

## FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

August 19, 1975

Mr. Craig Donsanto  
 Fraud Section  
 Criminal Division  
 Department of Justice  
 Washington, D.C. 20530

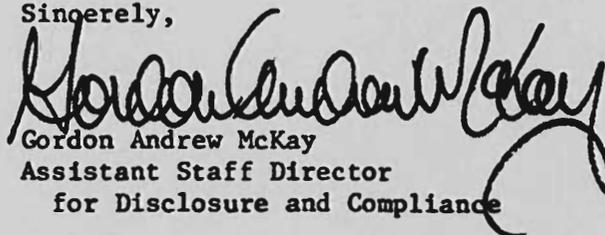
Dear Mr. Donsanto:

Since Section 612 of Title 18 of the United States Code does not lie within the jurisdiction of the Federal Election Commission, we are forwarding the attached material concerning the Udall '76 Committee for your information.

The Commission has noted that appropriate action has been taken by the political committee involved to insure that the error is corrected in the future. Accordingly, it is our view that compliance with Section 612 of Title 18 has been achieved and we consider this matter to be closed. However, we are transmitting the case file herewith in the event you might wish to review the case.

Should you or your staff desire any additional information, please contact Mr. Peter Roman on 382-3484.

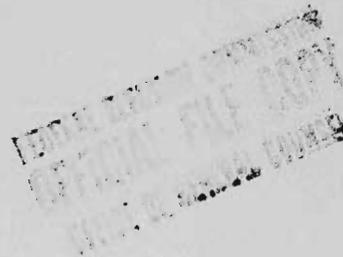
Sincerely,

  
 Gordon Andrew McKay  
 Assistant Staff Director  
 for Disclosure and Compliance

GAM:vlf

Enclosures as stated

77010703



FEDERAL ELECTION COMMISSION

CA-012-75

WASHINGTON, DC 20463

August 19, 1975

Mr. Frederick D. Palmer  
c/o Duncan, Brown, Weinberg & Palmer  
Suite 777  
1700 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

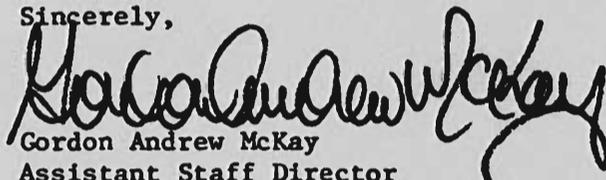
Dear Mr. Palmer:

This will acknowledge receipt of your letter dated July 31, 1975, concerning an alleged violation of Section 612 of Title 18 of the United States Code by the Udall '76 Committee.

The Commission has taken note that the Udall '76 Committee, in order to insure that the incident is not repeated, has issued instructions to volunteers and staff that the appropriate information be included in all future productions. It is our view that compliance with Section 612 of Title 18 has been achieved and we consider this matter to be closed. However, since Section 612 of Title 18 of the United States Code is not within the Commission's jurisdiction, this matter must be brought to the attention of the Department of Justice. Accordingly, the correspondence related to this matter, including your letter, is being transmitted to the Department.

Thank you for your assistance in this matter.

Sincerely,



Gordon Andrew McKay  
Assistant Staff Director  
for Disclosure and Compliance

GAM:vlf

cc: Honorable Morris K. Udall

FEDERAL ELECTION COMMISSION  
ORIGINAL FILE COPY  
IN THE FEDERAL ARCHIVE

77010010704

FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

August 19, 1975

8/20 12

Mr. Frederick D. Palmer  
c/o Duncan, Brown, Weinberg & Palmer  
Suite 777  
1700 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

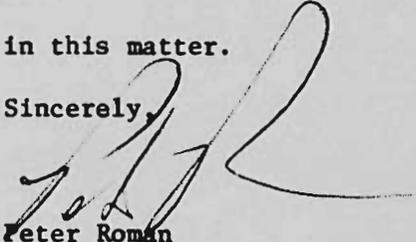
Dear Mr. Palmer:

This will acknowledge receipt of your letter dated July 31, 1975, concerning an alleged violation of Section 612 of Title 18 of the United States Code by the Udall '76 Committee.

The Commission has taken note that the Udall '76 Committee, in order to insure that the incident is not repeated, has issued instructions to volunteers and staff that the appropriate information be included in all future productions. However, since Section 612 of Title 18 of the United States Code is not within the Commission's jurisdiction, this matter must be brought to the attention of the Department of Justice. Accordingly, the correspondence related to this matter, including your letter, is being transmitted to the Department.

Thank you for your assistance in this matter.

Sincerely,

  
Peter Roman  
Chief, Audit and  
Investigation Division

PR:vlf

cc: Honorable Morris K. Udall

FEDERAL ELECTION COMMISSION  
OFFICIAL FILE COPY  
OFFICE OF GENERAL COUNSEL

← Accordingly, it is our view that compliance with Section 612 of Title 18 has been achieved and we consider this matter to be closed.

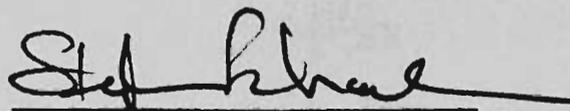
77010707

August 13, 1975

MEMORANDUM TO THE FILE

Re: Morris Udall  
CA 012-75

I spoke with Craig Don-Santo of the Department of Justice. Mr. Don Santo's opinion is that there is no apparent violation as there was no willful intent. Therefore, if the complaint is referred to the Department of Justice they will not prosecute.

  
Stephen Schachman

cc: Lan Potter  
Jack Murphy  
Peter Roman

FEDERAL ELECTION COMMISSION  
OFFICIAL FILE COPY  
OFFICE OF GENERAL COUNSEL

77010010705

*Law Offices*  
*Duncan, Brown, Weinberg & Palmer*

SUITE 777

1700 PENNSYLVANIA AVENUE, N. W.

WASHINGTON, D. C. 20006

(202) 296-4325

TELEX 89-7445

DBWP WSH

(WUD)

WALLACE L. DUNCAN  
 JON T. BROWN  
 EDWARD WEINBERG  
 FREDRICK D. PALMER  
 FREDERICK L. MILLER, JR.  
 JAY R. WEILL

CHICAGO OFFICE  
 JOSEPH V. KARAGANIS  
 33 NORTH LA SALLE STREET  
 CHICAGO, ILLINOIS 60602

July 31, 1975

Gordon Andrew McKay, Esquire  
 Assistant Staff Director  
 for Disclosure and Compliance  
 Federal Election Commission  
 Washington, D.C. 20463

Dear Mr. McKay:

As General Counsel to the Udall '76 Committee, Congressman Udall has asked us to reply to your letter of July 21, 1975.

An investigation into the matter shows the following:

1. The only cost involved with the pamphlet is associated with the paper used. The pamphlet was prepared and distributed by volunteers, the substance of it being taken from stated positions of the Congressman on issues covered. The paper was purchased from our normal suppliers during the last reporting period, the cost of which is included in our last report of payments made to either S & S Office Supply Co. or to Ginn's Office Supply.

2. The omission of declarations was unintentional and due to simple oversight. The pamphlet was prepared and distributed by volunteers at the Convention, during the Convention, on a hurried basis. These volunteers were not mindful of the need to include the declarations, thus the omission.

To insure that the incident is not repeated, the Committee has issued instructions to volunteers and staff that appropriate disclaimers be included in all future productions, as they have been in the past.

We believe that the operations of the Committee continue

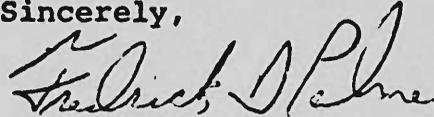
FEDERAL ELECTION COMMISSION  
 OFFICIAL FILE COPY  
 OFFICE OF GENERAL COUNSEL

to set a high standard for technical compliance with the myriad provisions of the election law. Certainly, the Congressman has insisted from the early days of his candidacy on an acute awareness by all involved of the importance of adhering both to the spirit and letter of the election law and, to the best of our ability, all involved have endeavored to carry out the Congressman's mandate.

Nonetheless, technical mistakes are bound to occur from time to time, given the size of the Congressman's campaign organization and the complexity of the law and implementing rules and regulations. Accordingly, the Congressman is appreciative of your vigilance and commends the Commission for its alertness.

While under the circumstances of this incident, we do not believe an "apparent violation" of any election law is indicated due to the lack of willfulness as required by law, if the Commission feels it is necessary to lodge a report with the Department of Justice concerning the matter, we request that a copy of this letter accompany the report.

Sincerely,



Fredrick D. Palmer

cc: Hon. Morris K. Udall

FEDERAL ELECTION COMMISSION  
OFFICIAL FILE COPY  
OFFICE OF GENERAL COUNSEL

77010010708

*Murphy*  
*Kennedy*  
*Schachman*  
*Rothman*

MEMORANDUM TO THE FILE  
FROM: DREW MCKAY  
SUBJECT: CA-012-75

Stephen Schachman and I returned John Gabuse's telephone call at 5:12 PM this afternoon. Mr. Gabuse works for the Udall for President Committee, and his telephone number is 546-3500.

A Mr. Gabuse indicated that a volunteer had cut the stencil for the leaflets ~~that were~~ distributed in Boston and had hand carried them up there. He further indicated that it was simply an oversight on the Committee's part not to include the 612 information, <sup>cut</sup> and that it certainly was not, however, a willful violation. Mr. Gabuse <sup>stated</sup> ~~further indicated~~ that the July 10th report of the Udall committee included an expenditure of <sup>approximately</sup> \$280 ~~some dollars~~ to the Ginn's Office Supply Company for ~~the~~ paper used to print these leaflets. Concerning the 612 and disclosure questions raised in our letter to Mr. Udall, Mr. Gabuse advised that a letter from <sup>he</sup> counsel of the committee ~~would be forthcoming~~ <sup>could be expected</sup> setting forth the information detailed above.

Mr. Gabuse also raised two questions as follows:

- (1) Whether Congressional Record reprints paid for through <sup>House</sup> the stationery account were campaign expenditures? We advised that perhaps the 439(a) regulation would deal with this subject <sup>in part</sup> or that Mr. Udall might wish to request an advisory opinion on this subject.

77040010709

FEDERAL ELECTION COMMISSION  
OFFICIAL FILE COPY  
LEGAL COUNSEL

(2) Whether subsidiary committees should use the old GAO forms to both register and report. We advised him that until the Commission determines otherwise, that is the most appropriate procedure.

77040010710

FEDERAL ELECTION COMMISSION  
OFFICIAL FILE COPY  
OFFICE OF GENERAL COUNSEL

## FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

July 25, 1975

MEMORANDUM TO THE FILE

FROM: *DM SB*  
DREW MCKAY AND STEPHEN SCHACHMAN

SUBJECT: CA-012-75

Stephen Schachman and I returned John Gabusi's telephone call at 5:12 PM yesterday afternoon. Mr. Gabusi works for the Udall for President Committee; his telephone number is 546-3500.

Mr. Gabusi indicated that a volunteer had cut the stencil for the leaflets distributed in Boston and had hand carried them up there. He further indicated that it was simply an oversight on the Committee's part not to include the 612 information, but that it certainly was not, however, a willful violation. Mr. Gabusi stated that the July 10th report of the Udall committee included an expenditure of approximately \$280 to the Ginn's Office Supply Company for paper used to print these leaflets.

Concerning the 612 and disclosure questions raised in our letter to Mr. Udall, Mr. Gabusi advised that a letter from the counsel of the Committee could be expected setting forth the information detailed above.

Mr. Gabusi also raised two questions as follows:

- (1) Whether Congressional Record reprints paid for through the House stationery account were campaign expenditures? We advised that perhaps the 439(a) regulation would deal with this subject in part or that Mr. Udall might wish to request an advisory opinion on this subject.
- (2) Whether subsidiary committees should use the old GAO forms both to register and report. We advised him that until the Commission determines otherwise, this is the most appropriate procedure.

FEDERAL ELECTION COMMISSION  
OFFICIAL FILE COPY  
OFFICE OF GENERAL COUNSEL

77040010711

## FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

July 21, 1975

Certified Mail 438013  
Return Receipt Requested

Honorable Morris K. Udall  
 1424 Longworth HOB  
 U.S. House of Representatives  
 Washington, D.C. 20515

Dear Congressman Udall:

The attention of the Federal Election Commission has been drawn to several leaflets (copies enclosed) which were allegedly distributed during the National Women's Political Caucus in Boston on your behalf in connection with your campaign for election to the Presidency. The Commission has copies of these leaflets which on their face fail to contain the names of the persons, associations, committees, or corporations which may be responsible for the publication or distribution of them.

Under Title 18, United States Code, Section 612, willful publication or distribution of such leaflets without such information is prohibited. While the Federal Election Commission does not have direct jurisdiction over apparent violations of 18 U.S.C. Section 612, the Commission is required under Title 2, United States Code, Section 438(a)(9) to report apparent violations of law to appropriate law enforcement authorities, which in this case would be the United States Department of Justice.

The Commission does have jurisdiction, as you know, over the filing and reporting requirements of candidates for Federal office under the 1971 Federal Election Campaign Act as amended. Under 2 U.S.C. Section 434 each Treasurer of a political committee supporting a candidate and each candidate for election to Federal office must file reports of receipts and expenditures on forms prescribed or approved by it. The expenditure involved in the printing and distribution of the leaflets to which we have referred above should be duly reported by the committee making the payment.

Your cooperation will be appreciated.

Sincerely,

*Gordon Andrew McKay*  
 Gordon Andrew McKay  
 Assistant Staff Director  
 for Disclosure and Compliance

FEDERAL ELECTION COMMISSION  
 OFFICIAL FILE COPY  
 OFFICE OF GENERAL COUNSEL

Enclosures as stated

77040010712

77010010713

TO POSTAGE WILL BE PAID BY ADDRESSEE

REGISTERED MAIL, RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER/ Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).  
 Show to whom and date delivered..... 15¢  
 Show to whom, date, & address of delivery.. 35¢  
 RESTRICTED DELIVERY. Show to whom and date delivered..... 65¢  
 RESTRICTED DELIVERY. Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:

3. ARTICLE DESCRIPTION:  
 REGISTERED NO. CERTIFIED NO. INSURED NO.  
 458013  
 (Always obtain signature of addressee or agent)

I have received the article described above.  
 SIGNATURE  Addressee  Authorized agent

4. DATE OF DELIVERY  
 JUL 24 1967

5. ADDRESS (Complete front and back)

6. UNABLE TO DELIVER BECAUSE

CLERK'S INITIALS

FEDERAL ELECTION COMMISSION  
 OFFICIAL FILE COPY  
 OFFICE OF GENERAL COUNSEL

★ 60:107-C-200-01

FEDERAL ELECTION COMMISSION  
OFFICIAL FILE COPY  
OFFICE OF GENERAL COUNSEL

July 18, 1975

MEMORANDUM TO: Jack Murphy  
FROM: Stephen Schachman  
RE: ACR #155

ACR #155 is from the General Council of the Udall '76 Committee and one question contained therein concerns "front money" for mail order campaigns. This obviously refers to the Wallace campaign, there is no reference to Udall's own actions, and is an apparent attempt to have us determine that the use of such "front money" is a violation of the Act. The ramifications of such a decision are obvious.

This ACR has been assigned for a draft of an opinion of counsel letter. I do not believe it should be the subject of an opinion of counsel letter and in fact indicates that we may want to rethink the use of an opinion of counsel letter where the conduct of the requesting party is not in issue.

In regard to ACR's in general, several staff members have suggested that we should attempt to put in more of the reasoning and/or basis for the decisions reached. This suggestion may not be meritorious but I believe it should receive some consideration by our staff and possibly we should receive some input from staff members not within the General Council's office.

FEDERAL ELECTION COMMISSION  
OFFICIAL FILE COPY  
OFFICE OF GENERAL COUNSEL

cc: Brad Litchfield

bic: Drew McKay  
Peter Roman

7704001071A

July 16, 1975

MEMORANDUM TO: DREW MCKAY  
FROM: <sup>BC</sup> BOB COSTA/<sup>EA</sup> ELMO ALLEN  
SUBJECT: EXAMINATION OF SOLICITATION MATERIAL FROM  
"UDALL '76 COMMITTEE"

We examined the attached materials to determine whether this solicitation would constitute an apparent violation of applicable statutes.

Section 612 of Title 18 USC prohibits the willfull publication or distribution, the deposit for mailing or delivery, of any correspondence (phamphlet, circular poster advertisement, writing or other statement) relating to, or concerning any person who has publicly declared his intention to seek the office of President --- unless such correspondence contains the names of the officers of each such association, committee, or corporation.

Congressman Udall has publicly declared his intent to run for President. The attached materials do include the name of the committee responsible for its publication. However, only the name of the committee's treasurer appears as an officer of the committee. Though Title 18 USC 612 requires such materials to contain the "names of the officers of such --- committees ---", we believe the inclusion of the Treasurer's name satisfies the requirements of Section 612.

Therefore, we believe no further Commission action is required with respect to this matter.

FEDERAL BUREAU OF INVESTIGATION  
ORIGINAL FILE COPY  
OFFICE OF GENERAL COUNSEL

77010010715

FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

July 14, 1975

Certified-Return Receipt Requested

Honorable Morris K. Udall  
1424 Longworth House Office Building  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Congressman Udall:

*(copies enclosed)*

The attention of the Federal Election Commission has been drawn to several leaflets which were allegedly distributed during the National Women's Political Caucus in Boston on your behalf in connection with your campaign for election to the Presidency. The Commission has copies of these leaflets which on their face fail to contain the names of the persons, associations, committees, or corporations which may be responsible for the publication or distribution of them.

Under Title 18, United States Code, Section 612, willful publication or distribution of such leaflets without such information is prohibited. While the Federal Election Commission does not have direct jurisdiction over apparent violations of 18 U.S.C. Section 612, the Commission is required under Title 2, United States Code, Section 438(a)(9) to report apparent violations of law to appropriate law enforcement authorities, which in this case would be the United States Department of Justice.

The Commission does have jurisdiction, as you know, over the filing and reporting requirements of candidates for Federal office under the 1971 Federal Election Campaign Act as amended. Under 2 U.S.C. Section 434 each Treasurer of a political committee supporting a candidate and each candidate for election to Federal office must file reports of receipts and expenditures on forms prescribed or approved by it. The expenditure involved in the printing and distribution of the leaflets to which we have referred above should be duly reported by the committee or person making the payment.

Your cooperation will be appreciated.

Sincerely

Gordon Andrew McKay  
Assistant Staff Director  
for Disclosure and Compliance

FEDERAL ELECTION COMMISSION  
OFFICIAL FILE COPY  
GENERAL COUNSEL

GAM:vlf

*Enclosures as stated*

77040010716

FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

TO: Len  
 FROM: Jack

DATE: 7/13

<input checked="" type="checkbox"/> APPROVAL	<input type="checkbox"/> IMMEDIATE ACTION	<input type="checkbox"/> RECOMMENDATION
<input type="checkbox"/> AS REQUESTED	<input type="checkbox"/> INITIALS	<input type="checkbox"/> SEE ME
<input type="checkbox"/> CONCURRENCE	<input type="checkbox"/> NECESSARY ACTION	<input type="checkbox"/> SIGNATURE
<input type="checkbox"/> CORRECTION	<input type="checkbox"/> NOTE AND RETURN	<input type="checkbox"/> YOUR COMMENT
<input checked="" type="checkbox"/> FILING	<input type="checkbox"/> PER OUR CONVERSATION	<input type="checkbox"/> YOUR INFORMATION
<input type="checkbox"/> FULL REPORT	<input type="checkbox"/> PER TELEPHONE CONVERSATION	<input type="checkbox"/>
<input type="checkbox"/> HANDLE DIRECT		
<input type="checkbox"/> ANSWER OR ACKNOWLEDGE ON OR BEFORE _____		
<input type="checkbox"/> PREPARE REPLY FOR THE SIGNATURE OF _____		

REMARKS:

I send you a proposed joint memo from us to Commission re how to handle matters like the Vdall thing (18 U.S.C 612).  
Can we get together on that?

*J*

FEDERAL ELECTION COMMISSION  
 OFFICIAL FILE COPY  
 OFFICE OF GENERAL COUNSEL

FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20463

July 2, 1975

Jan - something  
like this is  
Vdall flyer?  
J.M.J.

