

is charged that Lance failed to take action against Bill Campbell, a V.P. of the bank who embezzled 904,000 dollars of the bank's money even though Lance had been warned repeatedly during a 5 year period of Campbell's fraudulent and dangerous activities.

...In spite of all this, Lance on February 18, 1975 in his new capacity as president of the National Bank of Georgia appropriated a 100,000 dollar unsecured loan to Campbell and on July 14, 1975 two weeks before Campbell's dismissal from the Calhoun bank, the National Bank of Georgia at Lance's authority loaned 250,000 dollars to Campbell to repay the Calhoun loan, make pay-

ments to other lenders and make up \$43,470 in overdrafts at the Calhoun Bank.

The bonding company (that gave the information to the *Globe Democrat*, ed.) says the bank knew of and condoned the bank officer's fraudulent activities substantially before he was fired. If Lance can't refute this, he should resign or Carter should oust him. President Carter is making a serious mistake by continuing to defend Lance by claiming no one has shown that his Atlanta Banker friend is guilty of anything illegal or even unethical. Mr. Carter can't launder the record. It is there and it reeks. Lance should go and the sooner the better.

## Lance Scandal To Push Fascist Banking Laws

Investigations into the questionable banking practices of Office of Management and Budget Director Bert Lance, which could still bring down the entire Carter Administration, are now being used by Wall Street agents to push for a fascist reorganization of the U.S. banking system.

While the press continues to play up the "fine line" between legal and illegal banking practices in coverage of the Lance scandal, "Deacon" Carter stated during a press conference yesterday that Lance had complied with "common loan practices among bank officers," none of which are against the law. "Now, it may be..." Carter sanctimoniously went on, "that as a result of these investigations...stricter requirements should be implemented by law and also by the Comptroller in his standard operating procedures."

On cue, several congressional committees will be holding hearings on the scandal as soon as Congress reconvenes — which will mainly be used to rally support for banking reorganization legislation. The chairman of the Senate Banking Committee, Sen. William Proxmire (D-Wis.), plans to use his committee's hearings to push the FINE bill (Financial Institutions and the National Economy), which he cosponsors with Rep. Henry Reuss (D-Wis.), the chairman of the House Banking Committee. The FINE bill would provide for the centralization of banking regulatory agencies — the Federal Reserve, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency's office — into one large agency which would slice away at regional banks. As part of the internecine "lifeboat economics" now prevailing on Wall Street, the superagency would streamline the banking system by shutting down regional banks in order to use their assets to bail out the Wall Street banks.

### *Lance Volunteers*

The press first reported that Proxmire's hearings would center on Lance's banking practices, but Proxmire issued a statement early this week that his committee will focus its investigation on the "ethics and soundness of American banking" and the "unsolved

questions raised by the Comptroller of the Currency's report." The committee hopes to "find out how widespread these kinds of practices are and what kind of regulatory and-or legal reforms are needed to end the abuse." Veteran banker Lance himself, in an interview to the *Washington Star*, offered to testify at the hearings in order to "resolve what's normal and acceptable banking practices"!

The Senate Government Operations Committee, chaired by Abraham Ribicoff (D-Conn), and the House Banking Committee's Subcommittee on Financial Institutions Supervision, Regulation and Insurance, chaired St. Germain (D-RI), will also hold hearings on the Lance affair and banking regulations after Congress reconvenes.

St. Germain's committee hearings will push legislation to expand the powers of the financial regulatory agencies to specify penalties for banks which engage in unsound banking practices and to extend penalties in such cases not only to the offending institutions, but also to individuals.

A bill with these provisions already passed the Senate August 5, and is expected to be sent to Reuss's House Banking Committee as soon as Congress reconvenes. The bill, the Supervisory Act Amendment (S-71), provides for the expansion of existing banking regulatory agencies' powers and allows for penalties to be applied to individuals as well as to institutions. Such penalties, although presently allowed, have rarely been imposed. Instead, the Comptroller of the Currency audits the bank in question and issues a reprimand if unsound practices are discovered. The Comptroller's current authority to audit or reprimand does not extend to individuals within the offending institution.

The amendment would expand the ability of existing banking regulatory agencies to knock away any bank or individual within a bank who opposes a bailout of Wall Street. Proxmire and Reuss's FINE bill would then create a command and control center for using these expanded powers against the regional banks, putting in place the mechanism for fascist top-down control over the U.S. banking system.