a world of high and rising interest rates, what general observations are relevant for banking? I would like to advance several for your consideration, before moving to an examination of the impact of counterinflationary measures on banking.

First, higher and higher rates will unfortunately not solve the banks' problem of having to allocate funds in short supply, during periods of very heavy loan demand. We have seen the prime rate increased five times since the latter part of 1968, from 6.25 to 8.50 percent. Nonrate costs to borrowers have increased also. Yet banks have consistently had to ration funds among would-be borrowers of good credit standing.

Second, the current rate of inflation has made the rates offered by commercial banks and other deposit-type institutions less and less attractive to the small saver. When the rate of return does not equal the rate of inflation, and thus an actual shrinkage of purchasing power occurs, is it any wonder that the depositor is disillusioned. That the retention of deposits has been as favorable as it has illustrates the positive convenience factor and the negative factors of inertia and imperfect knowledge. It remains to be seen whether a permanent shift in the savings pattern may already have been created. The danger of such a shift supports the case for anti-inflationary public policies.

Third, the current rate structure makes the foregone income from demand deposits more significant than ever. Thus one would expect individuals increasingly to exercise sophistication in pairing average demand balances, in the manner that is done so effectively by most corporate treasurers today.

Fourth, the problems posed by inflationary climate for banking are long term in nature; on the other hand, counterinflationary public policies generate immediate, short-term operating problems for banks. Their immediacy, of course, does not necessarily imply primacy. We now turn to those immediate problems.

In the most simplified terms, a restrictive monetary policy aims at reducing the availability of credit in the economy. Since the banking system represents the most important purveyor of credit, it is obvious that banks will experience substantial "slowing pains," to use the President's term.

What methods are to be used to put the brakes on credit? It may be useful to draw a distinction between the two major methods, since considerable discussion has occurred with respect to the need, efficacy, and equity of one of them. Through open market operations, the monetary authority can control, within rough limits, the credit base of the economy. Through Regulation Q, the authority limits the rates which commercial banks can pay on time and savings deposits, and thus is able to hold the level of funds available to banks below what it would otherwise be.

One may liken the control of the credit base through open market operations to a general, overall, nonspecific mechanism which, in and of itself, is neutral among competing dispensers and users of funds. (The problems of the housing industry during "tight money" periods do not illustrate an absence of this "neutrality.") There are few among us, though some of these few are strategically situated, and vocal, who would quarrel with the appropriateness of a general policy of restrictiveness by the monetary authority during 1969. Thus, apart from questions of precise timing and turning points, open market operations calculated to reduce the rate of growth in the credit base have gained the general approval of knowledgeable observers, including bankers, this past year.

This attitude on the part of bankers reflected an awareness that a controlled "slowdown" was in the best interests of the country, even though the policy generated obvious problems for banks. With the overall level of loanable funds held well below the credit demands of responsible would-be borrowers, bank loan officers have had to face the unpleasant task of saying "No" to customers whose business had been actively sought in years past. The historically high level of loan rates has not, as noted previously, eliminated the need for banks to ration credit among credit-worthy loan applicants. Be that as it may, the banking community has rather generally accepted the necessity of the public policy creating the need for rationing.

The second major prong of monetary policy has, especially in recent months as credit pressures have mounted, generated quite a different reaction. The unhappiness of many bankers with Regulation Q and related controls, which in effect are controls specific to the banking industry, has been fueled by the views of one group of economists. This group holds that Regulation Q controls, especially those relating to money market instruments of commercial banks, are essentially unnecessary to the successful operation of monetary policy, and serve only to discriminate against commercial banks.

In examining this issue, it is clear that the position of commercial banks as depositories has suffered, relative to alternatives, during 1969. The contrast with 1968 is sharp. As Governor Mitchell has pointed out, commercial banks accounted for more than 50 percent of the increase in net credit flows durings the last 6 months of 1968, while enjoying a 13 percent increase in deposits at an annual rate. By contrast, during the first 9 months of 1969, banks accounted for only 12 percent of the increase in credit flows (negative in third quarter), and deposits *decreased* at an annual rate of 5.5 percent.

It is also clear that bankers have shown great ingenuity in finding or creating alternative sources of funds, as deposits fell. And the Fed has shown just as much persistence in shutting off these alternatives. One by one, Eurodollar borrowings, loans sold under repurchase agreements, and commercial paper issued by parent holding companies, have been barred or effectively restricted. New devices are being explored constantly, such as the current use of "ineligible" bankers acceptances.

The issue of whether overall open-market operations are sufficient to carry out monetary policy, without the aid of specific Regulation Q type controls, essentially revolves around the question of whether commercial bank loans play a very special role in generating expansion or contraction in the economy. The Federal Reserve, implicity at least, holds that they do. The banker who sees his Certificate of Deposit portfolio shrink and virtually disappear, while the role of the unregulated commercial paper market burgeons, may, I suppose, be granted his right to question.