MEMORANDUM TO: The Commission

FROM: Lan Potter  
Jack Murphy

77010010718

Attached find a memorandum and supporting document relating to an incident in Boston over the past weekend which raises the possibility for a Commission initiative in an area in which the Commission is not given express authority by our Act. Specifically, as Carolyn Reed's memorandum makes clear, the literature distributed at the conference she was attending did not contain the disclaimer language required by 18 U.S.C. 612. On its face, therefore, this literature would appear to support a prima facie case of a violation of the criminal code. However, our Act gives us no authority to act with regard to Section 612. An examination of 2 U.S.C. 437f and g, for example, will support this conclusion. At the same time the Commission's general mandate is to see that elections are conducted fairly and in compliance with the law, and we are charged at the very least with an obligation to seek voluntary compliance with ~~persons the subject to~~ election laws, ~~with those laws~~.

The question then becomes whether, once apprised of an evident violation of Section 612, or for that matter of any other <sup>election related</sup> law over which the Commission does not have express jurisdiction, the Commission should take the initiative of writing a courteous letter to the apparent violator indicating to that person that he or she should be aware of the relevant provision of law. This may become, in the Commission's judgment, officious meddling in a business with which the Commission has nothing to do. We simply think the ~~question should be put~~ Commission may wish to ponder the question.

Attachment

JM:jl

FEDERAL ELECTION COMMISSION  
OFFICIAL FILE COPY  
OFFICE OF GENERAL COUNSEL

## FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

July 1, 1975

MEMORANDUM TO: Steve Schachman

FROM: Carolyn Reed <sup>AR</sup>

RE: Handout of Congressman Udall

On June 27, 1975, Susan King and I attended the national convention of the National Women's Political Caucus in Boston. The Caucus is an organization which, among other things, provides services to women candidates, including advice on planning, fund-raising, media, polling and other aspects of campaigning.

Several announced Presidential candidates, including Morris Udall, were present at the convention. I obtained the attached handout, which gives Congressman Udall's position on issues of concern to women, from a table outside one of the meeting rooms of the convention. Campaign literature of other announced Presidential candidates, as well as unrelated literature, was also on the table. As you will note, the attached handout does not have a §612 statement, and, since the handout gives Congressman Udall's House office address, confusion may arise as to whether the handout was printed at Congressional expense or out of the candidate's campaign funds.

In my judgment, it appeared that Congressman Udall was attending the convention to further his position as a Presidential candidate. Udall supporters sponsored a breakfast meeting at which, according to the numerous posters placed around the hotel, convention delegates and other interested persons would have an opportunity to meet and talk with Udall. I do not recall whether the posters announcing the breakfast had a §612 statement. Udall supporters, however, placed an ad in the convention booklet inviting persons to attend the breakfast meeting, and this ad contained a §612 statement which identified the Udall in 1976 Comm., a committee which has registered with us, as the source of the ad. Although several of the Presidential candidates had hospitality suites at the hotel, I do not recall whether Congressman Udall was one of those candidates.

77010010719



770400187

RECORDS MANAGEMENT  
OFFICIAL FILE COPY  
DO NOT REMOVE FROM FILE

Because the new "Clean Elections Act" prohibits the acceptance of large political campaign gifts, every Presidential candidate is seeking the broadest public support—your support.

HOWEVER... to date, the only candidate who has furnished the American people with exhaustive information on his personal finances, his background, his accomplishments and his positions on vital issues is...

**MORRIS K. UDALL**

**UDALL '76 Committee**

1101 Pennsylvania Avenue, N.E.  
Washington, D.C. 20004  
202-544-1100

# Morris Udall...

What makes him uniquely qualified to become President of The United States of America...

When Ralph Nader conducted his in-depth studies of each member of Congress, the "profile" report on Morris Udall concluded:

*"Morris Udall's views, his willingness to make his position known, his actions on them, and his constant attempt to ease the legislative process to insure better representation make him one of the most respected members of Congress."*

Morris K. (Mo) Udall shares in the passion and action of his time. His record in the House of Representatives is one of progress, vision, courage and achievement. It reflects a personal commitment to do what's right rather than what's expedient or politically safe.

Elected by Arizona's Second Congressional District in 1961, Morris Udall serves on the House Post Office and Civil Service Committee, the Interior Committee, and as chairman of the Subcommittee on Energy and the Environment. But his record of leadership extends into many additional areas of national concern.

Morris Udall has been out in front of every major issue of the decade. He was among the first to recognize the Vietnam War as a national mistake and to urge its end. He was among the first to talk about the links between energy, the environ-

7 7 0 4 0 0 1 0 7 2 1  
ment, and the economy. He pushed for Congressional and campaign reform long before they became fashionable—risking the enmity of powerful, entrenched leaders.

As floor whip of the Democratic Study Group during the 89th Congress, he played an important role in the passage of the Civil Rights Act, the Elementary and Secondary Education Act, Medicare and Open Housing—the most significant agenda of progressive legislation since FDR's "First Hundred Days."

In the words of Speaker Carl Albert, Morris Udall "has written one of the most remarkable legislative records of all time."

## Congressional Reform...

Even before coming to Congress, Morris Udall began his battle to end conflicts of interest and to promote openness in representative government. He resigned from his law firm upon election, and in 1963 was among the first Congressmen to make a complete disclosure of his financial holdings—a practice he continues with annual disclosure of his tax returns.

He has been a leader in the continuing effort to reform and modernize the House in the last decade. He organized and conducted seminars to orient freshman members of Congress. He co-sponsored and fought for creation of the House Committee on Standards of Official Conduct.

Morris Udall is the kind of critic who does more than criticize. As a student of the legislative process, he co-authored *The Job of a Congressman*, required reading among those seeking to understand the workings of Congress. He has spoken out often and loudly against the general anemia of Congress, abuses of privilege, conflicts of interest, and the irrationality of the once iron-clad seniority system—and has backed his protests with legislation to correct these ills.

He hurled an unprecedented challenge at the Old Guard in the House by waging a symbolic campaign against Speaker John McCormack in 1969. Although he lost, his voice was heard, and

moved the *New York Times* to editorialize, "(Udall's) progressive convictions make him an authentic spokesman for the younger men of his party in the House." That effort galvanized opposition to the harsh effects of the seniority system; by 1975, Morris Udall was a member of the Democratic Steering Committee created by his motion in the Caucus, which sparked the breakthrough deposing arbitrary, unresponsive or ineffective committee chairmen.

## Campaign Reform...

Morris Udall's efforts to clean up and improve the processes of democracy have won him widespread recognition and respect. For years he has fought for better election laws, public financing, and campaign spending limits.

Since 1966, he has introduced more than a dozen major bills relating to election reform. Among them were measures to provide for direct popular election of the President and Vice President; to establish a commission to study the presidential nominating process; to grant 18-year-olds the right to vote; and to require state Presidential primary elections.

He led the bipartisan coalition that secured passage of the Campaign Reform Act of 1971, the law directly responsible for many of the Watergate-related prosecutions. In the wake of scandal, he co-authored and spearheaded the drive for enactment of the new Clean Elections Act, which features public financing of Presidential elections and tighter financial restrictions on Congressional campaigns. Today, recognizing the continued threat of special interests unfairly undermining the democratic process, he is a co-sponsor of the Public Disclosure of Lobbying Act of 1975.

## The Environment...

For 15 years, the Udall name has been synonymous with progress toward a clean environment. Honored by the National Wildlife Federation as Legislator of the Year in 1973, Morris Udall is

7 7 0 1 0 0 1 0 7 2 2

# Morris Udall...

What made him the leader he is... the man he is... a man destined for service to the people in the highest office of our country:

Born in 1922 in the Arizona hamlet of St. John's, a Mormon settlement founded by his grandfather, Morris King Udall quickly learned that the benefits of frontier-type life without electricity and indoor plumbing were also accompanied with inconvenience, even tragedy.

At the age of six, while playing near his home, he injured an eye. Because of the remoteness of the area, proper medical treatment was not available and he lost the eye, a handicap that did not preclude Air Force service or a later career as a six foot five inch basketball star at the University of Arizona and the professional Denver Nuggets.

If he does not romanticize the setting of his youth, Mo Udall does recall it with fondness and credits the people and the environment for shaping values he later brought to public eye. "In our community," he wrote, "existence itself depended on a commitment to the conservation of scarce resources. Everything was recycled and nothing was without value."

One of Arizona's pioneer families, the Udalls have contributed heavily in the service of its state and nation.

Mo's father, Levi S. Udall, was Chief Justice of the Arizona Supreme Court. Following his death in 1960, he was succeeded on the high court by another member of the family.

His mother, Louise Lee Udall, was very active in Arizona civic affairs with an especially deep and abiding interest in Indian life and culture. Her book, *Mine and Me*, published in 1970, is a moving account of the life of a Hopi Indian woman. Mo's older brother, Stewart, preceded him in the Congress and later served eight years as Secretary of Interior to Presidents John F. Kennedy and Lyndon Johnson.

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recognized nationally as a leading environmentalist in Congress. As chairman of the House Subcommittee on Energy and the Environment, he has been the leading proponent of land use planning and strip mining controls. He has led efforts resulting in a \$20-billion non-nuclear energy research and development bill, and recently his subcommittee assumed oversight of non-military nuclear energy matters and Udall has announced his intention to pursue a vigorous program of investigatory hearings on nuclear energy issues.

His 14 years on the House Interior Committee and his personal commitment to environmental sanity have allowed him to play a key role in every important environmental bill in the last decade.

Morris Udall was the first House member to introduce legislation dealing with population problems. He has supported all clean air and clean water measures, opposed the SST, protected millions of acres of land through an amendment to the U.S. Constitution guaranteeing every citizen the right to a clean, decent environment. In the opening days of the 94th Congress, he co-sponsored bills to increase the Land and Water Conservation Fund and to phase out non-returnable beverage containers throughout the land.

Environmental and conservation groups rank Morris Udall as one of the most effective and concerned legislators on Capitol Hill.

### The Economy...

President John F. Kennedy called Morris Udall's newsletters of the early 1960's about economics the best of their kind. In them, he talks of a new economics and of shifting national priorities to the problems of the people. He was among the first to perceive the relationship of energy to economics, and wrote widely on growth, population and economic issues throughout the 1960's.

As early as 1963, he introduced or co-sponsored major tax reform bills calling for adjustment in taxes and exemptions. In 1966, he supported amendments to the Internal Revenue Code to double the inadequate personal exemptions allowed each taxpayer. Today, he is co-sponsor of pending bills to reduce the regressive Social Security payroll

7 tax and to halt industry domination of independent regulatory agencies.

Morris Udall's record also includes active support of measures to stimulate the U.S. economy; after taking part in a special task force to define Congressional Democrats' approach to economic revival, he is preparing a comprehensive alternative to Administration energy/economy proposals. The package will include:

- strong domestic conservation measures, coupled with a mechanism to limit imports to break cartel prices and reduce the petrodollar drain;

- commitment to a 2 percent annual energy growth rate, compared with the 4.5 percent figure of recent years;

- special taxes on inefficient automobiles.

While Congressman Udall believes that a program of gasoline rationing is necessary, he recognizes that Presidential opposition and Congressional reluctance virtually preclude the implementation of a rationing program at this time. He is committed, therefore, to assure that any conservation program based on taxation will include rebates or credits for low and middle-income consumers, those who must travel in connection with their business, transportation industries and other...

### Foreign Policy...

It is unusual for a member of the House, traditionally a constituent-oriented body, to have any significant record on foreign policy. Morris Udall is an exception. At the height of the Vietnam controversy in 1967, he went to then-hawkish Arizona to tell his constituents that U.S. involvement in Southeast Asia was wrong and should be ended. He did so in opposition to the policies of Democratic President Lyndon Johnson, and despite the fact that his brother was a member of Johnson's Cabinet. His speech against the war received widespread comment, and was anthologized in *Representative American Speeches*.

Since 1964, his record is marked by support for foreign aid bills and a U.S.-U.S.S.R. armament moratorium and opposition to spending cuts that

would have reduced the chances of an equitable foreign policy. He has sought to check chemical and biological warfare, voted for reductions in the defense budget, voted against proposals to cut the Peace Corps, and is a longstanding advocate of creating an Atlantic Union to promote peace and trade.

His record reflects a commitment to world peace and cooperation. In June 1974, he became the first legislator to speak out against President Nixon's nuclear test ban formula; in its place, he suggested a reduction of tests leading to a final, total end to nuclear explosions.

### People Policy...

Perhaps the best picture of Morris Udall can be drawn from his legislative record regarding those programs which affect people directly. As floor whip of the Democratic Study Group during the 89th, he was instrumental in the passage of every major civil rights bill - halting centuries of official intolerance, and turning our nation toward a commitment to respect every individual.

He has strongly supported and voted for legislation providing for food stamps, mass transit, automobile safety standards, Medicare and Medicaid, urban development, open housing, gun control and aid to education. He fought for years to secure laws making federal employee pay scales comparable to those of private industry. And he opposed and voted against measures to cut people programs, to ease restrictions on government wiretapping, to kill the Public Broadcasting Corporation, to do away with legal aid to the poor, to end the Foundation for the Arts and Humanities, and to raise the price of food stamps.

His legislative activities in the current Congress include co-sponsorship of the Health Security Act, the Equal Opportunity and Full Employment Act, extension of the Voting Rights Act, and a measure to block Administration proposals to limit Social Security cost-of-living increases.

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## Morris Udall...

What made him the leader he is... the man he is... a man destined for service to the people in the highest office of our country:

Born in 1922 in the Arizona hamlet of St. John's, a Mormon settlement founded by his grandfather, Morris King Udall quickly learned that the benefits of frontier-type life without electricity and indoor plumbing were also accompanied with inconvenience, even tragedy.

At the age of six, while playing near his home, he injured an eye. Because of the remoteness of the area, proper medical treatment was not available and he lost the eye, a handicap that did not preclude Air Force service or a later career as a six foot five inch basketball star at the University of Arizona and the professional Denver Nuggets.

If he does not romanticize the setting of his youth, Mo Udall does recall it with fondness and credits the people and the environment for shaping values he later brought to public eye. "In our community," he wrote, "existence itself depended on a commitment to the conservation of scarce resources. Everything was recycled and nothing was without value."

One of Arizona's pioneer families, the Udalls have contributed heavily in the service of its state and nation.

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*"The last ten years have done much to shatter two myths: the myth of American invincibility and the myth of American innocence. The question for the last half of the 1970's is how will we react to the loss of those cherished myths? One recourse is to retreat into despair and angry frustration... a dangerous and self-destructive road which will lead to a kind of universal dropping-out by a whole society. It will be the moral challenge of political leadership in the years ahead to prevent this from happening. We can do it if we will accept the costs, and if we will demand true leadership from our public men and institutions."*

**BAT**

Mo Udall

### Help Us Double Your Contribution.

When you fill in the above information, your contribution—up to the first \$250—will qualify for matching funds from the federal government under the new election reform laws.

### Your Tax Benefit Is Now Doubled.

You can now deduct your contribution to the Udall '76 Campaign from your federal income tax in either of two ways:

1. You can subtract one-half of your contribution (up to a maximum of \$50 on a joint return; \$25 if you file separately) directly from your federal tax. This means you get back \$1 for every \$2 contributed regardless of your tax bracket because this is a credit to your final tax bill.

2. You can declare your contribution (up to a maximum of \$200 on a joint return; \$100 if you file separately) just as you would a charitable gift.

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# The Washington Star

WEDNESDAY, JUNE 4, 1975

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## Udall Attacks Wallace Head-On

By Jack W. Germond  
Washington Star Staff Writer

Rep. Morris K. Udall has delivered a stinging and direct attack on George C. Wallace that is likely to change the shape of the contest for the Democratic presidential nomination next year.

The Arizona Democrat, the leading liberal in that competition at this point, derided Wallace as a candidate who "doesn't have any answers" to domestic questions and who would frighten Americans and their allies based on foreign policy.

"I think when the American people really think about the possibility that he might be elected it's going to scare the daylights out of them," Udall said in an interview.

UDALL DREW a clear line between himself and two of the other putatively "serious" contenders for the nomination, Sens. Henry M. Jackson and Lloyd M. Bentsen, both of whom have meticulously avoided any overt criticism of the Alabama governor.

Jackson and Bentsen are following a strategy "designed to not antagonize Wallace or his followers" in the hope of ultimately winning his delegates at the Democratic nominating convention next summer, he said.

"I reject that strategy," Udall said. "There's some risk involved in it but I think most people that are going to be at that convention and most people in the Democratic party are not going to look kindly on that kind of strategy."

Udall's blunt attack on Wallace also seemed designed to energize potential liberal supporters who have been hanging back, in many cases because they suspected the Arizonan was temporizing on the Wallace question.

TWO OTHER liberals in the field, Jimmy Carter of Georgia and Terry Sanford of North Carolina, also have been taking a hard line against the Alabama Democrat, but in their cases it is viewed within the party as making a virtue of a necessity. Neither Carter nor Sanford could be expected to be regarded as realistic possibilities for the national ticket unless they can defeat Wallace in a Southern primary.

Udall, in campaign appearances across the nation that have been given little if any national attention, has been waxing increasingly critical of Wallace's views. But in the interview in his office in the Longworth Build-

ing yesterday he went beyond this to picture Wallace as a candidate who, for all his ability to articulate grievances, would be out of his depth in the White House.

In pursuing this line, Udall suggested, he would insist that if Wallace wants to be taken seriously as a potential president, then he must be judged as one by Democrats making the decision.

"A BASIC PART of my strategy is going to say this man is not a curiosity who comes in your state and you all have a good time and laugh at his lines about the bicycles and the peanut butter sandwiches and the other parts of that stock speech," he said.

"This man wants to be your president. He wants his hand on the nuclear button. He wants a right to start wars. He wants the right to decide whether you are going to have jobs or your kids education. He paints himself now as a frontrunner among the likely candidates. If he's the frontrunner and means

business and wants our party's nomination and wants to be president, I think then people will see him in a different light and that's the way I'm going to present it."

On foreign policy, Udall suggested, Wallace would not only "scare the daylights" out of Americans but unnerve other nations in touchy situations. Both the Arabs and the Israelis, he said, "would be very unsettled" at the prospect of Wallace in the White House.

BUT THE CORE of Udall's case is that Wallace lacks solutions to the problems he identifies with such consummate accuracy.

"He's right to ask why aren't taxes fair and why don't people have jobs and why do we have so much privilege and so on," Udall said. "But he doesn't have any answers except 'they' out there, some pointy-headed bureaucrats and liberals are out there doing you in and, in some sort of

vague way, I'm going to save you."

Udall said his own position on Wallace had evolved slowly over the last few months, from a point at which he considered him a less serious threat who might be accommodated to a stage now at which he is willing to say he would refuse to support any national ticket on which Wallace had a place.

THIS INVOLVES a political risk, he conceded, that Wallace's supporters may see the criticism as a "gang-up strategy" to bring down their champion. But it was clear that the Arizona liberal is convinced the political groundwork must be laid now if there is to be a realistic chance of blocking Wallace in the primaries next year.

Asked if he considered it necessary for his own prospects that he defeat Wallace somewhere along the line, he replied: "Absolutely."

DEPT. OF THE ARMY  
WASHINGTON, D. C.  
MAY 17 1964

# HOUSE OF REPRESENTATIVES

WASHINGTON, D.C.

MORRIS K. UDALL

ARIZONA

Dear Friend:

Do you really mean it when you tell elected officials, like me, that you want to be told the truth?

Do you really want us to give you the cold, uncompromising facts without sugar coating?

Because... if I become President, I'm going to tell it exactly like it is. And for starters, I'll tell you right now that the only way you and I and all America will ever overcome our current economic and energy crises is to acknowledge the painful truth that we must change our way of life.

We must face up to the truth that our golden era of headlong postwar expansion is over. The time has passed when all 'growth' could be equated with 'progress,' and 'bigger' necessarily meant 'better.' Fundamental changes must now be made in our lives. Changes in our attitudes. Changes in our life styles. Changes in governmental policies. For example:

- No longer can we continue our blatant waste of the world's limited supply of raw materials. Conspicuous consumption must be eliminated from our lives, if we are to survive the long haul.
- No longer can we as a nation afford the energy waste of gas-guzzling automobiles and meaningless mobility.
- No longer can we overindulge ourselves with frivolous electrical appliances and gadgets cluttering up our kitchen counter-tops and our homes.
- No longer can we rape the land and our environment to satisfy unlimited greed and desire for luxury.
- No longer can American workers complacently sit back, content with former successes. We must bring our productivity back up to what it once proudly was.
- No longer can we serve as the police force of the world. An oversized military establishment is now an unaffordable luxury.

