

The Nixon-Wallace Plane Ride Mystery



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THE NEW special prosecutor, Leon Jaworski, has inherited a number of unfinished investigations that could embarrass the man who appointed him.

The task force left behind by the ousted Archibald Cox has been prying into everything from President Nixon's personal finances to the \$100,000 cash offering from billionaire Howard Hughes.

There have been other awkward inquiries not mentioned in the press. The special prosecutors were questioning witnesses, for example, about a whispered deal between the President and Alabama's Governor George Wallace.

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IT'S KNOWN that Mr. Nixon was eager to keep Wallace from running as a third-party candidate in the 1972 presidential campaign. For Wallace was a spoiler who, as an independent, would hurt Mr. Nixon but, as a Democrat, would throw the Democratic race into turmoil.

In May 1971, the President invited Wallace to join him on a flight from Mobile to Birmingham. No known witnesses overheard what the two men said to one another during the plane ride.

But not long afterward, the Justice Department suddenly dropped a tax investigation of Wallace's brother, Gerald, and the Governor announced he would run for President as a Democrat, not as an independent.

The special prosecutors cannot prove that Mr. Nixon killed the tax case in return for a pledge from Wallace to keep off a third-party ticket. But the prosecutors

have established that the White House showed a curious interest in Gerald Wallace's tax troubles before the May 1971 plane ride.

Clark Mollenhoff, the tough investigative reporter who served briefly on the White House staff, has told the prosecutors that he was asked by then presidential staff chief H. R. Haldeman for a report on the Gerald Wallace tax investigation.

Mollenhoff obtained a summary of the investigation from the Internal Revenue Service, he said, and delivered it to Haldeman.

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THE AUDIT DIVISION had found that Gerald Wallace allegedly had omitted legal-fee income from his tax returns in 1967 and 1968. After deducting large losses from his cattle farm, he reported a total taxable income of \$109,944 in 1967 and \$65,980 in 1968.

The case was referred on January 20, 1970, to Internal Revenue's crack intelligence division, which handles criminal investigations. A group of agents from Southern offices, assigned to the case, reported allegations that the Wallace brothers had used their law firm to receive political kickbacks and that Gerald had failed to report all the income that came to him through the law firm.

The White House had all this information before President Nixon met with George Wallace in the spring of 1971. Not long afterward, the case against Gerald was suppressed.