Purposely, I have avoided bringing in the primacy of housing issue in the above discussion. I believe it can be shown that the use of Regulation Q and companion controls for aiding the flow of funds to housing, if accepted as a viable public policy, does not in itself require the curtailment of large commercial banks' ability to compete for funds in the money market.

REMARKS OF DEAN E. MILLER, DEPUTY COMPTROLLER FOR TRUSTS, BEFORE THE MIDCONTINENT TRUST CONFERENCE OF THE AMERICAN BANKERS ASSOCIATION, SAN ANTONIO, TEX., NOVEMBER 21, 1969

Last year, at the Midcontinent Trust Conference in Detroit, I gave a talk, having largely to do with direction trusts, which I titled "A Venture Into the Law of Trusts." I have since received a number of comments in response to that talk, and several invitations to provide a sequel. Accordingly, though with some misgivings, I have agreed to renew the venture, and propose, in part, to do so today. I also plan to devote some time to another favorite topic of mine.

First, let me explain my misgivings. There is a tendency, when a member of a regulatory agency embarks upon a *series* of talks upon one particular subject, to draw the conclusion that this subject is causing the agency some alarm—that it represents a menace which the supervisor feels must be met. That is not the case here. As the title of my earlier talk was meant to suggest, it was written primarily to present a scholarly analysis of one isolated point in the law of trusts. It was not an exercise in the abstract, but dealt with a type of situation which does occur. But neither that talk, nor this one, was prepared because of any determination that large scale abuse is occurring, or out of any feelings of alarm.

As I reviewed the commentary on my subject, I was reminded of an exercise in which I participated at law school, in a class called "The Legal Process." In this exercise we considered the course of development of the law concerning claims against railroads for lost shipments. In the beginning, there were several successful suits brought by persons where property had been lost, then came a period when the lawyers for the railroads grew ever more imaginative and successful in writing broad disclaimers into the contracts, which lead to the present minutely detailed and cumbersome regulations of the Interstate Commerce Commission. The question presented to us as law students was: "Were the railroad lawyers, in writing up these contract provisions which served to protect the railroads so well against suits for every kind of complaint which could arise, justified or not—did they really serve their client?"

There are times when discussions and developments in the area of direction trusts remind me very much of that exercise. I have observed governing instruments for employee benefit trusts being drafted with great ingenuity in obvious efforts to dispense with the rules of the law of trusts, insofar as past and current expressions of those rules would appear to impose certain responsibilities upon those who accept the title of trustee. We see State legislatures being persuaded to enact laws designed similarly to permit this end. And at the same time, we see Federal legislation being introducted which would impose fiduciary duties on all those dealing with such plans, preclude limitation of those duties, and restrict the types of investments which can be made. There may be a parallel.

In my talk in Detroit, I dealt with the application of the law of trusts to a particular type of employee benefit trust, referred to as the direction trust. For our purposes, that is a pension or profitsharing trust which is established with a bank, named as trustee, but which places the power to direct investments for the fund in another person or committee, appointed by, and serving at the pleasure of, the employer. Such trusts, as commonly drafted, provide that the trustee must comply with all such directions received from the powerholder, has no duty to review the directions or the portfolio, and is exculpated from liability for acting in accordance with directions so received. Usually there are broad investment powers, which may specifically include the right to invest in employer-oriented media.

The theme I developed in Detroit was that all those broad instrument provisions can go only so far, and cannot be relied upon by a powerholder to support a proposed investment involving a conflict of interest, contrary to the overall purposes of the trust, or by a trustee to assert an absence of duty in such a case. This led to my principal conclusion, that it thus appeared that there existed in the present law of trusts substantial, possibly sufficient, protections for employee beneficiaries of these accounts. Those protections would be enforced through private litigation and by bank examination, and such factors should be taken into consideration in any proposed legislation in that area. That was my main point on the subject. Some people who commented upon my prior talk have taken issue with what was really my subsidiary conclusion—the degree of reliance which a bank can place upon direction trust instrument provisions. In nearly every case they failed to realize that in so doing, they were also taking issue with my primary conclusion as to the present protections available to the employee, and its implications.

There have been no cases in the courts which are on all fours on this subject, and I would be the last to assert that there have been. If a court were to be presented tomorrow with a suit against a bank trustee for following a questionable investment direction in a direction trust, which resulted in a loss, it would be a case of first impression. It may be that in such a case, a judge, faced by a bankrupt company, which carried its pension fund down with it; a large number of employees whose retirement plans have been dashed, and a bank trustee that has for years extolled its fiduciary expertise (and incidentally, is brimming with indicia of affluence) would rule that the provisions of the governing instrument allowed no recourse against the trustee. But, even if the bank in such a case were to win, it might well be pyrrhic victory. That is not to say that my opinion of the law, as stated in my Detroit speech, is wrong; I still hold that opinion. Rather, I am indicating that banking may well not win, no matter which way the decision may go.