Those are some hard facts -- facts that we all have to face. No one, no matter who is our next President, can alter them. And

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if anyone tells you they can be altered, he is simply not telling you the truth, perhaps not because he is purposely deceiving you but rather not telling the truth because he doesn't believe you can face it.

Well, I do. I'm convinced that Americans are fed up with gimmicky non-solutions to real and complex problems. I firmly believe you and most Americans are sick and tired of WIN button tactics to combat our worst economic crisis since the '30s.

I am just as certain, however, that you not only want the undoctored truth about what we all must do, but also what you can expect your next President to do. Here's what I would do.

The first step our government must take to revitalize our ECONOMY is to restore the principle of competition -- real competition. We Americans pride ourselves on having a free enterprise system in which producers compete freely for the consumer's dollar. Through vigorous competition, this system stimulates innovation and discovery and promotes efficiency.

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But... the sad fact is that an enormous gap exists between the competition philosophy we preach and the business we actually practice. In truth, in broad sectors of our economy, free enterprise has all but disappeared. Industry after industry is dominated by a handful of giants. Although we have 400,000 manufacturing firms in the United States, a mere 200 control two-thirds of all their assets! Consequently, much of the cause of our staggering increase in retail prices can be laid directly on the doorsteps of Board of Directors rooms of many major industries where prices are raised because they know they will not be undersold.

Did you know that 2 to 4 supermarket chains sell the vast bulk of food in our metropolitan areas? Little wonder, then, that a giant such as Safeway reported profits up a whopping 51% last year! And Amstar, which dominates the sugar business, increased its profits by an incredible 250%!!

Therefore, what we must do is break up the giant conglomerates. We must correct the tax codes to remove built-in favoritism to big corporations over smaller ones.

We must also drastically restructure the Interstate Commerce Commission (ICC), whose reason for existence has long since passed and now stands firmly in the way of trucking competition, causing truck rates to rise higher and higher.

Did you know that approximately 40% of the trucks you see traveling our highways are empty? Why? Because ICC regulations often force truckers to drive hundreds of miles

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out of their way due to route restrictions. Obviously, the ICC hasn't gotten the message yet about our energy crisis. And who do you think pays for the needless costs of those empty extra miles? You -- in increased trucking rates which are added onto the cost of the products they carry!

Unless these actions are taken, there is little hope for a speedy solution to our crippling inflation.

In the area of ENERGY, we must remove the threat of another disastrous oil embargo on our imports from the Near East and secure our independence from unreliable foreign sources as quickly as possible.

This can be accomplished by first taking the importation of oil out of the hands of 'Big Oil' and placing it in the hands of the government, which can then regulate the amount imported and use its full bargaining power to negotiate the most favorable prices for consumers.

Furthermore, a National Authority on Energy Management should be established and empowered to initiate exploratory drilling on the remaining offshore frontier areas of the Atlantic and Pacific. This same agency would also determine the feasibility of large-scale oil shale development and its impact on our environment.

Another step is to disperse Big Oil's domination of our economy and resources. One avenue is to prohibit these mammoth oil companies from engaging in more than one phase of the petroleum business -- either exploration and production, or transportation, refining and retailing. This would provide a cutting edge that will sharpen the needed real competition in the domestic oil industry.

New legislation should also be passed to prohibit multiple ownership of competing energy sources.

Did you know that Big Oil controls 35% of our domestic coal output and over 30% of our nation's privately held coal reserves?

To eliminate energy shortages in the years ahead, we must re-open all our energy sources to a healthy competition that produces innovations and fair price levels to the consumer.

These are just a few of the initial steps I would like to get our country back on the road to economic and energy well-being.

Yet... without the full cooperation of the people, no one can do anything. Changes in human nature cannot be legislated.

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ENERGY COMMISSION  
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That is why I wanted to tell you the absolute truth... because it is only through truth that we can begin the changes we must make.

You know, this situation didn't just suddenly dawn upon us. It has been a long time in coming. However, most people did not want to see it -- if we don't talk about it, it'll go away. Well, it didn't go away. Tomorrow began yesterday.

Back in 1967, I wrote: "... at this moment in history, we need to realize that: bigger is not better; slower may be faster; less may well mean more." However, at that time, the public was tuned into a philosophy of endless growth and reckless waste as expressed by Richard Nixon. As late as November 1973, he proclaimed: "There are only 6% of the people in the world living in the United States, and we use 30% of all the energy. That isn't bad; that's good. That means we are the richest, the strongest people in the world, and that we have the highest standard of living in the world. That is why we need so much energy, and may it always be that way."

Well, Richard Nixon was wrong, dead wrong.

That wasn't good. It was bad! It didn't mean that we were strong or rich or great. It meant that we had become inefficient, wasteful energy gluttons.

And now we must change all that.

Americans can change... and change we must if we are to survive. We can and will do it if we all know that the burden will be shared equally by all... if we know that no one, no matter how rich or powerful, will be exempt from his or her share of the adjustments which we as a nation must make.

As a people, we have faced many discouraging times. But we have proven over and over again that when the going gets tough, we can get tough. And as our country moves into the future, we desperately need a President who is tough. Tough in telling the people the truth even though the truth may hurt a bit, and tough in taking the strong corrective steps needed to solve the problems we face.

I believe I possess that brand of toughness. During my 14 years in Congress, I have fought many battles -- some I lost; most I won. I fought against the stifling seniority system in the House. I waged a campaign against tired leaders who had outlived their useful years. This was the first wedge which eventually broke open the antiquated seniority system in the House and led to further reforms to revitalize our government.

One of my toughest victories was the passage of the "Federal Election Campaign Act Amendments of 1974" popularly known as the "clean elections act." Along with Congressman John Anderson (R-Ill.), we fought hard and long because we believed the best way to

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start liberating our government from the domination of big money and special interests is to clean up the way we choose our President.

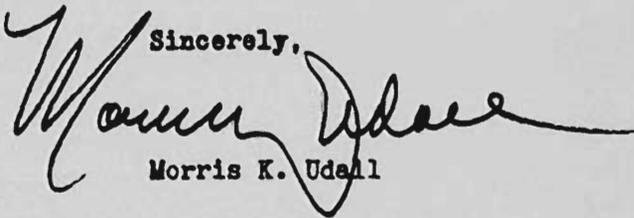
As a result, in 1976 you will have a bigger say than ever before in choosing your President. With strict limits (\$1,000) on the amounts anyone can contribute to a Presidential campaign, in addition to public funding for the Presidential election and restrictions on how much can be spent -- the 1976 election will be a lot cleaner than those in the past. No more Maurice Stans type fat-cat donor lists and \$50 million campaigns mean no select few with vast power and wealth can purchase the candidate of their choice and force him upon you as your choice!

That is why I am asking for your personal help, now. Although the primaries and party convention seem far off, your contribution is imperative for me to begin building a national organization in order to conduct a broad grass-roots campaign, now. My principal opponents (Senators Jackson and Bentsen and Governor Wallace) raised over \$1,000,000 each last year before the new campaign law took effect and its provision of the \$1,000 limit.

However, because I felt both the spirit and letter of these fundamental election reforms should be adhered to, I did not conduct any major fund-raising in 1974. This leaves me with a \$1,000,000 disadvantage at the outset. But I welcome a good fight and with your help, I can take my case to the American people.

From the beginning of this letter, I have told you the uncompromising truth because I believe you want it that way and because that's the only way I can talk. I ask for your help. And I ask for it now. We can win if we do not lose one more day, and if I have a full opportunity to bring my message to the nation. Please mail in your contribution today.

Sincerely,



Morris K. Udall

MKU/js  
Encs.

URGENT P.S. In recent days it has become apparent that George Wallace will probably raise from his supporters the 5 million dollars he needs to receive 5 million dollars additional in federal matching funds early next year. This means that those who believe in the Wallace viewpoint are rallying to his support with their dollars. However, this new system will not really function as intended unless thousands of citizens like yourself give equal support to progressive candidates for President.

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# Udall: 'Innovative Person' for New Era

This is another in a series of interviews of candidates seeking the Democratic nomination for president in 1976. Morris K. Udall, 52, is a member of the U.S. House of Representatives from Arizona, a lawyer and former pro basketball player. He was mentioned by the Post Press editorial board during a recent visit to Detroit. He has served in Congress since 1961 and is the father of Senator Udall, former secretary of the interior.

automobile is one of the great contributors to the air problem. But let's be realistic and responsible on our timetable.

I think Sen. Udall and changeable people in the House are going to be willing to take a look at whether some decisions that we could make responsible decisions and be willing to make adjustments. But there's a strong feeling in Washington, among environmentalists, that the automobile manufacturers have not leveled with us.

## Inner City Problems

Q. We're dealing with a situation where much of the inner city of Detroit has become—the HUD administrator calls some of the neighborhoods here almost open prairie because of the abandonment and demolition of housing. It seems to me we've heard everything there is to hear about urban problems—the urban crisis. What's the direction that's going to offer any hope for the inner city?

A. Well, I for bleed the mayors. I just spent a long time with Tom Bradley in L.A. One thing that I've been trying to do is visit Mayor Daley and Mayor Brown—the large city mayors—because they're right in the cockpit and so on. I do think that we've come to the end of an era. An era in which we fled the cities and we fled them because we had cheap energy and cheap land and there was always open land over the next ridge.

I think that confronting this energy crisis may well bring us back to the center city. I think, incidentally, it may lead to renaissance in the middle size and smaller community too. But the great growth in the last 20 years was in suburbs and these city problems are very deep and they're compounded; we've left the old and the poor and the minorities in the cities without the resources to grapple with them. If there were some magic solution to push a button and solve all these problems it would have been done long ago. I don't have that button, but I know the general direction in which I want to go.

Q. There's no doubt that the problem of race is a great factor. We've had, as most cities have and maybe even more than most cities have had, the phenomenon of white flight to the suburbs. And we're in the midst right now of waiting for a court ruling on a Detroit-only school integration plan which is expected generally to trigger a further exodus of whites. What do you do about the problem of race in America today?

A. There's a great reservoir of goodwill between the races if we know how to tap it. It's been exacerbated in places like Detroit and Boston. I think the political leaders have failed us on this issue to a large degree.

I think Richard Nixon made a deliberate, calculated political decision in '68 and '72 not to try to find solutions that would unite, but that would deliberately inflame people. It paid off to inflame the racial divisions and it paid off very handsomely for him.

This busing thing has been a default we have dumped on the courts. A tough, social problem and the courts aren't equipped to solve tough social problems. Neither the Congress, nor the president have gotten their oar into this business and tried to find less divisive ways to move towards an integrated society, and to solve these racial problems. I would hope we would have some presidential and congressional leadership in this area.

Q. What would be some less divisive ways to deal with it?

A. Well, I saw this thing coming five years ago. In Congress the thing to do has been to duck on this and run for the woods and keep quiet and hope the thing maybe would blow over. I tried to put together a coalition. I started out with Richardson Preyer, congressman from North Carolina, we had the Preyer/Udall bill that we tried to get through.

We offered a bill that's rather complicated, the idea was to get communities involved and let each community handle its own solution toward an integrated society, integrated schools—having busing as one tool, but probably not the main tool.

We were shot down because the militants on either extreme didn't seem to want to compromise on this issue. But that's the general direction.

Q. Our school board president, who is black, incidentally, says that we've been confronted with kind of the ultimate irony in the busing situation. That is, we have a black majority school board,



Rep. Udall: A new face in challenging times

trying to integrate a 70 percent black majority into a 30 percent white minority to bring them into the mainstream of American life.

A. That's right and that is the ultimate end of a lot of this and you can't if you get a unit of government where the minority becomes a majority. No amount of busing, no amount of integration is really going to make the difference. What we've got to do is to find ways to restore a sense of community in large cities where we have integration of housing and then the school problem won't be as tough. But no one in Washington has a solution for this and the solutions are going to be on the local level by and large.

Q. What does it mean to be a Democrat today and then, if you so desire yourself, a liberal Democrat today?

A. I think the focus of these categories has changed. When I went to Congress 15 years ago the liberal-conservative cutting line was on federal aid to education, it was on foreign aid, it was on civil rights, it was on Medicare—the range of issues, most of which are behind us now.

I'm not sure the labels have all that much meaning now. Environment, energy, economics—the three E's I call them—really dominate the discussion today and they're intertwined. As a matter of fact this nice, neat compartmentalization between foreign policy and domestic policy is pretty well gone.

I think what will be important in the rest of the '70s and '80s is what we do about oil in relation to the Middle East and the Israeli/Arab business and that relates to the economy at home and it relates to supplies of energy and inflation and the whole thing's all wrapped up, so I'm not sure the labels mean very much.

## A Lesson in Vietnam

Q. Speaking of foreign policy, do you have any sense that the tide is out now for the U.S., that we've encountered a number of recent disasters or a number of old policies at least have come to their tragic conclusion?

A. It's clear that what we're going through now, these last days of agony in South Vietnam, and this foolish mistaken policy of the last 20 years that got us embroiled in it, is going to have a broad impact on where we go as a country. It can either be bad or it can be good. I think it can be good if we learn from our experience.

People make mistakes in their private lives and business lives. There's nothing wrong with making mistakes—everyone does it. What's wrong is to compound it as we do in Vietnam and not learn from it. I just hope Secretary Kissinger and the president will knock off this line they've been playing for a couple of months in trying to beg-gan more military aid out of the Chinese.

We can't let it become a precedent to satisfy our immediate interests and ignore our vital interests if we'll learn from Vietnam. There are some lessons to be learned. My advice to the American people in these troubled days ahead which are going to see the end of that experiment in Cambodia and may well in the next days or weeks of two months see the end of the present regime in Saigon—my advice is let's unify and not divide ourselves.

I thought the president was wrong the other day. He said "I won't assess blame" and then he takes 15 minutes to assess blame. And guess who was

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FROM THE OFFICE OF

# MO UDALL

1424 Longworth Bldg.  
Washington, D.C. 20515

## SUMMARY OF CONGRESSMAN UDALL'S POSITIONS ON ISSUES OF SPECIAL CONCERN TO WOMEN

### ABORTION

I support the Supreme Court decision on abortion. We know from years of experience that strict abortion laws do not stop abortions; they simply drive abortions from hospitals and doctors to back alleys and quacks, and they create a wealth test, depriving poor women of any choice at all.

I don't think anyone--women or man--is "pro-abortion". But, faced with an unwanted pregnancy, there are only bad choices, and I believe that the woman's right to her own individual choice in this situation ought to be protected.

### AFFIRMATIVE ACTION

In the last few decades, the United States has made substantial progress towards equal rights and equal opportunity for all citizens regardless of race, sex, color, religion or ethnic origin. But there is still a long way to go. Good laws are only a good beginning; now they must be interpreted and enforced in the spirit they were written.

While the economy was booming, minority group members were able to find jobs, but in the current recession, most can find nothing, while many others--at the bottom of the seniority ladder--find themselves the first to be laid off. There is only one solution to this problem--full employment. I support the Humphrey-Hawkins bill now before Congress, which would provide the national policy and the machinery to guarantee a job to all adult Americans who wish to work.

Public service jobs provided by federal, state and local governments must include affirmative action programs providing: job training to help women re-enter the job market, upward mobility for minorities from entry-level jobs, active recruitment programs for professional and managerial jobs, a variety of jobs with flexible working hours, and strict enforcement of the non-discrimination clause in the awarding of all government contracts.

### CHILD CARE

Forty percent of today's work force is female. With two thirds of these women single, separated, divorced, widowed or married to husbands earning less than \$7000 per year, child care is no longer a luxury. Many programs exist at all levels of government to provide social services after a family has failed, but there are very few designed to avoid family problems or to solve them before they become unmanageable.

For these reasons, I support the proposed "Child Care, Pre-school and Family Services Act" which would provide free child care to poor and low-income families (this should extend up to the Bureau of Economic Statistics' lower living standard budget--\$8200 per year for an urban family of four) and a sliding fee schedule above that. The program should be locally controlled with parents involved in the decision making process and with opportunities for parent and community groups to run their own programs.

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EQUAL RIGHTS AMENDMENT

I strongly support the ERA and have used what influence I have on state decisions in Arizona to urge ratification there. I will continue to support ratification in Arizona and elsewhere and I would support a resolution to hold the next Democratic convention only in a state which has ratified the amendment.

RAPE

Due to the vigorous efforts of women's rights lobbyists, numerous states have recently changed rules of evidence and other provisions of their laws to make rape trials less discriminatory and less painful to the victim. I welcome these changes and I support Federal legislation to create a National Center for the Prevention and Control of Rape, including provisions for LEAA funding for local rape investigation squads staffed by women, funds for operation of rape crisis centers, and demonstration projects in prevention (self-defense) programs.

MILITARY

I supported and voted for the Stratton amendment to insure that admission to the military service academies be made without regard to sex.

EDUCATION

It has been three years now since the landmark enactment of title IX of the Higher Education Act. Regulations have finally been issued by the Department of Health, Education and Welfare, and while they are not perfect, they should be adopted and tried out without further delay. If strongly enforced, these regulations should achieve the goals of title IX--to put an end to sex discrimination in higher education; in admissions policies, faculty hiring and salaries--and to provide women with equal opportunities in all phases of the educational process.

SEX DISCRIMINATION IN HOUSING AND CREDIT

The 93rd Congress made substantial progress in this area. Title V of the National Housing Act was amended to prohibit discrimination in Federal mortgage loan procedures and to require lenders to consider the combined income of both husband and wife when making credit evaluations. Also, the word "sex" was added to the anti-discrimination provisions of the National Fair Housing Law of 1968 in another important amendment. Although mortgages are probably the worst case, single women generally have more trouble obtaining credit than single men. Under the Equal Credit Opportunity Act, many of these practices would become illegal. The proposed regulations recently issued by the Federal Reserve Board under this Act would also prohibit the discounting of a wife's income when issuing credit, and the securing of information about a family's means of birth control. If these regulations are issued substantially unchanged in their final form, and are vigorously enforced, they should end discriminatory credit practices.

PENSION AND INSURANCE REFORM

Passage of the Employment Retirement Security Act of 1974 represented a great step forward, but some further changes are necessary. In many pension plans women receive lower benefits than men because of sex-based actuarial tables, which give averages for the entire female population. This is an outdated practice which should be eliminated. The law should also be amended to provide for pro-rata benefits for part-time workers, and for portability of pension credits.

Similarly, I support Federal legislation to insure both scope and the availability of insurance coverage for women.

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# THE RECORD OF A LEADER

## MORRIS UDALL

I think, as life is action and passion, it is required of a man that he should share the passion and action of his time and the peril of being judged not to have lived.

— Oliver Wendell Holmes

Morris K. (Mo) Udall shares in the passion and action of his time. His record in the House of Representatives is one of progress, vision, courage and achievement. It reflects a personal commitment to do what's right rather than what's expedient or politically safe.

Elected by Arizona's Second Congressional District in 1961, Morris Udall serves on the House Post Office and Civil Service Committee, the Interior Committee, and as chairman of the Subcommittee on Energy and the Environment. But his record of leadership extends into many additional areas of national concern.

Morris Udall has been out in front of every major issue of the decade. He was among the first to recognize the Vietnam War as a national mistake and to urge its end. He was among the first to talk about the links between energy, the environment, and the economy. He pushed for Congressional and campaign reform long before they became fashionable — risking the enmity of powerful, entrenched leaders.

As floor whip of the Democratic Study Group during the 89th Congress, he played an important role in the passage of the Civil Rights Act, the Elementary and Secondary Education Act, Medicare and Open Housing — the most significant agenda of progressive legislation since FDR's "First Hundred Days."

In the words of Speaker Carl Albert, Morris Udall "has written one of the most remarkable legislative records of all time."

### CAMPAIGN REFORM:

Morris Udall's efforts to clean up and improve the processes of democracy have won him widespread recognition and respect. For years he has fought for better election laws, public financing, and campaign spending limits.

Since 1966, he has introduced no less than a dozen major bills relating to campaign and election reform. Among them were measures to provide for direct popular election of the President and Vice President; to establish a commission to study the presidential nominating process; to grant 18-year-olds the right to vote; and to regulate State presidential primary elections.

