

Connally calls TUESDAY SEP 18 1979 charter report 'smear story'

By CAROLYN BARTA
Political Editor of The News

John Connally devoted the major portion of a news conference in Dallas Monday to rebutting what he called an "unfair, vicious, smear story" about his possible involvement in the granting of national bank charters while he served in the Nixon administration.

The Dallas Morning News reported last week that the chartering procedures of seven federal banks in Texas are under examination by the Senate Banking Committee for possible influence by Connally.

While he described the stories as having the impact of a "molehill" on his campaign for the Republican presidential nomination, Connally nonetheless spent most of the 30-minute conference attacking the stories and the reporter who wrote them.

"It's a political story from beginning to end. It was politically inspired, politically written and politically biased,"

Connally said, charging the bias was that of News reporter Earl Golz (whom he persisted in calling "Getz").

At the news conference, after a tough law-and-order speech by Connally before the International Association of Chiefs of Police, Connally was asked if he was involved in any illegality in connection with the bank charters.

"None whatever," he replied.

Connally said 100 banks were granted charters at the state and federal level while he was in government service as governor of Texas and secretary of the treasury, and he was not involved at either level.

He said he "had no knowledge of any (charters) being sought. . . I wouldn't touch any with a 10-foot pole."

Connally also said that when, as governor, he appointed fellow Texan Bob Strauss to the State Banking Commission in the 1960s, he made it a point not

See CONNALLY on Page 3A.

Connally denies knowing son owned stock in bank

Continued from Page 1A.

to get involved in the issuance of state charters and he followed this course with national banks after he became treasury secretary.

Connally contended the stories have emerged "because I obviously am making headway in my race" for the Republican nomination, and that because his candidacy is progressing, "you're going to see more of them."

Connally said he took issue with the stories because "there was an inference I had something to do with seven bank charters. I had nothing to do with any of them. I don't know who the seven banks were chartered to."

The News reported a source on the committee said investigators have found an "unusual pattern" in the Texas cases where charters were granted by the comptroller of the currency after his staff and deputy had recommended they be rejected.

In each of the seven cases, investigators found Connally associates and friends listed as initial stockholders.

In the case of one of the banks, Love Field National in Dallas, one of Connally's sons and seven former aides were initial stockholders. His son, John B. Connally III, initially held 3,000 shares valued at \$10 each.

"There is not any probe that I know about," said Connally.

He said he did not know when he was treasury secretary that Mike Myers, his administrative assistant when he was governor and currently his deputy state campaign chairman, had applied for the charter for the Love Field National Bank, which was granted in 1972, nor that his son was

listed as a stockholder on the application.

While Connally confirmed the applicant for the the charter of Fort Worth's Meadowbrook National Bank was a friend (longtime political ally Dee Kelly), he said the charter was granted "long after I was out of office" and that he had nothing to do with it.

He said that during a lawsuit in the District of Columbia, a bank that opposed the Meadowbrook charter "made allegations I had something to do with it."

Comptroller William B. Camp, who was charged with granting or denying charters, "denied I had anything to do with it. But that wasn't in the story."

Comptroller's records show the Meadowbrook charter application was filed about two months after Connally left office in June 1972 and was approved by Camp six months later, even though Camp's staff had recommended against it.

Camp retired about a month after the charter was granted. He died in 1975.

Connally said the charters in question were under the jurisdiction of someone — Camp — who is now dead and "who can't be questioned."

Suggesting The News' story was "reaching to the point of absurdity," Connally said a principal in one of the seven banks under question, Guaranty National of Houston, is State Democratic Chairman Billy Goldberg, a close ally of former U.S. Sen. Ralph Yarborough, a Connally political enemy. He implied Goldberg would be an unlikely prospect for Connally favors.

Connally declined when asked by Golz if he would make available for examination his telephone logs when he was secretary of the treasury.

"You just want to go fishing. You've been fishing for six months," Connally said.

He said he would not allow Golz to look at the logs because "I don't think you would be fair in your interpretation."

Connally said Golz never tried to reach him for his side of the story.

However, repeated attempts to reach Connally through his Washington campaign office before the first story was published Thursday were unsuccessful.

Another News reporter traveling with the Connally campaign in Ohio last Wednesday was refused a reply from Connally.

Connally was quoted in Sunday's editions as saying he knew nothing about any of the charters involved and denying there was a conflict of interest with his son as an initial stockholder in Love Field National while he was treasury secretary.

Asked by another reporter if the bank charter stories were having any impact outside Texas, Connally said, "I think it's a molehill."

He said he was devoting time to the matter here because "I happened to be in Dallas."

"The story was written here. The writer is here, and I thought it would be a good chance to talk about it.

"It's not a pleasant experience when your integrity is questioned unfairly."

But, he said, "I've been through much worse than this."