Thus, in discussions concerning that subject, our time and intelligence are wasted, or certainly misdirected, in being aimed at the resolution of questions such as: "wouldn't it stand up if the instrument provided thus and so;" or "what if the legislature passed a bill providing that . . ." I think more apt inquiries here are: "Is there any possible advantage to be gained justifying the risk implicit in accepting such an account as trustee, on any basis involving less than full responsibility;" or "Could any fee schedule provide enough income to justify a bank agreeing to lend its name as trustee to an account, the investment policy of which it then proceeds to ignore?" Should the company fail, and in so doing bankrupt its retirement funds because they were invested heavily in company-related investments, it is obvious that the loss to the bank trustee, and to banking, may be much more than the amounts contributed to that particular fund. Can any customer relationship or transitory competitive advantage be worth this?

I hope the widespread attention being given this subject is not unduly emphasized. From the beginning it has been, as it remains, a scholarly analysis of one isolated point of law concerning what constitutes, at present, a comparatively unsubstantial area of bank activity, although, unfortunately, it is growing. One of the principal reasons why it was originally selected as a subject was internal to our Office.

Our examination approach to direction trusts, while remaining basically the same, has had to undergo modifications in emphasis over the years. For a long time, our primary concern has been with whether directions received from a powerholder which involved a conflict of interest were properly authorized. It has been our policy that an investment involving a conflict of interest for the powerholder could not be authorized by the broad investment-powers clauses so commonly found in governing instruments, and that a bank trustee should not rely on such clauses. As a result, for several years the bulk of time spent by our examiners on direction trusts concerned transactions involving unauthorized conflicts of interest. If there was such an investment, the examiner criticized it for want of proper authority.

Our instructions to examiners in this respect, set forth in a letter dated April 4, 1963, provided:

> It will no longer be necessary to schedule in the report of examination any direction trust problem where proper authorization for this particular type of transaction and an exculpatory clause are contained in the instrument creating the relationship unless the Representative feels the transaction is subject to criticism. Such instruments should contain at least a general exculpatory clause for following the directions of the holder of the power in order to exonerate the trustee from liability.

In August of that year, the Comptroller published the revised Manual of Instructions for Representatives in Trusts, which was made available to the banks. The Manual provided elaboration upon the April 4 instructions on direction trusts, and read in part:

> When the exercise of that power affects the interest of parties other than the powerholder, however, the power is held in a fiduciary capacity. In such cases the trustee may have a duty to inquire into the propriety of the acts of the holder of the power.
>
> The Representative should be familiar with applicable local law in this regard. Where he is of the opinion that an investment for a direction trust raises serious questions of liability on the part of the bank as fiduciary, a complete schedule with comments should be prepared.

Those directions may have been misconstrued by some who gained the impression that we were only interested in whether authorization existed for conflict of interest investments, and that when such specific authority was present, no heed need be paid to the composition of the investment portfolio. That was never the position of this Office, as a careful reading of the above instructions will show. The Office has always been of the opinion that a trustee could not rely upon such provisions to become a silent participant in blatant misconduct or fraud. The fact that such an interpretation made for administrative simplicity probably helped it gain acceptance. Accordingly, we felt that it had become necessary to restate the instructions. Hence, the Detroit speech, and the amendment, this year, of the language of the Manual to make that point clear. It now reads:

> * * * When the exercise of the power affects the interests of parties other than the powerholder, however, the power is held in a fiduciary capacity. In such cases if the trustee has reason to suspect that the powerholder is attempting to exercise the power in violation of the latter's fiduciary duties, the trustee may be under a duty not to comply, and may be liable if he does comply.

Does that sound familiar? It should, for it was taken almost word for word from the *Restatement of Trusts.* Next, in the revised instructions, we attempted to make this even clearer by providing:

> This situation could occur even if specific authority for the proposed investment exists in the governing instrument if a particular investment is to the detriment of the beneficiaries or otherwise contrary to the purposes of the trust. In such cases an exculpatory clause or statute may not be effective to hold the trustee harmless.

That represents no sharp break with prior policy, but merely reflects the legal truism that every authority given by a governing instrument, and every exculpatory provision therefor, must be construed and limited in the light of the overall purpose of the governing instrument of which it is a part.

The revised instructions again pick up the prior wording:

> Where the Representative is convinced, in light of the foregoing principles, that an investment for a direction trust raises a serious possibility of liability on the part of the bank as fiduciary, he should so advise the bank * * *.

Our restatement of examination instructions is not a departure from previous positions, rather, it merely represents a balancing of approach in the administration of the long-standing position of the Office in this area. In carrying out these instructions, our examiner will look at the portfolios of all direction trusts, and inquire into the soundness of each investment, particularly those involving a conflict, even though that investment may be expressly authorized. An investment involving such an authorized conflict which is *patently* unsound will be criticized. Note that I stressed "patently." Unless such an investment is clearly bad, he will not attempt to substitute his judgment for that of the powerholder, although questionable situations will be cataloged and recorded.