He led the bipartisan coalition that secured passage of the Campaign Reform Act of 1971, the law directly responsible for many of the Watergate-related prosecutions. In the wake of scandal, he co-authored and spearheaded the drive for enactment of the new Clean Elections Act, which features public financing of presidential elections and tighter financial restrictions on congressional campaigns. Today, recognizing the continued threat of special interests unfairly undermining the democratic process, he is a co-sponsor of the Public Disclosure of Lobbying Act of 1975.

### CONGRESSIONAL REFORM:

Even before coming to Congress, Morris Udall began his battle to end conflicts of interest and to promote openness in representative government. He resigned from his law firm upon election, and in 1963 was among the first Congressmen to make a complete disclosure of his financial holdings — a practice he continues with annual disclosure of his tax returns.

He has been a leader in the continuing effort to reform and modernize the House in the last decade. He organized and conducted seminars to orient freshman members of Congress. He co-sponsored and fought for creation of the House Committee on Standards of Official Conduct.

Morris Udall is the kind of critic who does more than criticize. As a student of the legislative process, he co-authored *The Job of a Congressman*, required reading among those seeking to understand the workings of Congress. He has spoken out often and loudly against the general anemia of Congress, abuses of privilege, conflicts of interest, and the irrationality of the once iron-clad seniority system — and has backed his protests with legislation to correct these ills.

He hurled an unprecedented challenge at the Old Guard in the House by waging a symbolic campaign against Speaker John McCormack in 1969. Although he lost, his voice was heard, and moved the *New York Times* to editorialize, "(Udall's) progressive convictions make him an authentic spokesman for the younger men of his party in the House." That effort galvanized opposition to the harsh effects of the seniority system; by 1975, Morris Udall was a member of the Democratic Steering Committee created by his motion in the Caucus, which sparked the breakthrough deposing arbitrary, unresponsive or ineffective committee chairmen.

### THE ENVIRONMENT:

For 15 years, the Udall name has been synonymous with progress toward a clean environment. Honored by the National Wildlife Federation as Legislator of the Year in 1973, Morris Udall is recognized nationally as a leading environmentalist in Congress. As chairman of the House Subcommittee on Energy and the Environment, he has been the leading proponent of land use planning and strip mining controls. He has led efforts resulting in a \$20-billion non-nuclear energy research and development bill, and recently his subcommittee assumed oversight of non-military nuclear energy matters and Udall has announced his intention to pursue a vigorous program of investigatory hearings on nuclear energy issues.

His 14 years on the House Interior Committee and his personal commitment to environmental sanity have

environmental bill in the last decade.

Morris Udall was the first House member to introduce legislation dealing with population problems. He has supported all clean air and clean water measures, opposed the SST, protected millions of acres of land through an amendment to the U.S. Constitution guaranteeing every citizen the right to a clean, decent environment. In the opening days of the 94th Congress, he co-sponsored bills to increase the Land and Water Conservation Fund and to phase out non-returnable beverage containers throughout the land.

Environmental and conservation groups rank Morris Udall as one of the most effective and concerned legislators on Capitol Hill.

#### THE ECONOMY:

President John F. Kennedy called Morris Udall's newsletters of the early 1960's about economics the best of their kind. In them, he talks of a new economics and of shifting national priorities to the problems of people. He was among the first to perceive the relationship of energy to economics, and wrote widely on growth, population and economic issues throughout the 1960's.

As early as 1963, he introduced or co-sponsored major tax reform bills calling for adjustment in taxes and exemptions. In 1966 he supported amendments to the Internal Revenue Code to double the inadequate personal exemptions allowed each taxpayer. Today, he is co-sponsor of pending bills to reduce the regressive Social Security payroll tax and to halt industry domination of "independent" regulatory agencies.

Morris Udall's record also includes active support of measures to stimulate the U.S. economy: after taking part in a special task force to define Congressional Democrats' approach to economic revival, he is preparing a comprehensive alternative to Administration energy/economy proposals. The package will include:

• Strong domestic conservation measures, coupled with a mechanism to limit imports to break cartel prices and reduce the petrodollar drain;

• A commitment to a 2 percent annual energy growth rate, compared with the 4.5 percent figure of recent years;

- special taxes on inefficient automobiles.

While Congressman Udall believes that a program of gasoline rationing is necessary, he recognizes that Presidential opposition and Congressional reluctance virtually preclude the implementation of a rationing program at this time. He is committed, therefore to assure that any conservation program based on taxation will include rebates or credits for low and middle-income consumers, those who must travel in connection with their business, transportation industries and other special cases.

#### FOREIGN POLICY:

It is unusual for a member of the House, traditionally a constituent-oriented body, to have any

exception. At the height of the Vietnam controversy in 1967, he went to then-hawkish Arizona to tell his constituents that U.S. involvement in Southeast Asia was wrong and should be ended. He did so in opposition to the policies of Democratic President Lyndon Johnson, and despite the fact that his brother was a member of Johnson's Cabinet. His speech against the war received widespread comment, and was anthologized in *Representative American Speeches*.

Since 1964, his record is marked by support for foreign aid bills and a U.S.-U.S.S.R. armament moratorium and opposition to spending cuts that would have reduced the chances of an equitable foreign policy. He has sought to check chemical and biological warfare, voted for reductions in the defense budget, voted against proposals to cut the Peace Corps, and is a longstanding advocate of creating an Atlantic Union to promote peace and trade.

His record reflects a commitment to world peace and cooperation. In June 1974, he became the first legislator to speak out against President Nixon's nuclear test ban formula; in its place, he suggested a reduction of tests leading to a final, total end to nuclear explosions.

#### PEOPLE POLICY:

Perhaps the best picture of Morris Udall can be drawn from his legislative record regarding those programs which affect people directly. As floor whip of the Democratic Study Group during the 89th, he was instrumental in the passage of every major civil rights bill - halting centuries of official intolerance, and turning our nation toward a commitment to respect every individual.

He has strongly supported and voted for legislation providing for food stamps, mass transit, automobile safety standards, Medicare and Medicaid, urban development, open housing, gun control and aid to education. He fought for years to secure laws making federal employee pay scales comparable to those of private industry. And he opposed and voted against measures to cut people programs, to ease restrictions on government wiretapping, to kill the Public Broadcasting Corporation, to do away with legal aid to the poor, to end the Foundation for the Arts and Humanities, and to raise the price of food stamps.

His legislative activities in the current Congress include co-sponsorship of the Health Security Act, the Equal Opportunity and Full Employment Act, extension of the Voting Rights Act, and a measure to block Administration proposals to limit Social Security cost-of-living increases.

When Ralph Nader conducted his in-depth studies of each member of Congress, the "profile" report on Morris Udall concluded:

*"Morris Udall's views, his willingness to make his position known, his actions on them, and his constant attempt to ease the legislative process to insure better representation make him one of the most respected members of Congress."*



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## CONGRESSMAN UDALL'S ADDRESS TO THE AMERICAN ASSOCIATION OF HOMES FOR THE AGING

Mr. MOSS. Mr. President, Congressman MORRIS K. UDALL has a long record of courageous leadership in the House of Representatives. His efforts to make the legislative process open and democratic, to clean up campaign financing, to require coal companies to repair the land they strip, to give the country comprehensive and sensible energy R. & D. and conservation polices, are just a few of the areas where he has distinguished himself. Mo UDALL is a man of vision, committed to the common welfare of Americans.

Last month Congressman UDALL spoke to the American Association of Homes for the Aging on the problems of older Americans. His address is an eloquent statement of the plight of our elderly, with many thoughtful recommendations for solving the problems they face and relieving the suffering they endure. I ask unanimous consent that the text of Congressman UDALL'S address be printed in the RECORD, and I commend it to my colleagues and everyone who is interested in making ours a more humane and just society.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

### ADDRESS BY CONGRESSMAN UDALL

Old age is the last and most devastating segregation in our country. We are a society obsessed with youth and staying young, whose citizens and government have turned their backs on the lives and needs of the elderly.

The problems of older Americans have received much publicity in recent years. Those problems have been the focus of reform efforts by senior citizens' groups and others, including your members. Nonetheless, the problems of aging have yet to become a popular cause, like the consumer movement or the environmental movement, attracting widespread support among diverse groups of citizens and politicians.

Perhaps the reason is fear—fear of the wasteland we have made of old age. The truth is that old age is an empty legacy for millions of Americans: it is losing your eyesight, being deprived of your mobility, and finally robbed of your human dignity.

In certain ancient tribal societies, where the chief pursuits were hunting and warfare, when a person became too old for these activities he was placed ceremonially on a raft and allowed to float down a river.

The tribal leaders assured everyone that the hapless elder was floating to a better place and a better life. No doubt many of the younger members of the tribe had secret misgivings, and some thought with apprehension about their inevitable turn on the raft.

In modern society we repeat in many symbolic ways the ritual on the river bank. We who participate in it also doubt its validity, fear its implications for ourselves, yet yield to what appears to be its necessity in the pursuit of our immediate preoccupations.

There must always be a justifying mythology when a dominant group systematically and for its self-interest disadvantages a less powerful minority. In this case, we have developed two stereotypes of the aged to justify our neglect—serenity and senility.

On the one hand our images of old age are idealized images of the beloved and tranquil grandparents, the wise elders, the serene and gracious white-haired matriarch dispensing wisdom from the kitchen or the patriarch from the front porch rocker. On the other hand, the opposite image disparages the aged. Old age is viewed as irreversible decay, decrepitude and loss of mental powers.

A survey by the Louis Harris organization recently commissioned by the National Council on Aging found that younger people regarded the aged as an "inept, ineffectual, physically depleted group waiting for death." We see them as rigid, querulous and resistant to change; narrow and superficial in intellectual activity; and almost universally senile.

This dual set of images and attitudes is mirrored in our public policies and programs. Our public statements speak reverentially of "senior citizens" and their needs while our public programs carry out the assumption that there is not much we can do. So, we talk of the need to meet the health and medical care needs of the aged and we design a program which leaves them to take pot luck in a medical care system designed for the young. We talk of the desirability of providing housing and living arrangements which will enable the aged to live comfortably and self-sufficiently, and we design housing programs for the elderly which will not work, so that we do not interfere with more lucrative uses of land and capital.

Let us take a more realistic look at what we have been doing and what we need to change.

### THE ELDERLY AND POVERTY

The economic situation of the elderly is a desperate picture of struggle and suffering. Almost a quarter of the aged live below the official poverty line. The median income of an elderly couple is about \$5,500 per year—half that of their younger counterparts. Half of older couples cannot afford the Bureau of Labor Statistics' budget for a "modest but adequate" standard of living.

Older Americans, strapped down with fixed incomes, have been running a losing race with inflation. 80% of the income of older people goes to food, shelter, health care and transportation—areas where price rises have in many instances exceeded the overall cost of living increase. Thus, social security and other retirement payment formulas that are adjusted annually for changes in the cost of living are only partially helpful. Their helpfulness is further diminished by the fact that they provide income increases *after* prices have gone up, and older people have little savings to carry them over the hump. And their helpfulness would be practically destroyed if the President's proposal to limit to 5% the adjustment for a 12.5% inflationary year were implemented.

To relieve the greatest degradations of poverty, the government must improve the Supplemental Security Income program to bring all other Americans above the poverty line. We must not plunge the elderly deeper into poverty by abandoning the automatic annual cost of living adjustment in the Social Security program. We must find and establish ways to implement a goal of *adequacy* for retirement income. That means drawing on a mix of Social Security, private pensions, and other sources of income, and not penalizing SSI and food stamp recipients for other earnings in ways that lock these people into permanent sub-poverty status.

#### NEGLECT OF THE AGING IN OUR HEALTH CARE SYSTEM

Turning to our health care system and how it accommodates the elderly. I am reminded of the story of the 94-year old gentleman who was experiencing pain in his left leg. When he went to see his physician and complained, the doctor said to him, "Well, what do you expect when you're 94 years old?" To that, the old man replied, "But doctor, my right leg is 94 years old too, and it doesn't hurt."

This story illustrates our tendency—and this is true not only of doctors but of many of us—to attribute to "old age" the variety of problems facing an older person without looking further.

American medicine is not attuned to the special needs of the elderly generally, and least of all to the problems of the so-called "old elderly"—those 75 and over, with whom this organization is directly concerned.

American medicine is young people's medicine. It is oriented to diagnosing and curing acute illness. Few medical schools in this country offer even rudimentary training in geriatrics and only one has a chair of geriatric medicine.

Our health manpower legislation typically offers nothing in the way of training for health professionals in geriatrics, despite the fact that in 1973 the per capita health care costs for older Americans came to \$1,052, or more than three times the amount spent for those under 65.

The national Professional Standards Review Council—the new mechanism we have set up to rule on whether services paid for by Medicare and Medicaid are "medically necessary" and, therefore, reimbursable—has no one on it with a background in or special knowledge of geriatrics, despite the fact that the elderly are among the neediest and greatest users of these health care programs. (It is worth noting that the Council has two obstetricians.)

Given the inattention within our health and medical establishment to the problems of aging, it is little wonder that, Medicare, a health program billed in 1965 as The Answer to the health problems of the aging was discovered recently to cover only 40 per-

cent of the total health costs of older people.

Given our failure to examine carefully what the special needs of the elderly are, and how they can best be met, it is little wonder that we have discovered only belatedly that in many respects Medicare is remarkably unsuited to the elderly.

The widespread expressions of discontent that we hear with respect to the care of the institutionalized elderly, should tell us that it is time we asked ourselves whether the health needs of the elderly differ in such substantial ways from those of the younger population as to warrant our developing an entirely different kind of system for them.

The average hospital patient suffers from only one disease or medical problem. On the other hand the average resident of a long term care institution suffers from four chronic illnesses, and is considerably less vigorous and more frail than the hospital patient. The average hospital patient spends about seven days in the hospital—while the resident of a long term care institution spends an average of 2.5 years in the institution.

The health care needs of the elderly are less intensive but more chronic and more continuous than those of the general population. At the same time their social needs are more intensive and acute. More often than not, the elderly are undergoing severe and acute social and emotional traumas, traumas associated with the loss of their spouse and friends, and of their physical vigor. With these losses goes the loss of their self-confidence, of their sense of importance to those around them. Since these emotional and social problems often bear upon the aged person's eating and physical habits, they may seriously affect his health and, in turn, his need for professional medical attention.

I know that the members of the American Association of Homes for the Aging have been saying for many years that Federal health programs for the aging ignore what are called the "social components of care"—not recognizing that the aged person is a "patient" only a part of the day, and the rest of the time he is a "person" facing a raft of social and emotional problems which bear upon his health condition.

We should not delay any longer facing up to these realities and thinking through their implications, because, despite President Ford's opposition to enacting National Health Insurance in 1975, the Nation is moving inexorably toward a national health program.

If there were mistakes made with Medicare programs over how best to meet the health care needs of the elderly, then we had better think carefully about whether the direction in which we are now headed is the right one as we embark upon a program double or triple current costs.

The national health insurance proposals we have before us continue to ignore the need for a specially designed program for health and medical care of the aged. The one exception is a bill introduced by my colleague, Rep. Barber Conable, which is the first serious effort to design a health delivery system specifically for services to the aged. The bill deserves serious consideration. If National Health Insurance is not to be just a giant re-run of Medicare with all its attendant disappointments and frustrations, it must include such provisions carefully designed to meet the special needs of the aged.

One more question requires our attention: whether it is appropriate to run nursing homes on a for-profit basis. The answer, I

believe, is no. The operator of a proprietary nursing home has a constant incentive to effect "efficiencies", in order to protect his profit margin, which in the end mean reductions in services to the institution's residents. It is intolerable for the government to continue to subsidize that kind of trading in the economics of misery. And as the recent investigations in New York show, the corrupting web of money flowing into the political process to keep the operators of proprietary homes plugged into State and Federal Treasuries leaves no room for half-way solutions, like tinkering with reimbursement formulas or beefing up enforcement practices. The transition from our current industry, in which 85% of nursing homes are proprietary, to a nonprofit system will require time and careful planning, but it is a goal which we must set and begin moving to implement.

#### NEGLECT OF THE AGED IN HOUSING PROGRAMS

For more than twenty years planners, builders, bankers and businessmen have been undertaking urban renewal and redevelopment projects in our cities. Old and deteriorated urban areas have been acquired with governmental powers of eminent domain to make way for commercial buildings, luxury apartment houses and so forth.

But who had been living in these areas? Many elderly were there along with other low-income and disadvantaged residents. They were there because they had come a generation before, when they built or bought homes in what were then modest, working class residential neighborhoods. The elderly, along with others, were offered relocation payments and an opportunity to register with the relocation agency for referral to other living units in other parts of the city.

Then the redevelopment bulldozer moved in and swept the neighborhoods away. My point is not to criticize Federal housing-projects or their sponsors. But to emphasize that the programs we supported were not directed to *people* and to enhancing the city as a place for people to live. Least of all were they directed to the potential of the city as a living environment for the elderly.

We have had some programs authorizing support for housing for the elderly. Section 202, the old program of ten years ago, was instrumental in creating many good apartment developments for the elderly. This program and others like it have done some good, but they have amounted to little more than tokenism. Housing and a convenient, supportive living environment for the elderly have never been an integral part of our housing and urban development strategy, and efforts by nonprofit sponsors to obtain sites and become a part of an urban development plan have rarely been successful.

Now we have the Housing and Community Development Act of 1974. This Act relates all the housing programs to a community development plan, spelling out the content of the plan and how it should be developed. As in times past, there is nothing in the Community Development title of this Act which recognizes the stake of the elderly in urban living.

After a community development plan is filed, sponsors of housing for the elderly may submit proposals to use the sites planned for redevelopment. If a sponsor of housing for the elderly is a successful competitor for a place in the redevelopment scheme and if he can obtain permanent financing, he can get temporary financing under the re-

vised Section 202 program. Now I don't need to tell this group that that is not a dramatic breakthrough.

My criticism of existing housing programs is much the same as my criticism of our health programs. The elderly take pot luck in a system designed for other purposes.

Instead, we should mandate that community development plans recognize that urban neighborhoods have special utility for accommodating the elderly. The elderly and their advocates must get actively involved in the planning process. We should subsidize the use of land and capital in the execution of community development plans, so that the social desirability of rehabilitation and construction of housing for the elderly, in neighborhoods providing convenient shopping, services, and recreational and cultural opportunities can compete with the economic advantages of commercial and luxury uses.

#### NEGLECT OF THE AGING IN OUR TRANSPORTATION SYSTEM

Although it might be argued that we ignore people in general in our transportation system, it certainly is true that we have totally and cruelly ignored the needs of the elderly when it comes to transportation.

Our entire transportation system—if we can call it a "system"—accommodates and provides for the needs of automobiles—highways and parking lots—but not for the needs of people—convenience, thrift and shorter distances to walk. It offers little, very little, to the aged person who simply needs transportation assistance in getting from his home to the grocery store to downtown to visit friends.

Many elderly, particularly the old elderly, cannot drive or cannot afford automobiles on their severely limited incomes, nor do they need the great personal mobility a car provides. They must rely upon some form of public transportation.

But public transportation is still a joke in this country. While the proliferation of highways and parking lots continues to displace many elderly from their homes and destroy neighborhoods of long standing, we stand by and do nothing. Even despite the energy crisis, we have yet to begin to think seriously about the need to move away from our near-total reliance upon the private car and to begin to develop a convenient, comfortable and efficient mass transportation system.

We must begin to build the subways the railroads and the public transportation networks that are necessary to accommodate our general needs as well as those of the elderly. This is essential if we are going to reduce the serious isolation problem of older Americans, and to give them a measure of independence; rather than having to rely always upon someone else—to ask a special favor of others—to get where they want to go.

For whatever reasons—our own fear of aging, or just a lack of understanding—we have failed to embrace and include the elderly in our daily living. We ignore them. We shunt them aside. We make jokes about them on television.

We need to reach out and bring them back into the system, the society's mainstream.

We need to nourish the belief that an individual in American society can have a social role which is not necessarily linked to economic status.

We need to develop the concept of a non-economic work force. In every community there is useful work needing to be done

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which is not compensated through the operations of the economic system. Work with voluntary organizations such as day care centers, the inspiration and guidance of children and youth, the monitoring of actions of public agencies and business, the support and development of the arts and the cultural life of the community, are all examples of important work which someone must do.

