

Taking Stock of the New American Puritanism

A Commentary

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By Nicholas von Hoffman

The newest chapter in the book called Richard Nixon and The Work Ethic involves a bootstrap kid named Robert Vesco. Vesco is the fellow who gave a surreptitious \$200,000 campaign contribution to Nixon, and then had it quietly handed back to him as it became clear he is, as Fortune magazine puts it, "the central figure in one of the largest securities-fraud complaints ever filed by the U.S. Securities and Exchange Commission."

Large is the word for it. The magazine describes the allegations in the SEC charges as "a global web of deceit" in which The Bootstrap Kid and his associates, corporate and personal, are accused of creating "a Sargasso Sea of offshore companies for the purpose of moving money . . . into legally impenetrable waters . . . If the charges are substantiated, Vesco will be branded an international swindler and possibly face criminal action."

The dough involved runs to more than \$200 million, the investments of thousands of people all over the world in a mutual-fund operation called Investors Overseas Services. That's self help of impressive dimensions, but it's not just dough that's involved, it's people, Republican people, and Nixon people.

First we have the go-between who delivers this unreported campaign contribution, in cash, to Maurice Stans, Nixon's former Secretary of Commerce and a guy who's been implicated in just about every sleazy deal the Nixon administration has been caught at. The go-between's name is Harry L. Sears, a big-shot Republican politician from New Jersey; he ran Nixon's campaign there last year and is a board member and general counsel of Vesco's company. Now it also happens that Regina Cahill, the daughter of the Republican governor

of New Jersey, who's a strong Nixon man, worked for Vesco at his Geneva, Switzerland, headquarters. Miss Cahill was only a secretary, but Fortune reports a secretary who was "accorded VIP treatment."

This same spirit of Horatio Algerism wasn't confined to Maurice Stans and the President's supporters in New Jersey. From the testimony that has seeped out so far it appears that Edward Nixon, the President's brother, was flown by helicopter from New York to New Jersey to confirm that the contribution was to be handed over in cash, presumably so that there would never be any record of it. A Stans' spokesman has denied, of course, that Stans ever asked that any donation be in cash, but he also said that Stans didn't discourage it.

This touching story of old-fashioned American grit and working up from the bottom doesn't stop here either. Vesco, The Bootstrap Kid, also hired the President's nephew, Donald Nixon, as his executive assistant,

and as far as Fortune magazine knows, young Donald is still working his way up Vesco's payroll. Donald, however is not a defendant in the fraud case, although James Roosevelt, the son of President Roosevelt, is. None of which is to say that Donald wasn't working for his money. Fortune reports he was a frequent passenger on Vesco's private Boeing 707 which is so expensively decorated that young Donnie said it made Uncle Dickie's Spirit of '76 "look like a Piper Cub."

But the tacky-hacky political follies continue. In November, 1971, Vesco was thrown in jail by a Geneva judge on charges of improper business conduct, fraud and attempted embezzlement, but Fortune reports, "Vesco's Washington lawyers put through a call to the office of the U.S. Attorney General, John N. Mitchell . . . a call from the Justice Department to the U.S. Embassy in Berne instructed officials there to apply all possible pressure to secure Vesco's earliest release," and

The Bootstrap Kid was duly released on \$175,000 bail.

Leaving aside the fact that the circumstantial evidence strongly suggests that it was the money the Security and Exchange Commission alleges The Bootstrap Kid gained by fraud that was used to finance the White House Watergate burglary gang, these are the same self-righteous folks who put on the moral indignation passion play about the chiseling welfare mothers. These are the same folks who go about making speeches putting down effete intellectual snobs, the operative definition of snob apparently meaning a refusal to sanction the shabbiest kinds of sharp practice, to use the kindest language about how the Nixon family and associates make their living.

If honest, hard-working snobs snub them, there is good reason. But heretofore, this crowd has gotten away with their picking the land dry of money simply by running around calling other people sissies. If you don't shut up we'll call you a member of the Eastern Establishment Conspiracy. Never mind that Nixon and Mitchell are both Wall Street lawyers and that they've surrounded themselves with Harvard types like Kissinger who're trained to find a specious rationalization to gloss over every scandal.

Before the looting of Investors Overseas Service began, the company was worth over \$1 billion dollars. There's barely a fifth of that left, and this wasn't one of those deals where the Nixon people can claim they just happened to meet The Bootstrap Kid at a cocktail party but they didn't know anything about it. They took part in it. They were on the payroll.

So now you know why a shameless Spiro Agnew can run around with Frank Sinatra and Nixon can profer this un-effete, un-intellectual night-club brawler a gala at the White House.

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