What Are Nixon's Regulatory Views?

By Drew Pearson and Jack Anderson

The more you look into Richard Nixon's law practice the more it's clear the public has a right to know the facts regarding the legal connections of the man who stands a good chance of being our next President.

Not in 50 years has the United States elected a President who belonged to a Wall Street law firm.

Woodrow Wilson was a Princeton professor and Governor of New Jersey. Warren Harding was a Senator; Calvin Coolidge, Governor of Massachusetts; Herbert Hoover an engineer; Franklin Roosevelt, Governor of New York, though FDR had a small law practice with Basil O'Connor, later head of the March of Dimes.

Dwight D. Eisenhower spent his entire life in the Army, except for a brief stint as president of Columbia University, while John F. Kennedy and Lyndon Johnson spent most of their adult lives in the House of Representatives and the Senate.

Nixon, however, after leaving the Vice Presidency has spent eight years with an important Los Angeles firm, Adams, Duke and Hazeldine, then as senior partner in the Wall Street firm of Nixon, Mudge, Rose, Guthrie, Alexander and Mitchell. Members of that firm are now taking active roles in his campaign.

This column has already reported how this firm was paid $838,380 in three years by two railroads, the Delaware and Hudson, and Missouri, Kansas and Texas, and how Nixon departed from his campaign practice of not making specific comment by opposing a trucking bill before Congress last month which the railroads opposed.

Here are further operations of the Nixon law firm in connection with Nixon's statements as candidate for President.

$700,000 Fee

Last month Nixon wrote a letter to 2000 Wall Streeters critical of "bureaucratic" Federal regulation of the securities business. When the letter leaked, Nixon issued a press statement saying that the letter "represents my general philosophy." He added, "I take a dim view of too much intervention in the free market whether the market is Wall Street or anywhere else."

One substantial Nixon client which has objected to Federal regulation is El Paso Natural Gas, largest pipeline company in the world. In the 1960s it was caught upping gas rates to California consumers without authorization from the Federal Power Commission. The FPC cracked down hard. It ruled that El Paso must pay back the huge sum of $155,000,000 to California users.

This may be the type of "Federal intervention in the free market" to which Nixon objects. Certainly his law firm's client did. It paid the Nixon firm a total of $771,129.83 from 1961 through 1967 to battle against regulation.

William Bennett, presistent California Public Utilities Commissioner who won the consumer rebate against El Paso, reports that the Nixon firm was especially active in another government move to regulate El Paso, namely its merger with the Pacific Northwest, another pipeline company.

The Federal Power Commission, when Nixon was Vice President under Eisenhower, okayed this merger. However, Commissioner Bennett appealed on the ground that the merger would mean monopoly gas prices for the people of California. He won on appeal to the U.S. Supreme Court.

"I remember that Howard Boyd, president of El Paso, was in my office and went out of his way to brag about the fact that Richard Nixon was now representing him," recalls Bennett.

Nixon and Arabs

"Boyd also told how he had been in Nixon's office to discuss El Paso's plan to bring oil from the Arab countries and how impressed he was with Nixon's knowledge of the Near East. He thought Nixon would be of considerable help to them with the Arabs.

"Nixon says he frowns on Federal regulation. Would this mean that he would appoint men to the regulatory commissions who believe as he does?

"I understand one of Nixon's partners is an adviser to American Telephone and Telegraph," continued Bennett. "Last January the Federal Communications Commission ruled that AT&T must reduce rates by $100,000,000. I suppose this is the kind of Federal intervention Nixon is against.

"One member of Nixon's old law firm in California, Robert Bolk, has now been appointed by Gov. Reagan as Commissioner of Corporations in California and he has helped to seriously weaken the Corporation Securities Act which Gov. Brown had supported.

"The public doesn't realize it," concluded Commissioner Bennett, "but these regulatory agencies affect many, many aspects of their lives—wholesale electric power rates, long distance phone rates, radio and TV programs, air travel passenger rates, railroad freight rates, trucking rates.

"Almost every phase of government affecting the public, from pure drugs to the location of atomic power plants, is governed by these regulatory agencies.

"Where, for instance, are atomic power plants to be located and will they be a health hazard? All this affects the public. And the public has a right to know whether Nixon will be for the consumer or for the public utilities represented by his law firm."