We must focus our inventiveness on the problem of designing a system which will give older citizens access to such community roles, encourage them to take them on, and reward their efforts with well-deserved recognition of their value to society.

We must also expand educational opportunities, to enable people who have left the work force to pursue new intellectual interests and to develop the talents which many have in these areas.

We must also recognize the great contribution older people can make to all of us as the living embodiment of our past. If we can share the experiences they have lived through, and the perspective which these experiences have given them on contemporary times, it will enrich our lives and our appreciation for our heritage and enhance the wisdom with which we confront the future.

There is no better time, and no more appropriate context, for the development of this idea, than in the forthcoming Bicentennial activities.

We should include the elderly in a major way in the Bicentennial in every community throughout the Nation.

And most important of all, we should include those in institutions, in homes for the aging and other institutional settings, in the national celebration.

If we are to stop treating old people like another class of disposable objects, which go the way of all things in our throwaway society, then our public policies and social attitudes must change. They must reflect the knowledge that aging is a normal part of the life cycle not necessarily to be dreaded; that those who have reached advanced age need and merit special attention from the society, and that given this attention, the contribution of the aged to society can enhance the quality and civility of life for us all. Those changes will come when we realize that older Americans are not just 10% of our population, but that old age is a fate which awaits us all.

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# Congressional Record

United States  
of AmericaPROCEEDINGS AND DEBATES OF THE 94<sup>th</sup> CONGRESS, FIRST SESSION

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No. 62

## CONGRESSMAN MO UDALL OUTLINES AN INTERNATIONAL FOOD POLICY FOR THE FUTURE

Mr. McGOVERN. Mr. President, a distinguished Member of the other body, Representative UDALL of Arizona, recently delivered a very thoughtful and compelling address on what I consider to be the single most challenging issue of the coming decade—food.

I welcome especially Representative UDALL's recognition that agricultural aid must be properly designed. He points out that,

All too often, we have attempted to export to primitive, energy poor societies, farming technologies designed and perfected for our own conditions. Perhaps on the theory that what works for Iowa and Indiana, will work for India and Indonesia.

In fact, we have learned, and the experts are beginning to admit, that large scale, capital and energy intensive agriculture may not be the most efficient way to produce food, even for ourselves. Here and elsewhere, the promotion of large scale agriculture can drive people from the land into cities where there are no jobs, foster a system which exploits the many to benefit the few, and hamper food production at the same time.

Mr. UDALL has delivered an important address on an important topic, and I believe it deserves the attention of all Members of Congress. Therefore, I ask unanimous consent that it be printed in the RECORD.

### FOOD—THE FUTURE

After four days of papers and discussions on this subject, I would venture to guess that many of you would share my feelings if I began my talk tonight by asking somewhat desperately, "Will the real world food situation please stand up?"

Indeed, the more I read and hear on this subject, the more I am reminded of the old story of the three blind men examining an elephant. Each describes accurately what he can perceive, but the resulting description provides us with nothing even approximating the reality.

The physical scientists see one picture. They focus on the natural resource factors. But the agriculturists, the plant biologists, the ecologists, and the agricultural engineers all look from different perspectives.

The social scientists see another picture. They focus on the human factors. But again, the population experts, the foreign aid consultants, the teachers, and the government planners all have a slightly different view.

And, of course, the economists disagree with everyone else—as always they have their own unique perspective.

I sense a few inward groans out there—"Oh my God," you're asking yourselves, "is he going to present us with another long list of uncertainties?" We don't know about the weather, about the impact of new technolo-

gies, about trends in prices, about the availability of fresh water. Well, it's true, we are not very sure about any of these things.

But there are some factors we can be sure about. What I would like to do tonight is to examine these factors and to attempt to draw from them some direction for a wise American agricultural policy. I will describe the situation as I see it, not as an expert, but simply as a concerned American. I call it—modestly—the point of view of the enlightened, long-range, practical thinker.

During 13 years in Congress, I have found that those in government are seldom afforded the luxury of knowing all the facts—of being sure of what they are doing—before they are forced to make some decision. This is where legislators envy the research scientists who can wait to publish until he is sure—to the best of his ability—that what he writes is correct.

Legislators cannot wait. As the world's problems grow more and more complex, and more and more intertwined, we find increasingly that if we wait to do something about a problem until we completely understand its parameters, and are certain of the correct solution, that then it will be too late.

In no area is this more true than in agriculture. In 1969, the United Nations Food and Agriculture Organization published a study of long-range agricultural development plans. Incidentally, it was entitled—"A Strategy for Plenty". Just 10 years ago, the United States had reserves of uncultivated farmland, and stocks of grain equivalent to 95 days of world consumption. Today, we have no land withheld, and grain stocks amount to only 26 days of world demand. In just the last year, four-fold energy price increases have triggered two- and three-fold increases in food and fertilizer costs.

So we cannot afford to wait for certainty, and we cannot afford to do nothing. Our best hope for at least coping with—if not conquering—the world food problem, is to initiate now the long-range policies we need to deal with 1980 and beyond.

I believe that we do know enough to begin. We can extract enough certainty from the conflicting predictions we hear to at least outline a sound, long-range American agriculture policy.

We must begin with population. This fall, the world passed an unhappy milestone: 4 billion people. Even with continuing population control efforts, world population in the year 2000 will be somewhat close to 7 billion. In this life and death calculus, there is more certainty about the numbers to be fed, than about any other factor.

Though population growth rates are declining in the developed countries, in the developing world—in Africa, Latin America, and Asia—they are still very high. Moreover, in the developing world, one half of the current population is under the age of 15. Inevitably, then, world population will grow, and grow massively, until at least the next decades of the next century.

Although world food production has paced population growth for the last two decades, the inexorable growth of population, combined with the limited availability of many of the essentials of food production, make population control a central element of any responsible and realistic food policy.

(Continued Inside)

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This will not be easy. The freedom to choose how many children to have has long been regarded as an inviolable right of the individual. But throughout history, organized society has taken away rights once regarded as inviolable, in return for benefits. In its most harsh terms, the benefit we are speaking of here is the freedom from hunger and from starvation.

The United States has to accept the responsibility to promote world-wide population control measures, particularly in the developing world. This year, world expenditures for population control will total a meagre \$3 billion. Contrast that to the more than \$225 billion allotted to military expenditures, and you have some idea of the pitifully small effort now being made, and of the magnitude of the effort that could be made, should the countries of the world so decide.

One future policy option which I believe deserves serious consideration, would be to devise a system of bonuses, perhaps special trade concessions, to be awarded to those developing countries which make significant advances in control of their population growth.

An obvious corollary of continuing population growth, is the increasing world-wide demand for natural resources—particularly those essential to food production.

We must begin with land. Mankind has worried about running out of arable land, and eventually out of food, ever since the time of Malthus. Though new sources of land and improved technologies have increased production after each seeming threat of scarcity, the fear persists. Though only about one half of the world's total arable land is currently under cultivation, little new land is available where it is needed the most. In China, and in South Asia, there is none remaining. Europe, a developed continent, has little land to put into production, and is highly dependent on external food sources. In fact, Europe consumes more of the international food trade, than the entire underdeveloped world.

Latin America and tropical Africa are highly touted as regions with an immense potential for expansion. However, the soils of many promising regions are very poor, and will require great care and large expense for productive cultivation. The huge central heartland of Brazil, for example, where the Amazon flows, has depleted and dried up soils.

Erosion takes a very great toll on land under cultivation today. For example, in Florida, a highly productive agricultural area, soil breakdown takes place at the rate of one foot per year. Topsoil erosion seriously damages around 15% of the world's agricultural lands. At least one half of India's soil is affected by such erosion, and it is estimated that within 25 years, one quarter of the topsoil of the tilled land will vanish. Though soil can be improved by careful cultivation, productive land is not the abundant resource it seems, and the increased future demand for food cannot be realized to any great extent through this resource.

Another item often taken for granted, at least by the layman, is fresh water. Though most people realize its importance, few appreciate the magnitude of water requirements for agricultural production. Wheat production requires 300 to 500 pounds of water per pound of organic matter produced. Potatoes need 600 to 800 pounds, rice 1500-2000 pounds, and vegetables 3000-5000 pounds. Meat requires a staggering 20 to 30 thousand pounds of water per pound of product. On top of this, there are the continuing municipal and industrial water requirements, and the swiftly growing needs for energy production.

A growing body of experts now believes that water may be a more limiting factor than land. Underground supplies are being depleted more rapidly than they are replenished. Most of the available rivers, have already been harnessed for irrigation, and water shortages are appearing in increasing numbers in many countries. The United States Development Council has concluded that a scarcity of fresh water is now the principal constraint on the spread of the green revolution. The U.N. environment program has given top priority to problems of fresh water supplies, and has called for a world water conference in 1977.

Though the total amount of water available is fixed by the natural hydrological cycle, technologies are being developed to alter its distribution. However, many of these—rain-making, or the rerouting of rivers, etc.—may have profound and undesirable effects on world-wide climate.

The massive irrigation projects which have contributed so enormously to food production increases in the last two decades, have not only made use of all available surface water, but have tapped underground reservoirs faster than they can be replenished by nature, and this excess removal is now taking its toll.

The growing demand for fresh water, and its increasing scarcity, is another future certainty.

Another imperative in the system, though it is an ethical rather than a physical one, is the need to increase per capita food consumption in the developing world. 12% of the world's population—nearly half a billion people—are currently malnourished. Two billion people—nearly half of the world's total—are chronically hungry or undernourished. One third of the children born in the developing world die before the age of five.

The horror stories of undernourishment and starvation in Bangladesh, India, and the Sahel, have become so familiar that we tend to forget their tragic meaning. An old friend and colleague of mine, Senator Joe Tydings of Maryland, who is now special counsel to the U.N. Population Fund, recently toured India and wrote of his reactions to a visit to Calcutta: "No descriptions of Lucifer's regions by theologians or writers of the past are as utterly grim and grotesque. The sight of starving children struggling with ravens and amaciated dogs for scraps of food on rotten piles of garbage, or the late evening garbage trucks picking up corpses from the sidewalks in their daily cleanup, leaves you with a sickness of the soul and mind and spirit for weeks and weeks thereafter."

This is the world Americans never see, but for which, for our own sake, we must take some responsibility. The United States alone is the world's leading exporter of wheat, of feed grains, of rice and of soy beans. Together with Canada, we control a larger share of the world's exportable grain supplies than the Middle East does of its oil.

Nevertheless, we cannot and should not try to feed the world. The public debate in this country has aroused a great deal of emotion with chilling discussions of triage—the decision to give aid only to those for whom it will mean the difference between life and death; and the life-boat ethic—the decision to cast off the extra weight from an overloaded boat in order to save all the rest. But the focus of the debate is, I believe, fundamentally misplaced. Living in abundance, and amid great waste, we do have an obligation to provide direct food aid in emergencies, and to those countries in chronic serious need. But in the long run this is the wrong approach.

The only sound long-run policy, in light of inevitable increases in demand and unavoidable constraints on supply, is for the United States to shift its efforts from unilaterally providing direct food aid, to a massive, multilateral effort to develop and export agricultural technology. This is the key point I want to make tonight: whereas direct food aid was an appropriate international food policy for the United States in an era of domestic surpluses and moderate foreign shortages, it will not begin to solve the problems of the future. The sooner we realize this and shift our attention to fashioning a much broader national food policy, the better off we, and the rest of the world will be.

A technical assistance policy would encompass three major components; creation of an internationally coordinated system for improving world food security; a massively increased effort in research in the biological, social and economic aspects of agriculture; and third, improvements in existing institutions for financial aid and technology transfer, and creation of new institutions for coordination of international development efforts.

Let me describe each one, in more detail.

An internationally coordinated system of grain reserves will be necessary to deal with the unavoidable shortages and acute emer-

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gencies that are certain to be a feature of the world food scene for the foreseeable future.

We have talked about some of the certainties of the agricultural system, one that should be added is the weather. It is certain to be uncertain. Our climate is a bewildering and still mostly mysterious system of interactions involving land, water, ice, winds, sunshine, clouds, precipitation, evaporation, the rotation of the earth and the angle of its axis, and probably some factors we can't even yet identify. There are some indications, however, that the world climate is entering a period of change. Last year's drought in the Great Plains, uncertain monsoons in India and Pakistan, excessive summer heat and unusually warm winters in parts of Russia, and severe droughts for many years in parts of Africa are all involved.

In fact, climatologists believe that weather patterns since the turn of the century have not been normal at all—they have been significantly more favorable than the historical record would give us any right to expect. Now there is evidence that our weather is slowly but steadily growing colder.

There is also some indication that the drought of the 1974 crop season in the Great Plains may have been just the first year of what seems to be regular 20-year drought cycles in the world's most productive grain producing region. Those of you who remember the dust bowl of the '30's know what that could mean. In short, we cannot ignore the fact that we have no control and little understanding of the most important single variable affecting food production. Unfavorable weather will inevitably cause crop failures in the coming years, and sizeable international stocks will be required both to provide a buffer against very large fluctuations in food prices, and to prevent unnecessary suffering.

A second necessary component of adequate world food security involves the development of an international information exchange system. Current gaps in world-wide agricultural data gathering and statistical analysis make it impossible for the FAO to predict food failures. The drought in the Sahel had persisted for four years before it received international attention. Another awful year elapsed before major aid arrived.

In the past, many governments, including the Soviet Union, have opposed the creation of such a system which would require them to disclose information on crops and stocks that has normally been held confidential. One of the most important achievements of the recent World Food Conference in Rome was the agreement to a resolution calling for the creation of a global information and early warning system to be run by FAO. Significantly, Russia, whose status as a major grain producer makes her vital to a successful effort, expressed support for the plan, even though she is not yet a member of FAO.

The second element of my proposed policy involves a vastly increased American effort in research programs. In 1947 agricultural research accounted for 45% of the Federal research budget—today it has plummeted to a mere 1½%. And yet, the opportunities are enormous, almost unbounded.

One way to get an idea of the size of the productivity increases new techniques can achieve, is to compare average yields of various crops to record yields: the ratio between the two gives an estimate of readily achievable productivity increases.

For soy beans and corn, the greatest recorded yield is more than 4 times average yield, for oats and barley the ratio is greater than 5, and for wheat and sorghum, record yield is more than 7 times average.

The payoff from a serious research effort will be immense. Techniques for desert and tropical agriculture are currently lacking. Consequently, large areas of these lands are not now under cultivation. Moreover, obtainable increases in productivity on the order of 100% are predicted for tropical lands that are already being farmed.

We also need new techniques for multiple cropping, and the development of new, more rapidly maturing grains to increase production and match changing weather patterns. Work is also needed to develop strains of grain capable of nitrogen fixation. These would not only increase yields, but would decrease the demand for fertilizer.

Research is needed in better methods to combat soil erosion, and in improved irrigation techniques. The new "drip" or "trickle" irrigation systems have already demonstrated

that they can save great amounts of both water and energy. These new techniques also allow the cultivation of previously unusable hillsides and saline soils. They amount to what has been termed a "Blue Revolution", less well known, but potentially as important as the "Green Revolution". The most far-reaching results could come from research currently being conducted in efforts to increase the photosynthetic efficiency of crop plants. Food crops capture only one percent or less of the sunlight that hits their leaves. Researchers hope to increase this fraction, thereby increasing the energy available to the plant for its growth. The results could include shorter growth span, possibilities for simultaneous multiple cropping, and greatly increased yields.

Another neglected area is aquaculture: the development of methods to harvest food from the seas rather than simply hunting it. The oceans supply a major portion of world protein needs, but recent figures indicate that once again mankind may be on the verge of needlessly destroying an irreplaceable resource through reckless overuse. Tuna, herring, cod and perch are all decreased in numbers. Many minor fish species, especially in the North Atlantic, have already been wiped out. On the other hand, potential uses of the oceans for the systematic cultivation of both high protein plants and fish have been virtually neglected.

Many social problems also require research. For example, many years often elapse between the discovery of the scientific breakthrough, and its widespread application. Sometimes, however, acceptance of the new technology is virtually immediate. We don't know what accounts for the difference. In 1961, a technique was developed to mechanically harvest cherries—it took 12 years before it was generally adopted. A few years later, a mechanical technique for harvesting grapes was discovered. This time it only took 3 years for the same degree of acceptance. Or, in 1971, a new vaccine for treating a costly poultry disease was introduced, and world-wide use followed within 2 years. Whereas new strains of high-yielding rice discovered four years earlier have not even yet caught on—except in a few areas. Again, no one understands why. World food production would clearly benefit from the answers.

Another crucial need is the support of international research centers where agricultural techniques can be developed specifically designed to meet the needs of the Third World countries. Such techniques include labor-intensive, low-energy technologies, as well as methods for intensive small-scale cultivation, hillside cultivation and others already mentioned. Finally, there are a large number of research opportunities for developing new sources of badly needed protein. Plant protein can be upgraded for human use in a variety of ways. The proteins of cereals can be supplemented with the missing essential amino acids—the building blocks of the protein molecule. Various commercial firms are already engaged in the production of new protein foods from soy beans, cottonseed, and peanuts. In Guiana, the second most popular soft drink, right behind Coca Cola, is a soybean drink called puma, made by Monsanto. In Hong Kong, another protein drink, Vitasoy, controls 25% of the market. There is also a healthy competition underway in methods of producing SCP—single-cell protein. This is a general protein concentrate made from single-celled microorganisms grown on various petroleum sources, and suitable for human consumption as a general food supplement. These and other new processes hold out the promise of ending the tyranny of crippling protein-deficiency diseases, to which young children most often fall victim.

Let me tell you about just one more research project which I find particularly exciting, that is going on right near you at the Army laboratories in Natick, Massachusetts. Researchers there have developed a mutant strain of a fungus capable of converting cellulose to glucose sugar in very large quantities. Cellulose is the major component of plants and wood, and all products made from them; paper, newsprint, cotton, etc. Cellulose is produced through photosynthesis, in huge amounts, annually. The net yield is estimated to be 100 billion tons; approximately 150 pounds of cellulose per day for every one of the earth's 4 billion people. A great deal of

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this ends up as waste; in municipal trash, in animal feedlots, as wood waste, as agricultural waste. The waste can be collected and fed to these bugs, which make it into a virtually pure product—the sugar glucose. The glucose can then be used either to grow more microorganisms to make SCP, or it can be used directly as food, or it can be fermented to make ethyl alcohol, a valuable energy resource. If this process can be successfully developed and applied, it offers the hope of producing a valuable food product, and at the same time of eliminating an increasingly serious solid waste problem.

The third essential component of this new policy requires the strengthening of existing international institutions and the creation of new ones for a variety of purposes.

There is an unquestionable need for devising better arrangements for funding agricultural development projects. Global funding for agricultural development assistance currently amounts to only 1.5 billion dollars per year; only slightly more than the cost of a single Trident submarine. The minimum adequate sum for the next 5 years must be \$5 billion per year; a sum which would surely not tax world resources.

At the Rome conference, Senator George McGovern proposed that all nations cut their military expenditures by 10%: allotting these funds to fighting a war on hunger and malnutrition rather than in preparation to fight wars on each other. With world-wide military expenditures topping \$200 billion, this action would release more than \$20 billion yearly, enough to fund the projects I have mentioned, and many more. The Conference adopted the proposal in a resolution—though unfortunately a non-binding one. The United States should follow through on this to the fullest extent possible, emphasizing the growing overcommitment of world funds to military purposes, and the urgent need for increased agricultural funding. I am not so fanciful as to harbor any hopes of such a plan actually occurring; its value lies only in its own inherent rightness, its service to the true self-interest of every nation on the planet.

In Rome, the American delegation also proposed that the OPEC Nations contribute \$7 billion a year to this cause—approximately 10% of their new oil incomes. The oil nations did establish an agricultural development fund. Meanwhile, the developed countries were pushing for a new financing group managed through the World Bank and the U.N. agencies. No final resolution was reached, leaving the door open for the worst of all possibilities: two separate funds and two separate programs, one supported by the developed countries, the other by the newly rich oil nations.

This we cannot afford.

Increasingly, rich nations will depend on poor; developed on less developed, the North on the South, for energy, raw materials, and for markets. We must also depend on each other for "the preservation and wiser management of what we have finally come to realize are shared vital resources: air, fresh water, the ocean, and even the world climate.

