

Investigators find no proof

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Senate Banking Committee investigators probing bank chartering procedures found no proof that John Connally used his influence to obtain national bank charters for Texas friends and associates, the committee's staff director said Tuesday.

Although it was learned that some of Connally's political associates, friends and one family member benefited from charter approvals for the seven banks in Texas, the investigators' findings are circumstantial and do not prove Connally did anything wrong, said staff director Kenneth A. McLean.

"We have no evidence" that Connally used his influence in the Nixon administration to get the charters approved, McLean said in Washington. "We have no testimony, no evidence, no documents."

McLean said Sen. William Proxmire, D-Wis., chairman of the banking committee, plans to place a statement in the *Congressional Record* this week explaining the purpose of the committee investigation and noting that no evidence against Connally has been found.

McLean said committee staffers were not assigned to investigate Connally but to probe the process of chartering national banks across the country. The fact that Connally associates were involved in some of the banks was discovered during the course of the overall investigation, he said.

The Dallas Morning News reported last Thursday that a committee source said the final report would be issued before the end of the year and that Proxmire was expected to conduct public hearings on the committee's report.

McLean said Tuesday there had

been no political pressure exerted on him to release a statement on the committee findings concerning Connally.

Sen. John Tower, who serves on Proxmire's committee, "did not interfere at all" in the matter, said a spokesman for the Texas Republican.

For the past year, committee staffers have conducted an investigation of how about 1,000 national bank charter applications were handled from 1970 through 1977. Connally served in several capacities in the Nixon administration during that period — including a stint as treasury secretary.

Committee sources have said that during the investigation, they noticed an "unusual pattern" of instances in which Connally associates gained bank charters despite the objections of comptroller staff members and the deputy comptroller who screened their applications.

It is considered unusual for the

against Connally

comptroller to overrule staff recommendations in bank charter applications.

At the time four of the charters were granted, the U.S. comptroller's office was an agency of the treasury department and Connally was the secretary.

The comptroller's office is supposed to operate autonomously.

Committee staffers say they have found no logical explanation for the "unusual pattern" of the seven Texas bank charters granted during a 3-year period despite the objections of comptroller staffers.

Connally lashed out at *The News* this week for reporting that the committee was scrutinizing his relationships with the seven banks whose charters were approved despite objections.

The Republican presidential hopeful called the stories "politically

inspired, politically written and politically biased."

Connally said McLean's announcement Tuesday came "as no surprise. I said from the outset the charge was politically inspired and totally baseless."

McLean said last week that "we have looked at all seven of those (Texas banks) . . . where the comptroller reversed the recommendation of the deputy and staff. There will be some mention of that in the report, yeah."

McLean emphasized last week that "the investigation was not for the sole and principal purpose of looking at Connally's dealings when he was secretary of treasury. It happened to turn up in the context of a much broader investigation, and we took a littler closer look at it."

McLean said the investigation has ended and committee staffers are in the process of compiling a report on their findings.