

U.S. Press Assails Lance, Carter Connections

New York Times, Aug. 11, column by William Safire:

"White House strategy is to contain the scandal by pretending the matter is purely Mr. Lance's problem, and that Mr. Carter knows nothing and is doing nothing. The strategy depends on the widely held hope that the President himself is in no way 'tainted'.

"But the follow-up questions remain: What was Jimmy Carter doing in the office of Lew Jenkins, in charge of correspondent banking for Manufacturers Hanover, on June 19, 1975? Did he know that Bert Lance, whom he had accompanied to the bank, had just negotiated a personal loan for \$2.7 million? Who else in that bank did he meet and what did he discuss? Has any government investigator asked the President about his presence with lender and borrower near the onset of a loan that might be corrupt?...

"One agency of government frozen into inaction is the political Department of Justice. Attorney General Griffin Bell has declared himself out, and the head of the Criminal Division — Ben Civiletti, the Baltimore political fund-raiser put in by Lance crony Charles Kirbo — refuses to lift a finger pending the Heimann report...

"...let me make this prediction: belatedly aroused, the Comptroller, the S.E.C., Senator Proxmire, and the press will all do their duty. Mr. Lance will resign and try to take the scandal out the door, while Mr. Carter professes to be above it all.

"But unless a special prosecutor is appointed...the Carter-Kirbo-Bell-Lance cabal will cut off the investigation before it gets to the top."

Washington Star, Aug. 10, column by Jack W. Germond and Jules Witcover:

"At the White House they are beginning to realize that the Bert Lance case is not going to just go away. What isn't clear, however, is whether they yet understand that President Carter himself is finally going to have to make and justify a decision on whether his budget director's effectiveness has been compromised.

"...The implication...is that the finding by the comptroller will settle the whole question. But what that overlooks is the fact that it was Jimmy Carter, not the comptroller of the currency, who was elected to make these decisions about who should hold policymaking positions in the Administration and what standards they should be required to meet.

"And more to the point, it was Jimmy Carter, not the comptroller of the currency, who set such a standard of morality as a candidate for the presidency last year and as a president-elect forming a new government....So only Jimmy Carter, who has as much at stake here as Bert Lance, can answer the operative questions about the case...."

Washington Star, Aug. 11, by John Holusha:

"The proposed Senate investigation into the questions surrounding Budget Director Bert Lance's financial dealings was diverted, at least in part, because of ob-

jections from a freshman senator with strong links to a key Lance creditor.

"The creditor involved is Jake F. Butcher, a wheeler-dealer Tennessee banker for whom Lance opened some doors in official Washington. Lance owes \$433,466.87 to Butcher's bank.

"The Senator, James Sasser of Tennessee, was heavily supported by Butcher in the general election in which he unseated Republican William Brock. And, according to some published accounts, it was Butcher who directly or indirectly helped Sasser to get a critical \$100,000 loan to pull out in front of a crowded primary field.

"...When the disclosures about Lance's dealings began to surface, they centered on Lance's \$3.4 million loan from a Chicago bank and his request that Treasury Secretary W. Michael Blumenthal meet with Butcher and his brother, also a banker.

"The senior members of the Senate Government Affairs Committee evidently had agreed that an investigation was necessary when the panel met July 22.

"...Then Sasser objected. Lance's original plea that he be given an extension on the deadline to sell his National Bank of Georgia stock should be granted immediately, Sasser said, adding, 'I think we are doing him a disservice' by launching a probe.

"...Sasser was joined by Lance's home state senator, Sam Nunn of Georgia, and Republican John Danforth of Missouri, and the investigation was dropped...

"Lawyer Tom Bell, who managed Brock's losing campaign, said Butcher "raised a lot of money" for Sasser in the fall campaign...

"Butcher and his brother have taken a small inherited bank and parlayed it into a 13-bank, billion-dollar empire over the past 10 years...

"Like Lance, they have built their assets by borrowing money, the extent of which they refuse to disclose. Their private method of operation has avoided the controls of the Federal Reserve imposes on bank holding companies."

Washington Post, Aug. 12 article by George Lardner, Jr.

"In the late spring of 1975, the National Bank of Georgia under the newly installed leadership of Bert Lance granted loans totaling some \$250,000 to a North Georgia bank official named Bill L. (Bill Lee) Campbell...

"Less than three months later, Campbell was fired at a special meeting of Calhoun First National's board of directors for embezzling an estimated \$1 million from the institution over a four-year period.

"'It was run like a piggy bank,' says Assistant U.S. Attorney Jeffrey Bogart of Atlanta. Bogart prosecuted Campbell last year and was in the process of investigating overdrafts on behalf of Lance himself when he was abruptly called off last Dec. 1 — two days before Lance's designation by President-elect Jimmy Carter as director of the Office of Management and Budget."