One of the highest priorities, therefore, of our foreign policy in the coming months, must be to work for the creation of a single multilateral body, adequately funded, to coordinate and finance agricultural projects. The management of the group should be politically realistic, that is, it should reflect to some degree the contributions of individual nations to the world effort. Within these conditions, the choice of whether to utilize an existing institution, or a newly created one, is relatively unimportant.

On the home front, we need to turn our attention to a revitalization of the Agency for International Development—our primary government agency for foreign technical assistance. Over the years, AID has gradually lost its effectiveness as an instrument for agricultural technology transfer. AID's force of agricultural experts has been replaced by economists, to the point where our agricultural assistance

amounts to little more than international loans.

All too often, we have attempted to export to primitive, energy-poor societies, farming technologies designed and perfected for our own conditions. Perhaps the theory that what works for Iowa and Indiana, will work for India and Indonesia. Even the most simple agricultural planning seems to have been faulty. An America-funded project to raise chickens in the hungry nations of Mali, Mauretania, and Senegal, folded when it was discovered that these nations did not have enough grain to feed both their people and their chickens.

Nevertheless, I am confident that with the right staffing and project design, the United States can develop and deliver technological assistance programs, designed with the particular needs of individual nations in mind, and aimed at developing sound, self-reliant, agricultural systems around the developing world.

Our assistance programs must not only address problems of developing natural resources but food distribution and management problems as well. In the developing world, post-harvest crop losses consume an enormous fraction of production. Estimates commonly run as high as 20% to 25% of the harvested crop lost to insects, rats, birds, and rot—all due to faulty storage practices. In India, losses account for nearly 1/3 of the total crop. If this problem could be solved, through simple programs designed for quick acceptance, the net gain would far outweigh anything that could be accomplished in the short run through cultivation of additional land, or introduction of new technologies.

Let me summarize the major points I've tried to make tonight. First, we face an inevitably rising demand from both population growth and from needed per capita increases—particularly in the developing world. Second—there are definite constraints on many of the essential agricultural inputs. Some, such as the current worldwide shortages of fertilizer and pesticides, can be alleviated through new production programs. Others, particularly fresh water availability, present a much more serious problem that must be approached through much more careful and efficient use of the existing resource.

Third—there exist numerous opportunities for increasing production, through the cultivation of new land, and more importantly, through a large number of yet-to-be-developed technologies.

In short, there is both the need, and the opportunity, for major increases in world food production: but these increases must be made to happen. The United States, as the world's major food exporter, must take the lead.

In formulating our policy, we must remember that we can solve none of the problems alone, but that the world can solve none without us.

I have suggested that the guiding principle of our policy be a profound shift in emphasis from providing food on a unilateral basis, to providing technological assistance as partners in a multilateral effort.

We must promote serious international population control programs, and greatly increased funding for agricultural development assistance. We should support a massive multilateral agricultural research program—an effort comparable in scale and commitment to the Manhattan and Apollo Projects. We must help develop a global early warning system and an internationally coordinated grain stockpile to protect against crop failures and major fluctuations in food production.

I have noted that in the decades ahead, the developed countries and those of the Third and Fourth Worlds will become increasingly interdependent for food, energy, materials, markets, and the preservation of irreplaceable natural resources. There will be a widening gap between the food "haves" and the have-nots, and as the largest and richest of the "haves", it will be our responsibility to stimulate and encourage a new global network of functionally specific coalitions and multilateral projects, cutting across traditional military alliances for the benefit of all mankind.

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## House of Representatives

### REPRESENTATIVE UDALL DETAILS ENERGY INDUSTRY RESTRUCTURING PLAN

Mr. NELSON. Mr. President, the distinguished chairman of the House Committee on Interior and Insular Affairs Subcommittee on Energy and Environment (Mr. UDALL) recently delivered a very thoughtful speech on the topic "Energy and the American Future."

Congressman UDALL outlines a sound and practical approach to solving our Nation's energy problems. This approach correctly strikes a fair balance between environmental protection and the need to become energy self-sufficient.

This speech is an important document. I ask unanimous consent that Congressman UDALL's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

#### ENERGY AND THE AMERICAN FUTURE (By Representative MORRIS K. UDALL)

If we are to have an energy system that strengthens our economy and serves the real needs of our citizens, it is now plain that drastic reforms are required.

The first question that must be answered in formulating a national energy policy is whether the government or the petroleum industry will guide and direct what happens.

The American people have had it with the oil companies.

They are outraged by disclosures of frauds, price fixing conspiracies, and political slush funds.

They are suspicious of the claim of the oil companies that they need bigger and bigger profits for more drilling and exploration, when they witness a steady decline in our production and proven reserves of oil and gas.

They are tired of living under the threat that a few oil-producing countries will embargo us and disrupt our economy.

They are incensed by special tax privileges which produce windfall profits—but no improvements in the U.S. oil outlook.

And they are at the end of their rope with governmental leadership that has allowed such an anti-competitive system to prosper and dominate our national life.

What the American people want in 1975 are policies that will end special privileges and practices which stifle competition.

They want their government to compel competition and halt the manipulation of

energy prices by all segments of the energy industry.

They want their government to control all oil imports and arrange for embargo-proof systems of supply.

They are not demanding a nationalized energy system, but they want the energy resources owned by all of the people developed for the common good under plans and policies that will guarantee adequate energy for future needs, protect the environment from despoilation and protect consumers from exploitation.

The energy crisis has pitched us into a serious predicament: the country at once, must grapple with the interrelated problems of economic recovery, runaway prices, shortages, increases in pollution, and threats to foreign policies vital to our future.

The American people want the hard facts about this energy predicament. They are willing to make sacrifices if sacrifices are necessary, but they are convinced the energy policies of the past are working against the national interest. In short, they want our energy destiny taken out of the hands of oil company executives and put in the hands of the people.

It is increasingly clear that Americans cannot have the kind of energy system they want unless the system itself is reorganized. Patchwork solutions will not be adequate. Structural changes are needed, changes which will enable us to shape an energy economy which serves the common good.

We have had no national energy policy in the past because as long as petroleum was cheap and seemingly superabundant, there did not seem to be a need for one. We called our policy a "free market" policy, but in fact it consisted largely of oil industry free-wheeling dedicated to the proposition that what was good for the oil companies was good for the country.

This policy is a disaster for consumers in a time of shortages. It jacks up all prices and enlarges the unbridled power of those who control our petroleum. The real energy crisis we face today is not—as some oil industry spokesmen would have us believe—a short term crisis of production: even if herculean efforts are made, our lives in the next decade will be dominated by energy shortages. The crisis centers on conservation, the rapid development of sound alternate energy sources, and actions to break the iron grip a few large oil companies have had on our energy system.

#### POLICY GUIDELINES

Action to implement this new national energy policy should be guided by eight broad concepts:

(a) awareness that we live on a planet where energy resources are scarce, not abundant, that we must use them with a high degree of efficiency and conserve energy wherever possible.

(b) the premise that whatever energy is available should be allocated to assure everyone enough for basic necessities at fair prices

and according to priorities that protect jobs and promote economic health.

(c) the idea that all laws and regulations should be reformed to penalize waste and encourage energy thrift;

(d) an understanding that environmental protection must be a major objective of any national energy policy;

(e) the belief that we should take steps now to reduce our dependence on unreliable sources of imported oil;

(f) a steadfast commitment to support whatever level of research and development is needed to give this country stable, adequate energy supplies for the long haul;

(g) a bias for open energy industries which compete aggressively for markets in all sectors of our energy economy; and

(h) a recognition that it is the job of government to set policies and priorities that will reorient the energy future of this country.

#### STRUCTURAL CHANGES IN THE U.S. ENERGY SYSTEM

As stated, the framework of a national energy policy will involve fundamental changes in our systems of supply and distribution. Reforms, like the pieces of a puzzle, must fit together in a unified whole. My plan takes the form of six interrelated proposals.

##### PROPOSAL I: BREAKING UP THE ENERGY CONGLOMERATES

By any reasonable criteria of what constitutes a concentrated industry—high prices, inefficiency, lack of innovation and exploration, bloated profits and the power to control and direct the economy—the energy industry qualifies; and is in clear violation of the intent of the anti-trust laws.

The problem as now defined is not one of restraint of trade—but a naked question of who will determine America's energy future.

The time has come to restructure the oil industry and eliminate those features which stifle competition. This must be done by legislation; there is too much at stake to wait for conventional anti-trust proceedings.

Legislation should be enacted which would break up the energy conglomerates. It should fix reasonable deadlines for divestiture and prohibit any corporation from engaging in more than one phase of the petroleum business. Once this restructuring is consummated, separate companies would a) explore and produce petroleum, b) transport it, c) refine it, and, d) market it at retail.

Such legislation should also prohibit the multiple ownership of competing energy resources. Already four coal companies owned by Big Oil account for 35% of domestic coal output. In addition, oil companies control over 30% of the nation's privately-held coal reserves, and 50% of the uranium reserves.

Major oil companies which have become energy conglomerates are stifling the very competition needed to eliminate energy shortages.

The trend towards horizontal integration points to the further need for price controls on all domestic fuels until such time as divestiture is achieved and competition is injected into the energy market. For in the absence of controls, the energy conglomerates are pushing the price of all fuels—oil, gas and coal—up to the OPEC level.

This real danger is dramatized by what is now happening in the coal industry. Under the combined pressures of short supplies and increasing horizontal integration of the energy industry, coal prices are rising towards the artificially high price level of OPEC oil. Even independent coal companies, riding this trend for all it is worth, are now reporting windfall profits. For example, two independent coal companies recently reported annual profit increases of 669% and 340%. This policy of inflated, OPEC-level prices for all fossil fuels, would institutionalize inflation and make a return to economic vitality vastly more difficult.

##### PROPOSAL II: THE MANAGEMENT OF OIL IMPORTS

The government must also take immediate steps to reduce America's dependence on unreliable sources of imported oil.

To achieve this, legislation should be enacted to accomplish the following:

a) The control over the importation of oil should be taken out of the hands of the multi-national companies and placed in the hands of the government. This should be done by reinstating a system of quotas under which a federal agency would determine the amount of oil imported in order to reduce gradually our reliance on imports over the next decade.

Import quotas adjusted quarterly, would insure that all reductions in energy use come out of imports, rather than from reduced domestic production, as has been the case in the past year.

b) Once the control over oil imports is vested in the government, a bidding procedure and/or other appropriate negotiating techniques should be instituted which would give the government the final say over the source and price of all such imports.

In the 1960's our previous oil import quota program was administered under a "preference" which favored Western Hemisphere sources of supply (i.e. Venezuela and Canada). The new quota program should contain a "reliable sources" preference which would enable the U.S. to reduce—and ultimately eliminate—imports from the countries which embargoed us in 1973-74 and tie our future supply sources to such nations as Venezuela, Nigeria, Iran, Indonesia and Canada.

It is also urgent for the U.S. to start now to create a national oil stockpile of one billion barrels, including a 300 million barrel military stockpile. The purchase of this reserve should be rapidly escalated once the world price of oil falls to reasonable levels.

The paramount need of all the oil consuming nations is the lowering of oil prices. Because our self-sufficiency is greater, the U.S. should lead the effort to achieve this objective. We can do this by keeping price controls on supplies of domestic oil and gas, by instituting rigorous programs of energy conservation, by giving industry incentives to switch from petroleum to coal—and by other steps which will keep steady pressures on the oil cartel.

One step we should not take is to attempt to negotiate an international floor price for oil. Secretary Kissinger's proposal to commit the U.S. and the other oil importing nations to such a price is totally inexplicable. If we institute import quotas, adjustable on a quarterly basis, prospective domestic investors in energy resources need fear no loss of market from foreign oil at any price. At first glance, there is a kernel of economic sense in the Kissinger plan, but on further analysis, it blossoms into an absurdity. Whether we are talking about tertiary recovery methods for oil, expensive off-shore development of gas, or the highly capital intensive requirements of new synthetic fuels, all can be subsidized directly by the government without extending that subsidy indirectly to the OPEC cartel.

##### PROPOSAL III: THE MANAGEMENT OF U.S. RESOURCES

A third structural reform should be the creation by Congress of a new public agency with well-defined powers to manage our publicly owned energy resources.

Our privately owned resources are rapidly depleting. The great bulk of the remaining undeveloped fossil fuel resources of this country are in public ownership. It has been estimated that close to 70% of our undeveloped oil and gas resources lie under public lands, and that at least half of our mineable coal and over 85% of our oil shale are likewise owned by all the American people.

The time has come for the federal government to play a larger role in the management of our energy future. We can no longer afford to leave our lives and vital economic interests to the mercies of an oil cartel and a handful of giant corporations that have forfeited the trust of U.S. citizens.

This important agency (which might be called The National Authority for Energy Management) should be chartered and given

the power to play a catalyst role in the development of the nation's publicly-owned fossil fuel resources. It should be empowered:

1) to carry out the initial exploratory drilling on the remaining offshore frontier areas on the continental shelves of the Atlantic and Pacific oceans;

2) to develop sufficient producing oil and gas wells on public lands to provide a yardstick on production costs against which the performance of private companies could be measured;

3) to be the steward of the resources of all Naval Petroleum Reserves, and have the exclusive responsibility to inventory the petroleum resources within National Wildlife Refuges prior to any decisions concerning the actual development of such resources.

4) to be the manager of the U.S. petroleum stockpile.

To propose the creation of this authority, is not to propose the nationalization of the U.S. oil industry. To the contrary, such an agency will provide a cutting edge that will sharpen competition in the domestic industry.

Finally, government must take a more active part in the development of new energy resources: solar, geothermal, fuel cells, and a whole variety of energy conservation technologies. Under authority already vested in the Energy Research and Development Administration, joint government-industry corporations should be set up to insure that new technologies are promptly introduced into the marketplace.

#### PROPOSAL IV: A NEW APPROACH TO NATURAL GAS REGULATION

Of all the near term energy shortages we face, the prospect of a serious natural gas shortage is the most ominous. For example, some experts are forecasting a 40% drop in gas availability for the North Central states by 1980. The natural gas industry has rightly been a regulated monopoly since its inception. But with the President dangling prospects of taking the lid off prices, it is not surprising that very little new gas is coming to market.

With the current shortage in the sky-high price of alternatives, decontrol of natural gas prices would be a multi-billion giveaway to the Big Oil companies who also monopolize gas production. Congress must act to end the uncertainty over the future of the natural gas industry.

The new legislation being developed by the Senate Commerce Committee is a step in the right direction. It will permit somewhat high prices for new gas discoveries to reflect higher costs, together with end-use controls phasing out the wasteful burning of natural gas as boiler fuel. This legislation will elicit all the gas that can be economically found and still protect the consumer against price-gouging.

We must remember that the fundamental answer to the natural gas shortage is to switch America's industrial boilers to coal as rapidly as possible in conformity with suitable environmental safeguards.

In the meantime, it is crucial that the Federal Power Commission make a decision that the gas from the Prudhoe Bay Field in Arctic Alaska be brought down the Mackenzie River Valley to replenish the dwindling supplies of the north central states. Canada will benefit as well as the U.S.

#### PROPOSAL V: LONG-TERM DIRECTIONS FOR THE COAL INDUSTRY

With the decline of our petroleum reserves, coal must once again become a key factor in our energy economy. The recent controversy over strip mining has temporarily clouded the outlook for coal, but now that new ground rules are about to be written into law, I am confident the coal industry will respond to the challenge.

Unfortunately, in recent years, the promise of widely expanded development of western coal has been overstated while the problems have been woefully underestimated. The Ford administration and one segment of the coal industry have pushed for headlong stripmining of western coal, despite its relatively low

quality and the high cost of transporting it to the industrial states. Moreover, as long as the vast tracts of western coal are controlled largely by oil, railroads, and big mining concerns, there is little room for competition from the independent coal producers who have long played an important role in the eastern coalfields. And too many states have competed for the jobs that come with stripmining by ignoring the environmental and social devastation that also accompanies it. Likewise, the Administration has closed its eyes to these matters in buying the strip-at-any-cost philosophy of the big coal producers.

Congress, however, has risen to the challenge. The balanced bill that will soon be on the President's desk will set fair national ground rules for coal development. This legislation has said to the coal companies, "Strip if you will, but not by permanently destroying the western way of life, not by poisoning the streams and groundwater as you have in the East, not by leaving productive farm and range lands desolate for centuries." We have tried to assure that any shift in production from eastern to western coal, from deep mined to stripmined coal, will not leave us with ghost towns in the East and ill-planned boom towns in the West.

In addition, the comeback of coal must be tied to a planned renaissance for American railroads. Nothing can do more to promote energy conservation than the rebuilding of our most efficient means of transportation. Coal cannot play the much larger role that it clearly must unless the government gives an immediate high priority to railroad rehabilitation.

#### PROPOSAL VI: AN OBJECTIVE ASSESSMENT OF NUCLEAR POWER

There is probably no area of energy policy more fraught with emotion, uncertainty, and dubious information from both proponents and opponents than nuclear power generation. On the one hand, utilities advertise that a nuclear power plant is "no more dangerous than a chocolate factory", and at the same time we hear prophesies of doom from informed nuclear opponents.

We need to know the real risks and benefits of nuclear power plants: what the short-and-long-range costs are, what the most reliable and economical technologies are. Beginning next week and continuing throughout the year, the Subcommittee on Energy and the Environment, which I chair, will take a leading role in promoting a national dialogue on nuclear energy. For the first time, both sides of the nuclear debate will get a fair hearing in a neutral forum. We will undertake a comprehensive analysis of the hard technical data to present in comprehensible form all that is known about nuclear safety, and to pinpoint the unanswered questions.

Only with this kind of solid background, so lacking in the hyperbolic claims which have dominated the nuclear debate, can we make a rational, informed decision on how far and how fast the nation can afford to go.

#### TRANSPORTATION REFORMS AND ENERGY EFFICIENCY

Personal mobility has been the most conspicuous boon of the cheap energy era. But we have paid a frightful price for the psychic and economic benefits of this freedom in the form of congestion, pollution, atrophied inner cities, and the disappearance of the neighborhood as a functioning social unit. We have permitted, even encouraged, the decline of public transportation by unneeded highways and inadequate financial support, so that even today, in the throes of an energy and economic crisis, we pour nearly three times as much federal money into highways as into all mass transit modes. We have the means to reverse these trends. We can replace our entire auto fleet in six or seven years if we make it a national goal to do so. If we convert our automotive fleet to vehicles which will get double the miles-per-gallon as today's dinosaurs, by 1981 (even assuming we use our cars almost as much as we use them today), the consumption of gasoline can be reduced 50%, or about 3½ million barrels per day.

The way to restore the auto industry to a condition of health is to build small cars that will stretch our existing oil and reduce our dependence on imported sources of supply. By gradual steps, if our automakers manufacture more buses and new kinds of public vehicles and provide more and better hardware for the new modes of public transportation, the whole country will be more efficient and more prosperous.

#### CONSERVATION, JOBS AND THE FUTURE

In the past eighteen months, we have learned much about the benefits and bonuses offered by a national strategy of conservation. Industries which have eliminated energy waste have improved their profits and made the jobs of their employees more secure, just as the practice of energy thrift has enabled families to make significant savings in their budgets. The fewer billions we spend on OPEC oil, the more billions we will have to spend on products and projects that benefit everyone in this country.

A well-designed energy conservation program will strengthen our economy in the years ahead. If the U.S. is a lean and efficient country, it will be stronger socially and economically. Conservation will mean shifts in patterns of investments and industrial growth—but will not mean reductions in employment.

To appreciate this prediction, it must be recognized first that the energy industry, while capital intensive, provides relatively few jobs. Today the energy industry accounts for nearly 10% of GNP but provides only 3% of American jobs. Dollars spent on energy generate fewer jobs than dollars spent elsewhere in the economy. To be more precise, it requires an investment of about \$150,000 to provide for one permanent job in the energy industry, whereas only \$22,000 is required in general manufacturing.

So whenever we substitute better workmanship, more efficient machines or more carefully designed systems for wasteful energy use, we not only employ more people in implementing the conservation program itself, we also employ more workers when we spend the released dollars that no longer must be invested in producing energy.

