



Department of Justice

FOR IMMEDIATE RELEASE
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The Department of Justice filed suit today to block the merger of The Merchants National Bank, Burlington, Vermont, and Montpelier National Bank, Montpelier, Vermont.

Acting Attorney General Robert H. Bork said the suit was filed in U.S. District Court in Rutland, Vermont.

Under the Bank Merger Act of 1966, the suit automatically prevents the proposed consolidation pending final court action.

The complaint alleged that the proposed acquisition would violate Section 7 of the Clayton Act by eliminating competition between the two banks in the Montpelier-Barre area of Vermont.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said that Montpelier National Bank and The Merchants National Bank hold the second and fifth largest shares of commercial bank deposits in the Montpelier-Barre area, amounting to about 21.2 percent and 8.3 percent of such deposits respectively.

He said that consolidation of the two banks would make the resulting bank the largest in the area.

As of December 31, 1972, the Merchants National Bank had total deposits of \$57.7 million and Montpelier National Bank had total deposits of \$32.6 million.

(MORE)

The suit also charged that concentration in commercial banking in the Montpelier-Barre area would be substantially increased and that competition in the area would be substantially lessened.

The suit asked that the proposed merger be declared unlawful, and that the defendants be enjoined from carrying out any such merger or consolidation.

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