Nixon's Law Firm Calling the Shots

By Drew Pearson and Jack Anderson

The deeper you dig into Richard Nixon's lucrative law practice, the more it looks as if his Wall Street law firm is calling the shots in his presidential campaign.

Not only have his law partners virtually taken over his campaign, but he has been issuing campaign statements that coincide remarkably with the interests of his clients. The pattern has been disturbing enough to raise questions about the influence his law firm will have on U.S. policy if he is elected President.

By baring his personal finances, Nixon has acknowledged that the voters have a right to know about his financial ties. Every presidential candidate should release his income tax returns, list of all law clients and identify his sources of income. For the voters are entitled to all the facts, not just the cold figures from an auditor's statement.

Nixon listed his net worth as $515,830 but placed only a $45,000 value on his equity in the law firm. Our own investigation indicates that he takes in around $250,000 a year from his law practice.

Nixon joined the respected old Wall Street firm of Mudge, Stern Baldwin and Todd after losing the California governorship in 1962. A senior partnership was arranged for Nixon by two of the law firm's biggest clients, Pepsi-Cola and Warner-Lambert Pharmaceutical.

Discreet, backstage pressure was brought on the law firm in Nixon's behalf by Donald Kendall, Pepsi's president, and Elmer Bobst, Warner-Lambert's board chairman. Shortly thereafter, the firm became Nixon, Mudge, Rose, Guthrie, Alexander and Mitchell.

Clients Fight Controls

Both Pepsi-Cola and Warner-Lambert, in their 1968 reports to stockholders, complained about the controls that President Johnson has imposed upon overseas investments. These are necessary to fight French President Charles de Gaulle's raid on U.S. gold reserves.

"These controls," declared the Pepsi report, "can only aggravate the U.S. balance of payment problem long range; "therefore it is our hope that all possible steps will be taken to lift them at an early date." Warner-Lambert also expressed the hope that the controls would be "temporary."

Nixon has now pledged that, if he ever reaches the White House, he will grant his two favorite clients their wish. In a confidential campaign letter to a select list of business executives, he promised to repeal the curbs on overseas business investments.

Nixon sent another secret letter to 2000 leaders of the securities industry, denouncing the Democrats for their "heavy-handed bureaucratic regulatory schemes." His law firm has represented Pepsi-Cola, Warner-Lambert, El Paso Natural Gas and several other clients before the Securities and Exchange Commission, which regulates the securities industry.

The letter also proclaimed Nixon's opposition to the SEC's crackdown on mutual funds. Not only does his law firm represent mutual funds, but Nixon until his presidential announcement was a director of four such funds—Investors Mutual, Investors Selective Fund, Investors Stock Fund and Investors Variable Payment Fund.

Earlier in Houston, the GOP presidential candidate promised to perpetuate the 27½ per cent oil depletion allowance, which has saved the oil companies billions in taxes. His law firm, it turns out, also represents oil and gas interests.

Oil Profits

Not long ago, Nixon made a personal appearance at the Interior Department to plead for an import quota for one oil client, John Shaheen, who would like to ship 30,000 barrels a day into the country from his refinery at Come-By-Chance, Newfoundland.

In private conversations, Nixon has also urged that commercial companies should be permitted to help develop the Federal oil shale lands in Colorado and Utah. These oil shale reserves, owned by the taxpayers, have a potential worth estimated at over $600 billion—enough to pay off the entire national debt and still have enough left over to reduce taxes.

Among the applicants for special leases in the heart of the richest Federal oil shale beds are three other Nixon clients—Wolf Joint Venture, Rock School Joint Venture and Ridge Minerals Venture.

His campaign manager, John Mitchell, is a senior partner. The second in power is another law partner, Leonard Garment, who previously had been an active Democrat. Still another law partner, Thomas Evans, heads the United Citizens for Nixon volunteer organization.

Nixon's backroom braintrust, which advises him on campaign strategy, includes another partner, Franklin Lincoln Jr., and when vice presidential candidate Spiro Agnew had foot-in-mouth trouble, a law partner, John Sears, was hastily assigned to the Agnew campaign. Others from the Nixon firm are actively trying to elect their senior partner to the White House.

Nixon owes the voters a full report on his law practice, so they can judge for themselves whether he would use the Presidency to advance his clients' special interests.