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ON

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DREW PEARSON SAYS: REP. UTT IS NO. 1 "DODDIST" IN HOUSE OF REPRESENTATIVES; HE USED CAMPAIGN CONTRIBUTIONS TO WAGE PRIVATE LIBEL SUIT; SOME OF UTT'S BUSINESS OPERATIONS CONSTITUTE CONFLICT OF INTEREST

LOS ANGELES--The House of Representatives has been very loath to investigate Doddism. But if it ever gets around to setting up an Ethics Committee, as proposed by Rep. Charles Bennett, D-Fla., one of the first Congressmen it should probe is Rep. James B. Utt, R-Calif., who, like Sen. Dodd, has dipped into his campaign chest to pay private bills.

Specifically, Utt, who represents the John Birch territory around Disneyland and Knott's Berry Farm, used \$9,000 in campaign contributions to wage a libel suit against the Columbia Broadcasting Company.

The California contributors gave Utt the money to help pay his reelection costs, not to fight a private lawsuit. However, though Utt's politics are arch-conservative, he is very liberal with other people's money.

If he had won the \$5,250,000 he demanded from CBS, it is doubtful that he would have divided the money with the contributors who unknowingly paid his legal expenses.

These expenses were paid in the form of one \$7,000 check by the "Utt for Congress Committee." The check was made out to Irving McCann, the Washington attorney who handled Utt's libel case. An additional \$1,000 was also paid to McCann out of campaign funds. Another \$1,000 went to Utt himself for his "travel, living and legal expenses" connected with the lawsuit.

The law suit against CBS was over a report, carried in Utt's newsletter in 1963, that the United Nations, using "barefoot African troops" planned to use "Operation Water Moccasin" in Georgia to start a takeover of the United States.

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Various right-wing hate sheets and radio broadcasts picked up the report and sounded dire warnings about the subversive danger of the United Nations. This caused CBS to film a documentary, "Case Study of a Rumor," which put much of the blame on Congressman Utt for spreading the rumor. The Congressman denied that he was the originator, claimed his reputation had been damaged, and brought suit. A New York federal jury returned a 10-2 verdict favoring CBS.

--UTT'S OTHER DENIAL--

Utt has also denied a statement by Jack Anderson in this column that he had a conflict of interest in opposing the House investigation of tax-exempt foundations. Anderson had pointed out that Utt was close to the Irvine Foundation, which controls 53 per cent of the voting stock of the Irvine Company. The Utt Development Company, founded by the Congressman's father, is a subsidiary of the Irvine Company.

Because of this connection, Utt was in a conflict of interest position when he tried to block legislation introduced by Rep. Wright Patman, D-Tex., to investigate tax-exempt foundations.

Utt replied indignantly that he has "never owned a nickel's worth of stock in the Utt Development Company," and that his father "at no time owned more than one per cent in the company."

It's easy to brandish a denial against a newspaperman. However, here are the carefully double-checked facts:

A certified copy of the Utt Development Company's articles of incorporation lists both Utts, father and son, among the seven equal stockholders who founded the company, Dec. 26, 1929.

In other words, the Congressman as a young man owned far more than a nickel's worth of stock. He owned 14 per cent. His father also held 14 per cent, which is 13 per cent more than the one per cent which the Congressman claimed. A stepbrother, Walter Rawlings, owned still another 14 per cent.

The father, C. E. Utt, remained a stockholder in the company until his death in 1951. The Congressman's stepmother, Margaret R. Utt, was a stockholder in the company from January 16, 1933, until 1951.

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The Congressman and his stepbrother became trustees of Utt Development stock on May 14, 1951, for about three years. Cora Rawlings, wife of the stepbrother, has been a stockholder since Jan. 19, 1954. C. H. Rawlings, another stepbrother, has been a stockholder since Jan. 15, 1963.

--OTHER UTT DEALINGS--

Utt also has had business deals with the Irvine Company. In 1940, he purchased 20 acres of land in Peters Canyon, Orange County, from the Irvine Company. As president of the Tustin Water Works and secretary of the Lemon Heights Mutual Water Company, Utt has had business negotiations with the Irvine Company.

Officials of both the Irvine Company and Irvine Foundation have been contributors to the Congressman's campaigns.

At an Irvine Company barbecue at Bommer Canyon on Aug. 27, 1964, N. Loyall McLaren, president of the Irvine Foundation, denounced Congressman Patman's investigation of the foundation.

Then he introduced Congressman Utt, according to those present, in words something like these: "But here's a man who came to the foundation's and company's defense on his own. We didn't have to ask him to do it."

The same witnesses report that Utt vigorously denounced the investigation and praised the foundation officers.

"I should know because I am in business with them," he is quoted as saying.

Nevertheless, Rep. Utt blandly denies that he had any interest in the Utt Development Company and sees nothing wrong with his efforts inside the Rules Committee to block an investigation of foundations, including the Irvine Foundation.

The next time Utt issues a denial, he had better cover up the evidence more carefully.

Note: As a result of the column's disclosures, Joan Irvine Smith, biggest single stockholder in the Irvine property, has demanded that Utt withdraw "from consideration of any legislation affecting tax-exempt foundations and charitable trusts." The Congressman replied that he would not withdraw.

(END MGR FOR REL. SATURDAY, SEPT. 24, 1966)