While broad economic projections are always uncertain, the results of a pioneer University of Illinois study which attempted to calculate the energy and jobs consequences of diverting \$5 billion from the highway construction program in to other sectors, are instructive about the effects of various priorities. If the \$5 billion were diverted to railroad and mass transit construction, the study calculates there would be a net saving of 61% in energy and a net gain of 3% in jobs. If the money were put into water and waste treatment facilities construction there would be a 41% reduction in energy use and a very small—around 1%—increase in jobs. If the money were spent on the construction of education facilities, there would be a 36% decrease in energy use and a 5% increase in

jobs. If the same sum were to be spent on national health insurance, there would be a 64% reduction in energy required and a huge 65% increase in jobs. If spent on improving the police and criminal justice systems, the \$5 billion would mean a 3% loss of energy, but again, a huge 53% increase in jobs. And finally, if you took the \$5 billion away from the government completely and gave it back to the people through tax reductions, there would be a 23% decrease in energy use and a 7% increase in jobs.

These predictions may not prove to be absolutely accurate, but the general trends are undeniably clear. Tens of thousands of new jobs can be created if we use our wealth and technology creatively. For example, Governor Milton Shapp of Pennsylvania has developed a plan—recently endorsed by other Eastern Governors—to rehabilitate the nation's railroads by investing \$2 billion to \$3 billion annually in restoring roadbeds and new rails and rolling stock. Shapp's studies show that such a program would create over 400,000 new jobs. Other areas where energy efficiency and economic revitalization could go hand in hand are:

Building more subways and modernizing mass transportation in all of our cities;

Providing the machines and incentives to bring to birth new resource recycling industries in all parts of the country;

Giving an impetus to urban housing improvement programs which will make our cities more compact, more efficient, and more livable.

These are but some of the neglected areas of our national life where we can generate jobs that will utilize the full potential of America. These activities will require energy, but they will represent a rejection of the idea that we can work our way back to prosperity by building more gas guzzling cars, more energy-wasting glass houses, and more and more junky, resource-wasting products.

U.S. energy use soared in the past twenty years not because of need, but because energy was seemingly so cheap and so abundant. But now our wasteful economy is in serious trouble. The solution lies in learning to get to work, keep warm, and to run factories with less energy per unit of service. That clearly can be done and is being done. If we do this, the energy required per dollar of GNP will also go down—and the money saved can create thousands of new jobs. Once the full genius of U.S. know-how is brought to bear on the problems of energy efficiency, a stronger and sounder economic system will be created.

One thing is certain. The worst mistake any society can make in a time of rapid change is to stand pat. Each month we continue energy consumption as usual, we are forfeiting valuable options. If we are willing to make some hard decisions now—and begin stretching our oil resources now—we can save tomorrow's jobs and share our remaining petroleum resources with future generations as well.

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### CONGRESSMAN UDALL SPEAKS OUT ON GEORGE WALLACE AND THE POLITICS OF NEGATIVISM

#### HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Mr. VAN DEERLIN. Mr. Speaker, our colleague, Mo UDALL, today is addressing the 37th annual convention of the Communications Workers of America, in my home city of San Diego.

Mr. UDALL is always worth listening to, but I believe his remarks on "The Politics of Negativism," which he has prepared for delivery to the CWA, are especially pertinent. I am taking this opportunity to share it with our colleagues and other interested persons.

Incidentally, the CWA meeting has drawn more than 1,800 delegates and alternates to San Diego. The convention is now in its fourth day, and I understand it is one of the most successful in the long and illustrious history of this union.

The text of Congressman UDALL'S speech follows:

THE POLITICS OF NEGATIVISM AND 1976  
(Remarks by Representative MORRIS K. UDALL)

There are many critical questions before the nation as we advance toward the 1976 presidential election. But none is more crucial or more basic than whether we as a people still believe in the possibility of a better future.

In a very real sense, this is the issue underlying the debates over policy and strategy in economics, in energy, and in disputes over political power. The dominant force today, as we see in the newspapers every morning and hear on television each evening, is the politics of negativism. The stalemate in Washington and the confusion in the ranks of both our political parties are founded on fear of change, on fear of making the tough, responsible decisions that would turn this country around.

The politics of negativism comes in two packages. The old, familiar, established brand of traditional right-wing big-business politics carries the label of Ronald Reagan, replacing older brand-names like Hoover and Taft and Goldwater. Inside, the product is the same—a mixture of fat profits, big tax loopholes, high unemployment, low wages and minimal social service. It is trickled-down, traditional economics wrapped in the rhetoric of competition that rarely exists in the basic industries of our country.

The other kind of negativism rests more on an individual than on an ideology. This is the George Wallace brand—a gaudy label, promoted by catchy slogans that touch every raw nerve of fear and resentment. And inside this package there is nothing. It is know-nothingism, pure and simple.

RULE BY VETO

These shoddy goods today control the political marketplace. The President, who came

to office pledging an end to divisive, inflexible confrontation, now rules by veto—by rejection instead of by reconciliation—to appease the most reactionary elements in his party. And a handful of Democrats, betraying the mandate we received last year, cowering in fear of the Wallace brand of negativism, are able to block all efforts to move forward in spite of the President's intransigence.

We have a de facto policy of business as usual, and it's based on an assumption that things are basically acceptable as they are. A goal of 7 or 8 percent unemployment for the next decade is acceptable. The destruction of 2 million acres of our best farmland through strip mining and unplanned growth each year is acceptable. The inability of millions of Americans to see a doctor or a dentist, or to get a balanced diet, is acceptable.

These things are acceptable to the far right because they mean high profits and low wages. They are acceptable to George Wallace because they fuel the kind of resentment on which his brand of negativism feeds.

Well these things aren't acceptable to me, and I know that you won't accept them, and I don't think that in 1976 the American people will accept them. We won't accept these policies, and we won't accept leaders like George Wallace who have done nothing to change these policies throughout their public lives.

The stage for confronting the Reagan-Ford brand of negativism will come in the fall of 1976 in the general election campaign. The more immediate question for the Democratic party—and for the working people who are the backbone of our party—is to deal with the negative politics of George Wallace.

A DEMOCRAT BY CONVENIENCE

It is time for the leadership of our party to summon up the courage to do what is both morally right and politically necessary. George Wallace is a Democrat by convenience. We owe no loyalty to a man who has turned his back on the candidates of our party for three elections in a row. We must no longer kow-tow to the bullying tactics of a rule-or-ruin politician.

So I want to restate, as simply and as straightforwardly as I can, what I have been saying for several months throughout this country in my quest for the Democratic Presidential nomination:

I would not serve on any ticket that included George Wallace.

I could not support a ticket on which George Wallace was a candidate.

I will not make any deals with George Wallace to win the support of his followers.

And I will not run with or support any candidate who attempts to make such a deal.

I say these things, not out of personal animosity, but because I have examined George Wallace's public pronouncements and his public record, and I am convinced that he is not qualified to lead our country in these perilous times.

The politics of negativism feed on allegation, anger, confusion and frustration—emotions we all feel ourselves and see in our people. Indeed, one of the things I've learned in my travels of the past year is that Washington doesn't know just how out of touch with the American people it really is. Every public institution in the country has fallen from grace. We have been beset by:

A war that outraged both those who preached American military invulnerability and those concerned with our moral credentials;

The frustration of finding that eliminating overt segregation was not enough to bring racial harmony, and that bigotry does not stop at the Mason-Dixon Line;

The realization that promising a great society could raise expectations faster than it improved our way of life, and the failure of the rhetoric of law and order and a "new federalism" to cure the problems of our cities;

A government that not only lied to us, but spied on us and equated disagreement with treason;

The cataclysmic discovery that the basis of our unequalled riches—cheap and plentiful energy resources—is gone, perhaps forever, and our current leaders lack the wisdom and imagination to help the American people adjust to a new way of life.

#### THE WORLD REALITIES

And all of these new, sadder perceptions of America come against the backdrop of a world beset by the realities of overpopulation, underproduction, chronic famine and the proliferation of nuclear arms. The global myths of the last generation—that America could do no wrong, that our enemy was a monolithic group of Communist plotters attacking us on every front, that the genuine national aspirations of third world countries were only a minor element in the world power equation—have been proven faulty, and there are no simple slogans or formulas to replace them. So it is no wonder that there is confusion in every corner of this society—confusion and anger.

By their failure to grasp the real breadth and depth of this anger, our leaders in both parties have let develop a situation in which dangerous, negative political movements may flourish. And too many of the answers we hear—the "Southern alternatives," the "respectable alternatives," the favorite sons—are just a variation on the politics of negativism. They all work on a premise that I don't believe: that the negative politics of George Wallace can only be fought with another kind of negativism. Those strategies assume that the Governor's support is indissoluble, and that we must write off his voters and build a bigger bloc out of what's left.

In 1952, Adlai Stevenson said, "Let's talk sense to the American people. Let's tell them the truth, that there are no gains without pains, that we are on the eve of great decisions, not easy decisions."

I am convinced that the way to unite the country, win the Democratic nomination, and the Presidency, is to tackle the gut economic and social and international issues head-on, to show people your record, and to challenge the apostles of division to do the same.

In the case of George Wallace, we all know what he's against. We've heard his speech—the same speech he gave in 1964 and 1968 and 1972—and we know how effective he is at finding the raw nerves of fear and confusion.

He's against pointy-headed professors, and bureaucrats with peanut butter sandwiches in their briefcases. He's against godless conspiracies and long hair and sandals and welfare bums and all the other straw men.

And his potshots also hit some real villains: For one, a tax system that often appears to be more loophole than law, more benefits for the rich than the poor. And the intellectual elite of this nation, which has made many important contributions to public policy, also gave us the *General Education*. The school bus has not proved to be the only means of the best way of transporting racial segregation or quality education. The *General Education* experiments of the last three decades have

succeeded, and more than a few have produced negative social by-products at least as serious as the disease they tried to cure. The structures of government have in many cases grown too big, too remote, and too expensive. The process of decision-making too often has left the ordinary citizen out.

But, again quoting Adlai Stevenson, "Intemperate criticism is not a policy for the nation; denunciation is not a program for our salvation . . . what counts now is not what we are against, but what we are for. Who leads us is less important than what leads us . . . What America needs and wants and what the world wants is not bombast, abuse and double talk, but a sober message of firm faith and confidence."

What we are selecting in 1976 is not a protest leader but a President. We are seeking a national leader who can reunite a bitterly divided nation, confront it forthrightly with the realities of the present and future, and draw upon the well-spring of idealism, energy and hope that has made this nation great in the past to make it great again.

#### MAJOR CHAPTERS ENDED

There are historical imperatives at work in the nation and world today that demand mature and perceptive leaders who can harness their forces for the betterment of all of us.

We stand at the end of three major chapters in America's life, chapters which have dominated our public life for a generation. The "revealed truths" of Cold War, of a monolithic West and a monolithic East battling toe-to-toe to control the destiny of mankind, were proven in the jungles of Southeast Asia to be myths. All our money and all our military power could not turn a dictatorship into a democracy, and could not stem the rising tide of nationalism which far more than "capitalism" or "communism" is the dominant political and economic force in the underdeveloped world. That same force is emerging as pre-eminent on both sides of the Iron Curtain, on both sides of the Bamboo Curtain and in the Middle East.

The verities of the Imperial Presidency, the notions that Presidents are infallible and have a monopoly on facts and judgment, have also been shown to be hollow myths. They were exploded in the era of Vietnam and by a black night watchman, a handful of laymen on a grand jury, old Yankees named Cox and Richardson, and immigrants' sons named Sirica, Jaworski and Rodino. We have been reminded that our Constitution and laws mean more than any one man, and that consent of the governed is not a blank check but a credit card, subject to revocation for abuse.

And the myths of cheap and abundant resources, of an American economy that could maintain exponential growth forever, could withstand ever increasing demands on limited non-renewable resources. That era of unlimited expansion was fun—I wish we could do it over again—but it is gone, and our lives, employment patterns, careers and communities in the next generation will be dominated by our adaptation to a new era in economics and in resource management.

Against a background of such basic changes, a politics of blind protest, of shrill and unconstructive criticism that offers no answers, is an insult to our people.

So if George Wallace thinks he should be President, if he wants to be treated as the legitimate Democratic aspirant he claims to be, if he's really against political double-talk and double standards, let him get out with the other candidates and talk about *these* problems. It's time for George Wallace to come out into the open and tell the American people what he is for.

I don't mean the chauvinism and jingoism, the apple pie and American flag talk—he's got that in his speech, too. If he wants to lead this nation, let him tell us how he will seek to make right what is wrong.

#### NEED FOR REAL ANSWERS

With 10 million people out of work, it's time to stop this pointless, counterproductive debate over who should be laid off first, and to build the institutional machinery to

assure worthwhile, socially productive employment for every American worker.

Dependent as we are on vast amounts of expensive energy from unreliable sources, we don't need wild, bully-boy talk. We need action to break the wellhead-to-gas pump stranglehold of a handful of multinational oil giants. We need ideas for reducing our energy growth rate to manageable levels, and for finding new ways to tap the power of the sun and earth and wind and tides, without sacrificing our commitment to decent living standards, a liveable environment, and adequate employment for our people.

The answer to segregation and racial division is not to turn back the clock, but to break down these walls by harnessing the good will and creativity of the American people at the local level to work out solutions fitted to the circumstances of each community, and to provide them with the financial resources to assure equal opportunity for all. We must obey and enforce our Constitution, not try to evade or subvert it.

It will take more than attacks on bureaucrats, briefcases and bicycles to stop the waste in government spending and bring control closer to the people. We need to stop the defense establishment's infatuation with complex, exotic, often unreliable new hardware and to concentrate instead on maintaining a lean, tough defensive force. There is no constructive purpose in condemning a welfare system that permits a comparative few to abuse its benefits unless you have a better idea than turning our aged and our destitute into the streets. The real way to deal with this problem is to replace patchwork, cumbersome, inequitable social program with streamlined, automatic devices such as a negative income tax and national health insurance—programs that focus their benefits where they are most needed and provide incentives for individual initiative.

We've seen that the rhetoric of "law 'n' order" doesn't stop crime, but this is one area where money really can make a difference. Not money for more wiretaps and more guns, but money to expand our court system so that it can handle the criminal caseload, and enough money to let us separate the the mentally ill and from those transgressors who present no physical threat to others or to society at large.

#### MORE THAN SABRE-RATTLING

At a time when America and Russia can annihilate each other a dozen times over, we need more than sabre-rattling and rash talk of bombing the world into submission. We need a national leader who can turn detente into a two-way street, who is committed to phasing down this senseless arms race, and who can sort out America's real global interests instead of relying blindly on the demonology of the '50s. We need to hear some positive ideas for increasing American security, promoting human freedoms, and easing world tensions.

George Wallace has pointed out a lot of these problems. Maybe he agrees with some of the approaches to solving them that I've just suggested. But I don't know that, and you don't know that, and neither does anyone else in this country, because in his one and only speech George Wallace doesn't tell us what he would do about the problems that confront Americans in the supermarket and at the gas station, and at tax time, and in their schools and neighborhoods.

I hope he'll tell us, but I'm guessing he can't. When it comes time to stop complaining and start leading, we won't hear much from George Wallace. He reads the polls, and surely he must figure that he's got a pretty good thing going, and he's not about to mess it up with anything so chancy as a positive idea.

But the American people are going to see through his game. They'll see through it because if he doesn't come out with some ideas, if he doesn't let us know what kind of future he imagines and what he would do to achieve it, they will start looking at the record behind his speech, and they will see a

record of failure to the nation and to his state. 10753

There is no more telling judgment to be made about a man's leadership capacity than how he responds at a time of crisis. And there is no more telling judgment to be made about George Wallace than to compare his performance with that of other leaders in time of crisis.

In the midst of the great Depression, when Franklin Roosevelt could have attacked the banks and the bankers, industry, labor, the international market and a hundred other potential villains for the troubles that then beset American society, he found the wisdom to call forth the best in America and to attack the one villain all Americans had in common. If we remember nothing else about FDR, we still remember, "The only thing we have to fear, is fear itself."

At a similar point in George Wallace's career, in the early 1960s when demonstrations against segregation were erupting into violence in the streets of every major southern city, when the nation was torn by racial dissension and was looking for leadership to bring about peaceful integration, when the moral conscience of America was displayed for all the world to see—where was George Wallace? He was in the schoolhouse door, blocking the integration of Alabama schools. He was on the podium of the state capitol proclaiming "Segregation now, segregation forever." And he was on the radio praising, not the cool, non-violent discipline of his fellow southerners both black and white demonstrating in Montgomery, but the police forces of Bull Connor for their use of clubs, police dogs, firehoses and electrified cattle prods to beat and frighten the demonstrators into temporary submission.

#### THE BOLT THAT ELECTED NIXON

In 1968, when the war in Vietnam had so deeply wounded the American nation, when the character of our leadership was being impugned and the political language became increasingly vituperative and ugly, Lyndon Johnson surrendered his most prized possession, the office of the presidency, rather than risk further national division.

In that same year, after the brutal and bloody national convention, George Wallace chose to bolt the Democratic party, to form a third party that put Richard Nixon in the White House, and to bring to his ticket and to his own advocacy a man whose solution for the war in Vietnam and the national crisis of morality was to bomb North Vietnam back into the Stone Age.

In 1962, at the end of the Cuban Missile crisis, when the other side had blinked and the missiles were being dismantled in Cuba, John F. Kennedy had won his greatest international policy victory. But because he understood human sensitivities, and saw the need to build bridges, however tentative, with the Soviet Union, he forbade anyone in his Administration from speaking of the crisis as an American "victory."

In 1975, George Wallace still preaches the gospel of nuclear confrontation, and questions whether it is useful or desirable to bring an end to the Cold War, whether a live-and-let-live relationship with the Soviet Union is worthwhile for America.

And it is not only in times of crisis that Governor Wallace has been tried and found wanting. He has been governor of Alabama, in law or in fact, for 11 of the last 13 years, and while he has used the platform of his office to propel himself onto the national political stage, he has failed to use the power of that office to better the lot of the people of Alabama.

There have been times in American history when great leaders have stood up to protest against injustices. Martin Luther King, Bayard Rustin, Norman Thomas, John L. Lewis, Walter Reuther and Martin Luther King all rose to prominence by protesting against injustice. But these leaders were not content to stir their followers against other Americans who were oppressing them. They are remembered above all for concrete programs and policies designed to improve the lot of ordinary people—and to make America a better country.

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Against this standard, the self-proclaimed populism of George Wallace is a hollow sham. He talks of the problems of the people in Michigan and California and Massachusetts, but he does nothing to solve the problems of the people of Alabama.

#### QUESTIONS FOR WALLACE

Can we take George Wallace seriously as a friend of working people when Alabama has no minimum wage, and ranks 47th in the nation in per capita income, when Alabama's educational system, as measured by expenditures and by its students' performance on intelligence tests, is the worst in the nation, when Alabama ranks near the bottom of the nation in medical services and infant survivability?

Can we take George Wallace seriously as a relentless crime fighter when in the last decade crime in Alabama's capital city has increased 84 per cent, fully 23 per cent more than in Washington, D. C., and when state-wide crime went up 93 per cent?

Can we take George Wallace seriously when he attempts to portray himself as the leader of the discontented people of the nation when for 13 years he has failed to satisfy the legitimate needs of the discontented people of Alabama?

Can we take George Wallace seriously as a tax-reforming populist when for 13 years he has raised the sales tax, doubled the state debt and done nothing to reform one of the most regressive tax systems in the nation?

Can we take George Wallace seriously as the champion of the little man when he defends the major oil companies, the oil depletion allowance and the overblown defense establishment and chooses to attack the poor and helpless on welfare?

Can we take George Wallace's attack on bigness seriously, when he chooses to go to court to fight for the interests of wealthy private and corporate landowners against a federal court decision saying the rich received unfair benefits under Alabama's property tax?

Can we, in the post-Watergate era, take George Wallace seriously as a person of candor and integrity, when he refuses to reveal his campaign income and expenditures in his past campaigns?

Can we take George Wallace seriously as a reformed segregationist—a man of all the people—when he attacks school busing but offers no alternative way to achieve racial integration or quality education or when he fights a court order directing him to integrate the Alabama State Police?

Can we take George Wallace seriously as a critic of American society when he attacks the Ku Klux Klan, not as a dangerous and pernicious force within our midst, but because it produced such liberals as the late and great Justice Hugo Black?

Can we take George Wallace seriously as a political leader when all he offers the nation is criticism and what he fails to offer the nation is positive remedies?

Yet, we as a nation must take George Wallace seriously, not as a leader of people, not as a potential President, but as a force who is tearing down the bridges of trust and understanding which have made this country the most successful democracy in the world for almost two hundred years.

