

Thursday, September 20, 1979

Panel probed bank deals, Proxmire says

By EARL GOLZ

Investigators for the Senate Banking Committee "carefully examined the circumstances surrounding the handling" of seven national bank charters in Texas between 1970 and 1973 but did not determine that John Connally "exercised improper influence," Sen. William Proxmire, committee chairman, said Wednesday.

The Wisconsin Democrat said he made the statement to clarify the present status of the committee's study of the chartering practices of the comptroller of the currency, an agency within the U.S. Treasury Department.

The Dallas Morning News has reported that committee investigators found an "unusual pattern" of chartering procedures in Texas during a period when Connally had influence within the Nixon administration.

Connally served as treasury secretary in 1971 and 1972 when four of the seven charters were approved by Comptroller William Camp, a native Texan. The other three charters were approved either months before or after

Connally was in office.

Studies have shown that charter approvals over the negative recommendations of the comptroller's staff and the deputy comptroller, as was the case in all seven Texas charters, are a rare occurrence in any state.

Connally associates — and in one case one of his sons — were among initial stockholders in each of the banks. The banks are Love Field National Bank in Dallas, Chevy Chase National Bank in Austin, First National Bank in Round Rock, Peoples National Bank in Spring Branch, Meadowbrook National Bank in Fort Worth and Guaranty and Metropolitan national banks in Houston.

Proxmire acknowledged that one aspect of the committee's study was focusing on "allegations of political influence in the consideration of bank charters" but neither the committee nor its staff "is investigating Mr. Connally."

In a statement inserted in the Congressional Record, Proxmire said he wanted to place The News' articles "in

context and to clear up any misunderstandings."

The prime purpose of the probe, he said, "is to review the bank chartering process over the last several years to determine whether consistent and objective standards were being applied to charter approvals and denials."

"The staff reviewed over 1,000 applications for new bank charters filed with the comptroller's office from 1970 to 1977," Proxmire said. "During the course of its study, the staff carefully examined the circumstances surrounding the handling of seven bank charters in Texas during the years 1970 to 1973 which had been approved by the comptroller against the recommendations of the deputy comptroller and the majority of his staff."

"Those seven applications were reviewed on the context of the staff's study of chartering procedures, not as part of a special investigation of Mr. Connally. Moreover, of the seven applications, two (Guaranty and Peoples) were approved prior to the tin-

Connally was secretary of the treasury and one (Meadowbrook) was approved after he left the treasury."