

Wallace may be campaigning to prevent a payoff scandal

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WASHINGTON — Gov. George Wallace, the big little man from Alabama, is flying high these days.

He has come a long way from the tumble-down home in Clio, Ala., where he was raised. His father, George, Sr., and his mother, Mozelle, were poor whites, and their son had to make his way behind an ox team.

He learned early to step carefully.

Wallace started his public career in 1945 as an assistant attorney general in Alabama. He has seldom been off the state payroll since.

He fought his way to the governorship, which he found to be an enriching experience.

Contractions contributed

Contractors selling the state such items as asphalt, insurance, milk, road building equipment and school supplies felt the hot breath of Wallace's henchmen on their bank accounts. A surprising number of state contractors were also major contributors to Wallace's political organization.

Those who did not kick in, strangely, didn't do well in the bidding for state contracts. In some instances, the specifications for bids were written to preclude all but favored bidders.

A prime source of income for the Wallace people was the liquor industry. Alabama sells its booze through state liquor stores and distributors paid under-the-table kickbacks to Wallace's political agents.

Political payoffs

These payoffs began early in Wallace's first administration and continued through the administration of his late first wife, Lurleen, who succeeded him in the governorship. We dug out the story of the liquor payoffs, complete with names, dates, details and cancelled checks.

This led to a federal tax investigation of Wallace's closest associates, including his brother Gerald. The Internal Revenue Service looked into a variety of kickback schemes that were used by the Wallace crowd.

The revenue agents concluded that the Wallace brothers' law firm was used in funneling some of the kickbacks. They also charged that Gerald Wallace had failed to report income that came to him through the law firm in 1967 and 1968.

Wallace-Nixon flight

Last May, President Nixon visited Alabama and invited Gov. Wallace to ride with him on a flight from Mobile to Birmingham. No one knows what the two men said to

each other during the plane ride.

These events, therefore, may be merely coincidental: (1) the tax case against Gerald Wallace was dropped; and (2) George Wallace, subsequently, announced he would run for President this year as a Democrat, not as an independent.

Wallace's 1968 presidential campaign

Jack Anderson

cost about \$9 million. His aides are projecting a 1972 budget of \$30 million. That's a lot of whisky commissions.

In 1968, insiders tell us many small contributions also came in from those who saw the Alabama governor as a messiah. But some of the \$5 and \$10 donations, apparently, never reached the campaign treasury.

As contributions committee co-chairman Dick Smith put it: "I'm not accusing anybody of stealing; they just didn't turn it all in."

WATSON'S SPREES

We have told how Ambassador Arthur K. Watson, who is handling the delicate diplomatic contacts with the Chinese in Paris, got uproariously drunk on the midday flight to Washington for his conferences with President Nixon.

Witnesses described how the gray-haired ambassador kept shouting for Scotch, grabbing stewardesses and trying to stuff money down the fronts of their blouses.

We also spoke to a stewardess who said Watson, on another flight a few months ago, drunkenly propositioned her to become a mistress for his teenage son. When she declined, the ambassador petulantly pelted her with grapes from the fruit basket.

Other drunken episodes

Intimates recall other drunken episodes around the circular bar in Watson's fancy chalet, nestled between two gigantic mountains in the Vermont ski country. He called the chalet "Camelot," referred to himself as "King Arthur" and addressed his wife as "Guinevere."

These incidents would be Watson's problem, and none of the public's business, if he weren't entrusted with one of the nation's most crucial diplomatic assignments. The Chinese have no respect for a man who can't hold his liquor. The slightest display of drunkenness would cause Watson to lose face, in Chinese eyes, and they would regard him with contempt.

This could jeopardize the important diplomacy that President Nixon started in Peking.