Revisions of procedures for examination of all employee benefit trusts are also being effected, permitting us to continue our careful scrutiny of these accounts although numbers and asset totals continue to climb dramatically. Additional statistics will be gathered from the examination figures, and useful information developed from them may be published. I feel that our Office should be a source of supervisory leadership in this area, as it has been in trust department supervision. After all, a large portion of employee benefit plans, funded by trusts, have banks as trustees. At the end of 1968, banks held assets of such plans totaling almost $85 billion, and this figure is increasing. The Comptroller's Office supervises more trust departments, holding more assets than any other agency, either State or Federal, so it is an apt role for us.

Our examiners have the benefit of day-to-day experience in the examination of the operation of employee benefit trusts by banks. A large percentage of examination criticisms in trust reports, not to imply that there are many criticisms, concern employee benefit trusts. The examiner is constantly on the alert for violations of the Internal Revenue Code, as well as of fiduciary law. In the course of these activities, the bank trust department supervisors have acquired a knowledge of present and potential regulatory problems in reference to these accounts, which should be of benefit to those who are interested in that area. It should, for example, be useful to those who wish to look into the necessity for broadening the present laws. The examination forces of the bank supervisory agencies possess a potential for the effectuation of any such move.

If it should be decided that uniform Federal fiduciary standards, or additional restrictions on qualifications and more prohibited transactions should be devised, it would be unrealistic, duplicative, and wasteful to decide that another set of "enforcers" need be created to put these revisions into effect in banks. If the country is ever to correct the prevailing and ever worsening multiplicity of government supervision of private industry, it will have to be through enforced cooperation among government agencies, and the reliance by one upon another to be the primary enforcement medium for its laws, rules, and policies, rather than having each utilize its own army for its primary contact in its technical functioning. This area would be a good place to take a giant step in the right direction.

Let me now turn my attention for a few minutes to another area where these last comments might well be taken into consideration—the collective investment of managing agency accounts.

I have been with the Comptroller's Office for 8 years now. A fairly large proportion of my time during those years has been taken up by attempts to anticipate the future, if any, of bank-operated managing agency funds. This was to prepare appropriate means of regulation, which would most readily fit in our existing setup and yet impose no crippling hardships for banks. Occasionally we have had a minor role in attempting to shape that future. Looking back, I would say that we in the Comptroller's Office have been but a minor member of a large and diverse group who collectively have had the say in the the course of events. Congress, the banking trade organizations, other Government agencies, and other trade associations have played a more major role. Thus, we have been forced to anticipate, in our planning over these years, the manner and form in which it might ultimately be resolved that banks could offer this service.

A number of factors have contributed to the difficulty of anticipating the future. Again and again, at critical points, far-reaching decisions have been made by persons who were either totally unfamiliar with the subject matter, or at best, had only a peripheral knowledge, perhaps supplemented by a greater or lesser degree by thought or study of the subject, of varying degree of accuracy, always brought to bear only immediately prior to making the decision, and often reflecting an externally oriented bias. Needless to say, anticipation of such decisions has been difficult.

The job of predicting the future has been further confounded by the difficulties of analyzing the past. An incredible amount of confusion exists in this area, most often manifested in the definitive conclusions, of proponents or opponents, that no amount of objective research will support. That is one topic where the disservice done by simplistic summaries and absolute conclusions is most striking.

It seems that every recent change in bank operations, either in form or in substance, has brought forth the accusation that banks have now resumed the activity which caused the Great Depression. Collective investment of managing agency accounts is a prime example. Those statements have occasionally been given added respectability by ill-researched language in congressional reports, and similarly oriented administrative rulings of Federal agencies, so that the problem of separating truth from mythology has now become almost insurmountable.

Finally, we have been confronted with the problem of the impact of nonbanking laws, drafted and enacted with other purposes in mind. They were given definitions and purposes so broad that it is merely an exercise of logic, understandable to any grammar school mentality, to reach the conclusion that these definitions indicate the necessity that collective investment of managing agency accounts be subjected to their purview.

It now appears that the range of possibilities has been sufficiently narrowed as to present us with much more "clear confusion" than has been the case for several years. The situation now lends itself to the type of analysis contained in the old joke, which has had many contexts and variations, but which proceeds that if you do A, then either B or C will happen. If B, then you haven't anything to worry about. If C happens, then you can either do D or E. If D, you haven't anything to worry about, etc.

Approaching our situation in that way, we would begin with the possibility that Congress might enact a specific ban. That has been mentioned from time to time, and most often in connection with proposed one-bank holding company legislation. The language of the one-bank holding company bill has been broadened in an attempt to prevent holding companies or their banks also from setting up certain funds. I have heard critical speculation as to whether the Senate would approve such a bill, since they earlier passed one which would specifically permit banks and savings and loans to engage in such activity, and I leave that type of speculation to the congressional experts. But, if Congress should pass such a proposal, then we would have nothing to worry about; banks would be expressly precluded, that's all.

If such a bill does not pass, then Congress could still pass a bill specifically permitting that activity, or it could fail to do so. If it passes such a bill, then there is nothing to worry about.