There are wrongs that must be righted in the America of the 1970s and '80s—and any politician who ignores these inequities should go down to a resounding defeat. But I submit that the politics of negativism offers no solution to these wrongs.

#### ROLE OF NEW YOUNG LEADERS

We can do better. Young, courageous leaders dedicated to the rule of law and to bridging the old and artificial gaps that divide Americans, have shown that progress remains possible.

Here in California, where Ronald Reagan spent eight years scoring points with the right wing by fighting the attempts of farm workers to attain their basic rights as laborers, Jerry Brown came in and got the two sides together and settled the controversy in less than six months.

In Florida, where George Wallace was casting his old race-baiting in the new language of busing, Reuben Askew showed that a politician can earn his people's trust and ease their fears by counseling good will, calm and dedication to carrying out the mandate of the law.

George Wallace's followers are no fools. They are unhappy with the nation's leadership. They are confused by events that the myths of a generation cannot explain or control. They are fearful that another great Depression will wipe out the economic gains they have struggled for. The politics of negativism offers an outlet for these emotions. But seven years ago, when the polls and pundits said that 20 or 25 percent of the people would vote for George Wallace, the Democratic message of hopeful, progressive change cut that support very nearly in half. It will happen again, if Democrats expose the moral and intellectual bankruptcy of the venomous politics of negativism, if we talk sense to the American people. The voters aren't going to rally to the cause of someone named "Not Wallace," but they will respond to a candidate who has a real conception of a better American future, and who demonstrates his ability as FDR did to harness the forces and processes of change for a different, more hopeful way of life.

We cannot simply duplicate the slogans and formulas of the past. Different times and different problems demand different solutions. But if we cannot offer another New Deal, we can pledge ourselves to deal openly and honestly with the challenges before us. If we cannot again promise a Great Society, we can commit America's imagination and resourcefulness to create a good and fair and free society.

#### REJECTING NEGATIVISM

Each of us seeking the Democratic nomination must reject the politics of negativism. We must show the people what we are, not just who we are not. And I challenge George Wallace to level with America, to peddle his goods in the free market place of ideas, not the back alley black markets of suspicion and mistrust.

George Wallace presents no idle threat. Far from being the classic underdog—a role which he likes to assign himself—George Wallace is better known, better financed, better publicized than any of the new Democratic candidates.

I have a final, somewhat personal word to say about George Wallace and Morris Udall. We both came from small towns and modest beginnings. Both of us began our public careers in the law—and we both came to major office in 1961. But there the similarity ends.

For on the barren plateau of Arizona I learned the importance of hard work, and the supreme importance of sacrificing one's personal desires for the common good of the community. The way to restore a vital sense of trust and a sense of sharing is by appealing to people's hopes rather than to their fears. This country has been torn apart long enough. The time has come for generosity. The time has come to heal wounds, not to rub salt in them. What we need is not the politics of negativism, but rather a politics of hope and reconciliation. We have had enough of divisive politicians who pit "us" against "them," who believe that aroused anger is a substitute for reform.

In the coming months and years, the American people will inevitably be called upon to make sacrifices to insure that the essential values of our society survive our freedom and our opportunity to pursue secure and meaningful lives. I believe the American people are willing to make those sacrifices. I want to hear the truth to work together to find a place for its citizens to be proud of.

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of America

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## House of Representatives

### CONGRESSMAN MO UDALL CALLS FOR PROTECTION OF COMPETITION IN AMERICAN ECONOMIC LIFE

**HON. ROBERT W. KASTENMEIER**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Mr. KASTENMEIER. Mr. Speaker, our colleague, Mo UDALL of Arizona, recently addressed the American Bar Association Conference of Bar Presidents on the evils of economic concentration in American industry and the heavy cost caused to society and the free enterprise system by the absence of vigorous competition in the business community.

In his speech, Mo UDALL set forth a progressive program to cope with the dangers of economic concentration. He proposed the creation of a congressionally authorized commission to analyze the performances of a number of key American industries to determine whether Government should be taken to assure productivity, efficiency and competition. In addition, he called for other reforms, such as strengthening the enforcement of antitrust laws by the Justice Department and the FTC, the possible breaking up of food and energy conglomerates and the abolishment of the ICC.

Mr. Speaker, Mo UDALL has presented a significant plan to prevent a few behemoths of industry from dominating the economic life of our Nation. I commend to the attention of our colleagues his remarks to the Chicago conference of ABA Bar Presidents on February 21:

#### THE FUTURE OF ANTI-TRUST

(By Representative MORRIS K. UDALL)

Our economy is in deep trouble. We are in the worst recession since the '30's and things aren't going to get any better for a while. We are suffering from inflation and rising unemployment at the same time—a combination economists used to think impossible.

We face shortages of raw materials. We face really serious environmental problems. We face sagging productivity.

These difficulties are serious, but they are not fatal.

What can be fatal is our continued reluctance to face the issue squarely—to admit that the economy has fundamental problems and that it needs fundamental solutions.

Instead, what we are getting is blind flailing. Last year the President told us we were going to whip inflation and passed out WIN buttons. This year he proposes energy taxes so heavy and so broad that the price of absolutely everything will go up. Maybe he'll soften the blow by passing out LOSE buttons. I believe that our economy is basically strong. It can provide jobs and a decent standard of living to all Americans.

But it will do so only if we have the vision to look at the long-range problems, and the courage to undertake the necessary reforms.

We Americans pride ourselves on having a free enterprise system in which producers compete freely for the consumer's dollar. We believe that through vigorous competition this kind of system stimulates innovation and discovery, promotes efficiency and best distributes resources to serve consumer desires.

I agree with that philosophy. I believe in free enterprise. But I am afraid that there is a wide gap between the philosophy we preach and the business we practice, for the vigorous competition on which our system is based has disappeared from broad sectors of the economy.

We have 400,000 manufacturing firms in this country, but a mere 200 control two-thirds of all their assets. Industry after industry is dominated by a handful of giant companies. Whether the concentration takes the form of monopoly or oligopoly, the result is the same. Competition is stifled, and the foundations of the free enterprise system are undercut.

We all know the cost. We see it in lack of innovation, in inefficiency, and in higher prices. And we see it in the loss of markets to foreign competitors and in the inevitable government intervention and regulation.

Let's look at a few examples.

With four firms controlling nearly half the market, price competition has always been sluggish in the steel business. Each company

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knows that if it cuts prices the others will match it, and nothing will be gained, and that if it alone raises prices, it will lose its shirt. So in steel we have follow-the-leader pricing. Not a conspiracy—but the effect can be the same.

Moreover, lack of competition has led to sluggishness in the industry. The basic oxygen process—the most important technological breakthrough in this century—was perfected by an Austrian company in 1950. Why, then, did it take American companies a decade or more to make the switch? Hundreds of millions of dollars were wasted as a result. In fact, even though we have the biggest steel industry in the world, almost all the major advances in the business for the last two decades have come from abroad.

Take an industry of more immediate concern to the consumer: food.

Food prices have gone through the roof—up 35% in the last two years, but Secretary Butz tells us that the amount the farmer gets has barely changed.

The middlemen and the supermarket chains, which collect  $\frac{1}{3}$  of the American food dollar, tell us that higher costs are to blame. What about lack of competition?

In 1968 the National Commission on Food Marketing recognized the anti-competitive effects of excessive concentration in the food industry. Yet, today, three companies sell 82% of our cold breakfast cereal. Four sell 70% of our dairy products, and 80% of our canned goods. And just one sells 90% of the soup in the country.

At the retail level, 2 to 4 chains sell the vast bulk of the food in almost every one of our metropolitan areas.

Last year Safeway's profits went up 51%; DelMonte, 43%; American Can, 52%; and Amstar—which dominates the sugar business—was up 250%.

We know that when companies don't compete on price, they tend to compete on other things—particularly advertising. Food processors and distributors spend over \$4 billion a year on advertising—much of it on new products that no one wants.

The Federal Trade Commission has attempted to estimate the cost of concentration in this industry. In just 13 food lines the FTC estimates that overcharges amount to \$2 billion per year. A yet-to-be-released staff study concludes that if the food oligopolies were broken up, prices would drop by 25%. Now there's a way to whip inflation.

Or, look at automobiles. In 1921 we had 88 firms in this industry. By 1935 there were 10 left, and you know where we are today: the big 3 make 97% of the cars manufactured in the United States. Even counting imports, they control 83% of the sales.

That doesn't just mean high prices—it means limited choice. It took the big 3 years to come up with the small cars—they might never have done so if it hadn't been for increasing competition from abroad.

To a certain extent they also control our future choices, for they control all research into alternative engines, auto safety, and emissions control.

The same big 3 that control the car industry also dominate the production of buses and trains. Last year, GM manufactured more than half our city buses, 90% of the bus engines, and 80% of our rail locomotives.

This kind of control has had disastrous effects on our transportation system. Since a bus or train can carry many more people than a car, GM had every incentive to push

car sales and discourage mass transit.

Testimony to a Senate committee last year indicated that over the years GM bought and tore up electric railway systems in 86 cities throughout the country—including New York, Philadelphia, Baltimore, and Los Angeles. Some riders switched to GM buses—more bought GM cars.

The fact is that the big 3 shape America's ground transport system. And the system they have produced—roads clogged with millions of cars and trucks, pouring out pollution and consuming vast amounts of oil, while mass transit remains virtually non-existent—that system simply won't do.

The Federal Government may have to reorganize the rail and bus equipment industries, building new plants and selling them to private investors if necessary, to increase capacity and promote competition.

The energy industry poses even bigger problems. A few huge corporations dominate the oil and natural gas businesses from the ground to the refinery, and for gasoline, of course, all the way to the pump. While the industry is not statistically very concentrated, it has hardly behaved in a competitive fashion. The oil majors are tied more subtly together through a complex network of overlapping directorates, joint ventures, and product exchange agreements.

We all know about the price rises in the last year. But did you know that in the ten months of 1973 before the Arab boycott and the cartel, the price of refined oil went up 40%?

The major oil companies control most of the supplies of crude oil. That has made it hard for independents to build badly needed new refineries. The main pipelines have been routed for the convenience of the majors, putting the independents at a competitive disadvantage.

The majors commonly engage in joint ventures in exploration and development, making competition with each other unlikely or impossible.

The Trade Commission has alleged in a current suit, that the majors manipulated the prices they charge at each stage of production to freeze out competitors.

The Federal Government is auctioning off vast areas of off-shore land for oil and gas exploration. Unfortunately, the way the system works, the winning bidders have to put out large amounts of cash—as much as \$200 million—for each tract. And they must do so before they know whether they will find any oil. That is too risky and expensive for small companies. So the same big oil companies are buying up most of the oil lands of the future—making the industry even less competitive.

Moreover, the oil majors now have heavy holdings in alternative fuels—natural gas, coal, shale, and nuclear power. The oil majors are now in a position to limit future energy supplies and new energy technologies to maintain their profits.

From automobiles to cigarettes to chewing gum to soap, the story is repeated over and over again—concentration is now a prominent, perhaps a dominant, characteristic of our economy.

Concentration means high prices. That is a burden at any time. It is a burden we simply cannot afford at a time when spiraling inflation threatens both progress and prosperity. Concentration can also mean inefficiency, lack of innovation, and stagnation. That, too, is a burden we cannot afford. With raw materials getting scarcer

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and the environment getting dirtier, the free ride of the last century is over. But we can always afford the kind of growth that comes from efficiency—from the ability to produce more from less, and from the ability to innovate.

We must increase productivity if we are to meet the rising challenge of foreign competition, and if we are to restore economic growth.

Finally, concentration means power. It means too much control over our lives in the hands of corporate executives answerable to neither the public nor the marketplace.

Is concentration the cause? Is it the source of our economic maladies? Of inflation? Of slumping productivity?

In some industries, the answer is clearly yes. But in many cases we just don't know. Simple rules can often be powerful tools for understanding a complex situation, but often they will prove to be inadequate.

That there are two or three companies which share the bulk of the market and make substantial profits, does not necessarily give us the answer we need.

A commitment to a free enterprise system means a commitment to competition; and when there is competition, there are always some who lead the race, and some who win it. Indeed, the opportunity to lead is the incentive we count on to get competitors in the race, and, once in, to encourage them to compete hard, to take risks, to get in front and stay there.

We choose to play the game by not telling each competitor exactly how fast he can and must run, what his style should be or what course to follow. Our free enterprise view has been that each competitor does best and the public benefits the most if we act merely to prevent obstacles and hindrances to their forward motion.

We don't allow those in the lead to put up barriers behind them or to trip those who want to take the lead away. Each competitor must depend on moving forward himself—rather than on slowing down those behind him.

And we prohibit the front runners from agreeing to bunch together to prevent those behind from breaking through their lines. If the front few happen to come together on the track when all are moving forward at top speed, they are within the rules. But not if they do so deliberately.

The trouble, of course, is that it is very hard to tell whether the four steel companies or the three automobile or two bleach companies out in front are still racing, or whether they have all slowed down at the same time to block the others on the field.

But when you see prices and profits going up, and innovation going down, it's not hard to believe that they decided it was easier to coast along together than to compete alone.

And when you look out across the economy and see many races slowing down and the racers in front getting fat and sluggish, it's hard not to conclude that the rules don't work well enough any more.

Our racing rules have always been the anti-trust laws. Enforcement of these laws is the responsibility of both the Federal Trade Commission and the Justice Department.

Both have shown increasing vigor in the last two years, and I hope that trend continues. Their efforts will be aided by new legislation passed in the last session of Congress, which stiffens penalties for price fixing and expanded the Trade Commission's

authority to protect consumers from unfair practices.

We must do more, however. These two agencies need a greatly enlarged staff if they are to adequately meet their responsibilities, and we must seek ways to keep politics out of anti-trust cases—to guarantee that there is no repetition of the ITT case.

Better enforcement will help, but it is not enough. We may have to rewrite the rules.

The Clayton Act prevents anti-competitive mergers regardless of intent. But when a giant grows more gigantic without merger, the only way to attack existing monopolies and prevent new ones is through section 2 of the Sherman Act. That statute makes it unlawful to try to monopolize an industry, but again the issue is usually intent—as inferred from behavior.

As trial lawyers, you can appreciate that analyzing the behavior of a huge corporation to prove its intent is a massive undertaking—often an impossible and generally an unrewarding one. Should intent really be the only touchstone for effecting structural change? I don't think so.

Six years ago the Government charged IBM with monopolizing the computer industry. In the discovery that followed, IBM produced 40 million documents. The anti-trust division of the Justice Department was making little headway with this mountain of paper until it obtained access to the retrieval and data bank system Control Data set up for a parallel civil suit. Control Data apparently spent three million dollars on that system. That compares with the anti-trust divisions' entire yearly budget of \$15 million.

Obviously, the Government cannot police the whole economy this way.

We must recognize that the existing rules are not adequate for the task ahead. We all wish for easy formulas—a list of ten do's and don'ts—you turn the key and presto! economic propriety. That has not worked and I don't think adding a few more such rules will work either.

The answer, I believe, lies in approaching the problem industry-by-industry, determining what ails each critical sector, and prescribing the precise remedy that it requires.

This is not a difficult undertaking if the commitment is there. The number of really critical industries in our country is small—ten, perhaps twenty at the very most, dominate our economic health. First we must look at how each economically crucial industry is performing, considering criteria of efficiency, innovation, price and profit. If it is performing well, then it is of no consequence whether there are two or two hundred competitors in the field.

For those which are not performing well, we analyze the peculiar factors which contribute to the problem and prescribe a set of remedies tailored to the specific conditions. These might take any of several forms: Government subsidies of a new competitor, changes in Government procurement practices, regulation, deconcentration, and many others.

This job can be performed by an ad hoc commission created by the Congress with limited life-span and a clearly defined mandate. Congress then must be prepared to consider and act on the commission's recommendations.

The procedure I have just outlined would be a giant step towards a healthy, competi-

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tive economy—but only a first step. There are several other major changes that would have to be made. Let me touch on some of them briefly.

We have got to ferret out and correct the myriad ways in which the tax code favors big companies over small ones.

The corporate income tax is riddled with concessions, exceptions, loopholes, and just plain give-aways. Except for the first \$25,000 in earnings, corporations are supposed to pay a flat 48% tax. But in 1973, the average for the 143 biggest corporations for which data was available, was less than 24%.

There are many reasons: Export tax subsidies, foreign tax credits, and an investment tax credit based on the size of a company's earnings. Then of course there is the oil depletion allowance, which is based on the amount of oil produced, rather than the number of new holes drilled, and therefore helps the giant firms more than the small wildcatter who shoulders much more of the risk.

These sorts of tax provisions—as well as many others, including the estate tax and various excise taxes—are helping to push the whole economy towards bigness and away from competition.

Yet another source of trouble is the patent system. Originally designed to promote progress by encouraging inventors, today the system frequently allows big companies to get bigger by keeping inventions—often ones that are not properly patentable—out of the hands of their smaller competitors.

That is one of the ways that GE, AT&T and Xerox came to dominate their industries.

Part of the problem is in the Patent Office. The Office has a two and one half year backlog. Its staff is overworked and relies heavily on what applicants allege. Fully 70% of the litigated patents are eventually held invalid. But such challenges are time-consuming, costly, and risky, and few small companies can afford the cost.

The Patent Office should be given the resources it needs to streamline its procedures and improve its investigations. Applications that should be denied, should be denied quickly.

In addition, we should consider shortening the period of patent protection.

And we should look for ways to prevent patent holders from stifling competition by putting greater limits on restrictive licensing.

Anti-competitive policies pervade the Federal Government, but probably the worst culprit of all is the regulatory agencies.

Government policies have protected concentration—not competition—in many of the regulated industries, often they have erected impenetrable barriers to any company which seeks to enter the field with better products or lower prices.

Transportation economists estimate that price fixing and waste allowed by the three regulatory agencies in this field—the CAB, the ICC, and the Maritime Commission—the cost consumers between \$8 and \$16 billion a year.

From its creation, the CAB has restricted competition in the airline industry. It has not approved entry of a new trunk carrier since 1938.

Just last fall it rejected an application by Laker Airways, a private British carrier, to fly regularly scheduled New York to London

flights for \$125 each way—less than half of the present fare.

The CAB does not have jurisdiction over flights within a single State. As a result, there is vigorous competition, for example, on the Los Angeles to San Francisco route. That competition has driven the price down to \$21.

The Washington to Boston flight is only a few miles longer, but is regulated by the CAB. Result?—The fare is \$45—more than double.

That's the good news. Now, for the bad news—the ICC.

This agency divides up the country and allocates each area to just a few trucking firms. In other words, it creates oligopolies.

One ambitious firm—Gateway Transportation—is trying to compete on the route from Pittsburgh to Jacksonville, Florida. Because the ICC has awarded the direct route to someone else, Gateway's truck must make the trip via Cincinnati, Ohio—more than 200 miles out of the way.

The ICC, in fact, is so busy preventing competition in interstate trucking that it forces truckers to travel empty about 40% of the time. Somebody over there still hasn't gotten the message about the energy crisis.

We need to limit the authority of the regulatory agencies—to get them out of the business of regulating competition—when-ever and wherever possible.

We should end the CAB's authority to set fares and restrict routes. I think you would be amazed at how the airlines could discover ways to reduce rates if they had to compete for their business.

As a matter of national policy, we may want to maintain service on low-traffic routes to small cities, and that may require some kind of subsidy, but the savings would far outweigh the cost.

As for the ICC, the time has come to abolish it. The Commission was established in 1880's to prevent price gouging by the monopolistic railroads, but the railroads lost their monopoly when the truck arrived on the scene, and the ICC lost its function. Since then, the ICC has stood firmly and steadfastly—in the way of competition.

I have taken you on just a quick tour of the field—but I hope I have been able to make my case. If we are to strengthen and preserve our economy, we must act. We must get away from the board room concentration of the market. We must replace price fixing with competition to keep prices down, efficiency up, and economic growth possible.

The vitality of competition comes from the desire of business to grow and prosper. There is no villainy in that instinct—it is essential to a vigorous economy.

But when businesses get too successful or too big, they may begin to strangle competition.

Then Government must intervene. It must act as a referee, to limit and redirect growth when it threatens competition. This creative tension between business and government means litigation, which cannot displease you. But it also means an economy able to meet the challenges of the last quarter of the 20th century—an economy which truly serves its true masters—the American people.