



Department of Justice

FRIDAY, MAY 6, 1983

202-633-2016

The Department of Justice filed a civil antitrust suit today to enjoin the proposed merger of two upstate New York commercial banks, National Bank and Trust Company of Norwich and National Bank of Oxford.

Attorney General William French Smith said the suit was filed in U.S. District Court in Syracuse.

The Comptroller of the Currency approved the merger on April 8, 1983. Under the Bank Merger Act of 1966, the Justice Department has 30 days to file suit to enjoin the merger. Such a suit automatically stays the merger pending final court action.

William F. Baxter, Assistant Attorney General in charge of the Antitrust Division, said the complaint alleged that the proposed merger may substantially lessen competition in Chenango County in both retail and commercial banking services, in violation of Section 7 of the Clayton Act.

National Bank and Trust Company operates nine offices in Chenango County. It is the county's largest commercial bank, with approximately 56 percent of total deposits held by depository institutions in the county.

The National Bank of Oxford operates one office in Chenango County and ranks sixth with approximately six percent of total deposits in the county.

(MORE)

According to the complaint, banking in Chenango County is highly concentrated, as measured by total deposits in the offices of the county's four largest depository institutions. On June 30, 1982, the four largest depository institutions with offices in the county held total combined deposits of approximately \$226 million, approximately 84 percent of the county's total deposits.

The Department asked the court to declare the proposed merger illegal and to enjoin it permanently.

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