In that instance, the odds are that the legislation would closely resemble, if not be in the form of, the present mutual fund reform bill, which has passed the Senate and is before the House Interstate and Foreign Commerce Committee. Under that bill, the Comptroller would have to issue two sets of regulations. The first would establish rules for operation of pooled agency funds, to which all banks, State or National, operating such funds, would have to conform, as is the case with the Comptroller's rules for common trust funds. In our contingency planning for the event that such a bill should be enacted, we are thinking of publishing rules which would provide, in regulation form, a framework encompassing most of the features of the commingled investment account presently operated by the First National City Bank of New York, with, hopefully, some room for flexibility.

The second required set of rules would establish standards of training and experience for bank salesmen of interests in these funds, consistent with similar SEC requirements. In our contingency planning we have been examining how best we might carry out this mandate, should it come to be. We have enlisted the aid of the Securities and Exchange Commission and the National Association of Securities Dealers, as well as the banks and the American Bankers Association and have begun consideration of several possibilities, from simply prohibiting banks from having salesmen, under any definition of that term, to requiring that bank salesmen conform to the standards set by the NASD. We expect that whatever we finally might put into effect would be the result of comprehensive study of the question, hopefully with the continued advice and assistance of all interested persons. Although I have spoken of two sets of rules, it is possible that they might be combined into one regulation. This is the prospect, should the mutual fund reform legislation pass in its present form.

Returning to my original approach to this subject, if the question is not resolved legislatively, then it may be accomplished judicially. This would most likely occur through resolution of the current litigation involving the commingled investment account of the First National City Bank of New York. The Court of Appeals for the District of Columbia recently reversed the District Court, and ruled that this account is legal. A petition for *certiorari* has been filed by the Investment Company Institute. If this petition should be granted, and the case heard, and reversed, by the Supreme Court, then we would have nothing to worry about; banks would be excluded, and that would be that.

On the other hand, the issue could be concluded favorably for that type of activity in the courts. This could either occur through a denial of *certiorari,* or through a decision by the Supreme Court. In such an event, there would be no statutory requirement for conforming to a particular banking agency's rules and regulations. Analysis of the opinions of the Court of Appeals suggests that this distinction may be more apparent than real. Great weight was placed both by Judge Bazelon and his fellow judges, who included the now Chief Justice Burger, upon the fact the First National City Bank commingled investment account was extensively regulated by the Comptroller. Indeed, the opinion implies that this may have tipped the scales in favor of the bank in that case. Accordingly, it would appear that if this decision were upheld in the future course of events, State banks, would be well advised to maintain close conformity to the rules of the Comptroller in their commingled agency operations, and possibly to obtain his opinion as to whether their plans conform to rules and standards established for National banks.

A related question which the Comptroller's Office would have to face in that event would be whether specific rules and regulations dealing with the activity should be issued at all. A possible alternative course would be to rescind the present, arguably obsolete, managing agency fund provisions and substitute nothing in their stead. That would have the effect of requiring National banks to obtain specific approval for proposed commingled agency accounts, permitting them a greater flexibility in fashioning their programs and avoiding a slavish adherence to the features of the First National City Bank commingled investment account. It would have the disadvantage of not providing other banks with a readily ascertainable standard to which to conform. However, this could be met, in part, by the widespread publication of all such approvals by the Comptroller, possibly with official comment pointing out any departures from previously established norms contained in the approval.

As a matter of fact, it appears that if any of the foregoing possibilities, either positive or negative, should come to pass, Regulation 9 would be amended to delete the present authority, found in 9.18(a)(3), for a bank to operate common trust funds for monies contributed by the bank in its capacity of managing agent under a managing agency agreement expressly providing that such monies are received in trust. A very appealing argument can be made that that vestige of an earlier stage in the resolution of this question should be retained, so as not to foreclose any bank which so desired from establishing such a fund, taxable as a common trust fund, and raising the substantial questions which are implicit in the attempt of the staff of the Securities and Exchange Commission to cut back the scope of the exemption to the application of the Investment Company Act for common trust funds or similar funds. However, it is apparent in the light of experience with this authority that the likelihood of a bank's doing that is extremely remote, so much so as to render unjustified the confusion which the continued presence of this authority would create.

In closing, I must emphasize that what I have just said constitutes our Office's thinking as to what we should do in the event one of certain, now rather specific, alternatives comes to pass. In so doing, I am not predicting what will happen to elements which are beyond our control. I would like to make it clear that we are not, contrary to the implication of a recent news article, assuming that banks have won their struggle to offer this service, or that we are prepared to unleash an onslaught of banks into the mutual fund business. We are merely facing up to the supervisory responsibilities which will be ours, should these events come to pass, and attempting to anticipate how best to carry out those responsibilities while imposing the minimum restraint upon the ability of banks to serve their customers. I firmly believe that anything less than that would constitute a dereliction of our duties.

### Statement of Robert Bloom, Chief Counsel to the Comptroller of the Currency, Before a Subcommittee of the Committee on the District of Columbia, House of Representatives, on H.R. 255, April 29, 1969

We are pleased to present the views of the Office of the Comptroller of the Currency pursuant to the committee's request on H.R. 255, a bill which would expressly permit the deduction of interest in advance from the proceeds of installment loans made by banks and other regulated lending institutions in the District of Columbia.

