

Cox Staff Probing Wallace Case

By Jack Anderson

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 Gov. George Wallace.

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. 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 Jan. 20, 1970, to Internal Revenue's crack intelligence division, which handles criminal investigations. A group of agents from various Southern offices, assigned to the case, reported allegations that the Wallace brothers had used their law firm to receive political kick-

backs 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.

Kissinger's Spending — Secretary of State Henry Kissinger last month threw a wingding, which has State Department officials whistling at the extravagance.

When the invoices came in, according to internal documents in our possession, fiscal officer Richard Murray called international conferences director Murray Jackson to express his astonishment.

The bash was held at New York City's Metropolitan Museum of Art, where the black-tied diplomats were seated around the Fountain of the Muses. The pool was adorned with garlands of greenery and large baskets of flowers. The flower bill alone cost the taxpayers an eyebrow-raising \$7,983.

The guests dined elegantly on smoked trout, roast filet of veal, bouquet of vegetables, mixed green and avocado salad, Brie cheese and lemon mousse with three California wines. The taxpayers shelled out \$24,385.50 just for the catering.

Colson's Coup — It has been published that former White

House aide Charles Colson tried to pull strings inside the Securities and Exchange Commission, which regulates the corporate world. We can now add another jigsaw piece to the puzzle.

Last January, aide Fred Malek was preparing recommendations for President Nixon for the SEC chairmanship. Colson shot off a memo to Malek, dated Jan. 8, 1973, urging:

"When you are putting together a position paper for the President, would you please record me as favoring Brad Cook. Even though he is young, he is well experienced in politics, he knows the Commission and would be able to move immediately on some of the very sensitive problems the Commission has. I think he would also be totally responsive here . . ."

Cook got the job, and Colson went into private practice. Not long afterward, Colson wanted Charles K. M. Mallory appointed to an SEC post. This was urged by Colson's law partner, Charles Morin, who pleaded in an internal memo: "In short, let's get this guy in that job or Cook may turn into a disaster for us." Morin urged that Cook "ought to be reminded of how he got the job and how he almost did not get the job."

An indignant Mallory announced he wasn't "going to dance to anyone's tune." Cook resigned under fire on May 16.

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