The Comptroller has previously informally indicated to the Chairman of the Law and Legislative

Committee for the D.C. Bankers Association that our Office had no objection to the passage of the subject amendment. The deduction of interest in advance from the proceeds of installment loans is a common banking practice. This method of charging interest, known as the discount method, is one of several recognized methods of computing and charging interest on loans which are to be repaid in installment rather than in a lump sum. It is commonly used in the making of automobile and other consumer installment loans. Public Law 90-321, the "Truth in Lending Act," which will become effective on July 1, 1969, will require that the effective annual rate of simple interest being paid by the borrower on discount loans as well as other types be disclosed in writing to the borrower prior to the making of the loan. Public Law 90-321 will also require lenders who feature rates of interest in their advertising to use the effective annual rate of simple interest rather than the discount rate. The "Truth in Lending Act" will therefore insure the disclosure of the full amount of interest being charged to the borrower and would appear to eliminate the possibility of abuse of the proposed amendment to the D.C. Code.

Accordingly, the Comptroller of the Currency has no objection to the passage of H.R. 255.

### Statement of Robert Bloom, Chief Counsel to the Comptroller of the Currency, Before the Senate Committee on Banking and Currency, on H.R. 7491 and S. 2065, September 24, 1969

The legislation under consideration deals with the extent to which States and local governments may levy taxes on National banks. This issue, smoldering for a number of years, was brought to flame by two recent Supreme Court decisions. In *First Agricultural National Bank of Berkshire County* v. *State Tax Commission*, 392 U.S. 339 (1968), the Supreme Court held that a National bank domiciled in Massachusetts is not required to pay a Massachusetts sales and use tax, since this method of taxation is not listed in R.S. 5219, 12 U.S.C. 548. *Dickinson* v. *First National Bank of Homestead*, 393 U.S. 409 (1969), was a similar holding, involving Florida documentary stamp taxes.

*First Agricultural* and *Dickinson* merely reaffirmed a long line of earlier decisions which established the proposition that the States are without power, unless authorized by Congress, to tax National banks. *Owensboro Nat. Bank* v. *Owensboro*, 173 U.S. 664, 668 (1889); *Des Moines Nat. Bank* v. *Fairweather*, 263 U.S. 103, 106 (1923); *First Nat. Bank* v. *Hartford*, 273 U.S. 548, 550 (1927); *Iowa-Des Moines Nat. Bank* v. *Bennett*, 284 U.S. 239, 244 (1931).

Prior to the two recent decisions, the Court had not squarely considered the question for a number of years, although it continuously recognized, during that time, the general rule incidental to deciding other issues. *Department of Employment* v. *U.S.*, 385 U.S. 355, 360 (1966); *Michigan Nat. Bank* v. *Michigan*, 365 U.S. 467, 472 (1961); *Mercantile Nat. Bank* v. *Longdeau*, 371 U.S. 555, 558-559 (1963). Perhaps because of the length of time between decisions such as *Owensboro*, in 1899, and *First Agricultural* and *Dickinson*, in 1968-69, the recent rulings resulted in a strong reaction by State banking and taxing authorities. These authorities also argue that the nature of National banks has changed materially since Congress last looked at the subject. At the urging of these groups, a number of bills were introduced in this, and in the last, Congress to modify or eliminate the National banks' present immunity from certain types of State taxes.

It should be remembered that even under the present law, National banks are not immune from the more important types of State taxation. Under the provisions of section 548, National banks pay the same real estate taxes to the States, counties, and cities in which they are located as do other real estate owners. In addition, a National bank now may be required to pay to its home State, a tax measured by its net income or the worth of its shares. The taxes in dispute are mainly of the excise type, such as sales and use, documentary stamp, and motor vehicle taxes.

The various bills introduced in the House may be divided roughly into two groups. One group, including bills such as H.R. 2182 (Hosmer), H.R. 9794 (S. 2065 Sikes, Holland), and the original version of H.R. 7491 (Patman), merely added various specific types of taxes to the list collectible from a National bank in its home State. The other group represented by H.R. 8642 (Ashley) and the present version of H.R. 7491 (Patman), now before this Committee, would completely repeal the present law and enact in its place a general statement to the effect that National banks should be deemed to be the same as State banks for the purpose of State taxation, wherever they are doing business, whether in their home State or in foreign States.

The Office of the Comptroller of the Currency favors the first approach of amendment rather than complete repeal. We do not disagree with those bankers and State authorities who believe that some amendment to the present law is needed to equalize the State and local tax burden on State and National banks. This Office knows of no reason why National banks should not be required to pay the same taxes to their home States as State-chartered banks. We believe that the way to achieve such equalization is to do it in the same manner as changes have been made in the past, that is, by amendment to section 548. In making the necessary changes, it is not necessary to use language which raises any doubt concerning, or changes the status of, National banks as Federal instrumentalities. As the Supreme Court indicated in *First Agricultural,* the issue is simply one of the extent to which Congress wishes to permit State taxation of National banks. Expressions such as "a National bank has no immunity etc." serve to becloud this issue and should not be used.

*First Agricultural* dealt only with the question of taxation by the home State and did not involve the much broader questions of taxation and regulation by other States in which a National bank may do business. These so-called "doing business" taxes and statutes raise entirely different issues from that involved in the sales-tax controversy and should not be confused with that issue. The subject of interstate taxation of National corporations, including banks, has been studied for many years by bodies such as the Judiciary Committee of the House of Representatives, and various legislative attempts have been made to deal with this complex question. As of this date, no comprehensive legislation has been enacted to remedy this problem and we do not think it would be wise to attempt to dispose of it summarily as it relates to banks in a one-sentence bill such as H.R. 7491.

It is the view of our Office that this legislation should be confined to equalizing the tax burden of National and State banks in the home State only. Although it may be argued that there should be equalization in foreign States as well, it is impossible to do this without painstaking analysis of the types of taxes levied by the various States on foreign corporations doing business within their boundaries. This family of taxes is inextricably interwoven with other State statutory provisions imposing restrictions on doing business within the host State; for example, requirements for the appointment of agents for the service of process, posting of bonds, establishment of statutory offices, etc. We agree with the various courts which have held that such State restrictions on doing business are not applicable to National banks. *Steward* v. *Atlantic,* 27 F. 2d 224; *Bank of America* v. *Lima,* 103 Supp. 916 (D. Mass. 1952). As thes courts point out, because a National bank is a Federal instrumentality, it cannot, for State law purposes, be a foreign corporation and is, therefore, entitled to different treatment from a State-chartered bank when it does business outside of its home State.

At the least, this question of the effect of "doing business" laws should not be injected into the comparatively simple problem highlighted by the *First Agricultural* decision.

Consistent with the foregoing position, our Office has suggested that the problem highlighted by *First Agricultural* be dealt with by the addition of a new paragraph 5 to section 548 which would make it clear that National banks must pay sales and use taxes in their home States.

Our suggested amendment in place of H.R. 7491 was contained in the letter of Treasury General Counsel, Paul W. Eggers, to the Committee and reads as follows:

> That section 5219 of the Revised Statutes, as amended (12 U.S.C. 548), is further amended by adding the following new paragraph at the end thereof:
>
> 5. In addition to the other methods of taxation permitted herein, a State or political subdivision thereof may impose sales and use taxes on a National bank having its principal office within such State in the same manner and to the same extent as such taxes are imposed upon a State-chartered bank having its principal office within such State.

The foregoing language covers only sales and use taxes which were involved in the *First Agricultural* case. During debate on the floor of the House, Congressman Garry Brown of Michigan introduced an amendment which follows the approach we have suggested, but adds to the list of taxes collectible by the home State, tangible personal property taxes, intangible personal property taxes, documentary stamp taxes, and all taxes imposed on the ownership, use or transfer of motor vehicles. This Office perceives no objection to adding these taxes to the list, with the exception of an intangible personal property tax. Intangible assets, such as loans and investment securities, constitute the great bulk of any financial institutions' assets and worth. Since the States are already permitted to levy a share tax, measured by the net worth of the bank's assets, it would constitute a form of double taxation to permit a direct tax on its intangible assets. Unlike the other types of taxes on the list, a tax on the intangible assets of financial institutions would be a major departure from present practices and we think that more study is needed of the possible effects on the banking systems.

There are important reasons for not scrapping the entire present law as does H.R. 7491. The very age of the section (it was first enacted in 1864 and last amended in 1926) means that a tremendous superstructure of existing State tax laws has been passed in reliance upon its provisions. In fact, various methods have been used to equalize the tax burden on State and National banks. For example, most States have granted the same exemptions to State banks as National banks. The burden on both classes of banks is then equalized with that of other corporations by levying a heavier income tax or franchise tax rate on banks (the so-called "built-up" rates). H.R. 7491 would open the way, in such States, for the collection of the previously exempted taxes from both State and National banks. However, there is nothing in the bill which require the States to repeal the compensatory forms of taxation originated prior to the proposed change in Federal law. Thus the House bill will impose on both classes of banks the burden of obtaining, by legislation or litigation, equal treatment with other corporations.

The approach of the Treasury and Brown amendments would avoid the wholesale rewriting of State laws, necessitated by the House bill, and would avoid much confusion. At the same time, substantial equity between State and National banks would be achieved.

For these reasons, the Comptroller of the Currency strongly urges the Committee not to approve H.R. 7491, and instead to approve a bill in the language suggested by the Treasury Department.

STATEMENT OF ROBERT BLOOM, CHIEF COUNSEL TO THE COMPTROLLER OF THE CURRENCY, BEFORE THE SENATE COMMITTEE ON BANKING AND CURRENCY, ON S. 2569, OCTOBER 8, 1969

The proposed legislation would relax, for the National Capital region only, existing restrictions against bank holding companies' ownership of banks located in more than one State. It would permit a registered bank holding company located in the District of Columbia to own banks located in the District, Montgomery, and Prince Georges counties in Maryland; and Arlington, Fairfax, Loudon, and Prince William counties, plus the cities of Alexandria and Falls Church, in Virginia. Banks anywhere in Virginia or Maryland would be permitted to form holding companies to organize or acquire banks in the District.

All of the other requirements of the present Bank Holding Company Act would apply in full force, and no holding company could be set up without the approval of the Federal Reserve Board. The Federal Reserve would apply the same antitrust, capital, management, and other factors to its consideration of the formation of S. 2569 companies as it does to other holding company applications.

In order that there may be no misunderstanding of the effect of the amendment, it should be emphasized that the bill makes no change in the existing powers of the States to regulate the business of banking within their borders. A new State bank, organized by a District-based holding company, would have to receive the approval of the appropriate Virginia or Maryland authorities. Virginia- and Maryland-chartered banks would continue to be subject to the full jurisdiction of, and examination by, the State banking authorities. There is likewise no change effected in the authority and power of the States to define the extent of branch banking within their borders, although opponents of the legislation will argue to the contrary. We will be glad to supply the Committee with a legal memorandum setting forth the clear distinctions which the courts and Congress have made between branch and holding company banking.

S. 2569 would allow the creation of bank holding companies with three different geographic bases: one group of holding companies could control banks in the District and in the Washington suburbs in Virginia and Maryland; a second could control banks operating anywhere in Virginia and in the District; the third could hold banks operating anywhere in Maryland and in the District.

A number of benefits would flow from passage of this legislation. First, banking competition in the National Capital region would be enhanced. The District of Columbia-based banks would provide additional competitive muscle through affiliates acquired or established in the Washington suburbs. And, although opponents of this bill deny any interest, it is not unlikely that at some point certain of the strong Baltimore- and Richmond-based banks would become affiliated with newly created or acquired District banks. The resulting interpenetration would undoubtedly enliven competition, to the benefit of consumers of banking services.

Next, private funds available for the extension of credit in the National Capital region can most efficiently be allocated on a regional basis. There is no assurance, and in fact it is rather unlikely, that the regional distributions of deposits and of credit requirements are similar. The bill would provide a means of improving the mobility and optimum use of deposit capital at a time when such capital is in short supply.

Third, a number of the credit needs of the National Capital region require loanable funds in aggregates of considerable magnitude. The passage of S. 2569 would allow bank affiliations that would make these aggregates more readily available.

Critics of S. 2569 may assert that each of these arguments can be applied to any major metropolitan area in the country. To some degree, this is correct. However, it is not difficult to demonstrate the unique nature of the District and its financial setting.

First, the core of the National Capital region—the District of Columbia—is more constrained than is the core of any other major metropolitan area. A number of the banking constraints stem from the fact that the city is not a part of any State. Were it, in fact, a part of either Maryland or Virginia, the Washington banks would enjoy much greater freedom to expand. Thus it is apparent that the Federal status of the District has itself created special banking problems. In this light, action by Congress to alleviate these problems appears most appropriate, and would in no sense create a precedent for similar action in other areas.

The National Capital region poses special problems for both banks and banking customers within it. The Federal Government as a whole constitutes a unique dominant employer. Employees of Government agencies find it easier to move to another agency within the Federal Government than do members of the work force in other areas for whom a change in employment frequently involves a move to a separate organization. Federal employees, for example, do not relinquish retirement benefits, leave status, etc., when moving from one agency to another, as is often the case when moving from one private firm to another. As a result, labor mobility in the National Capital region is extremely high. Federal employees shift from agencies with downtown offices to those with offices in the Maryland or Virginia suburbs or conversely from a Federal agency with offices in the suburbs to another with central city location. Such moves generate problems for banking customers. It is often costly and highly inconvenient to continue to bank where they have established favorable banking connections. To relinquish those established banking connections and establish new banking connections with a suburban or downtown bank is likewise costly and inconvenient.

Similar problems for the banks and banking customers are engendered also by the movement of Federal agencies, and offices within an agency, from the central city to one of the suburbs, or from one suburb to another, or from the suburbs to the central city. The bill, by permitting limited area-wide banking, would help relieve employees of the Federal agencies of some of the costs and inconveniences of either establishing new banking connection or maintaining their banking connections at remote locations where they formerly worked.

The Congress has a special responsibility to provide a legal framework for the District that will foster the economic viability of this vital center of the National Capital region. We are all aware of the problems faced by the core areas of every metropolis. Virtually every solution advanced requires the expenditure of a large volume of funds. The greater the volume of private funds available, the less the demands on the public funds. We believe that S. 2659, representing an attempt to alleviate special problems faced by District banks as a result of the District's Federal status, merits favorable consideration by the Congress.

# INDEX

U.S. GOVERNMENT PRINTING OFFICE: 1970