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system and make it increasingly unlikely that our children can get a good public education. The situation is tense and we must establish beachheads like City Springs Elementary School and then move to expand them. Anything else involves the cynical use of children as cannon fodder for a meaningless debate.

ADDRESS BY MRS. EVERETT
MCKINLEY DIRKSEN

Mr. TOWER. Mr. President, the participation by our Nation's young people in riots, demonstrations, and displays of violence are a cause of serious concern not only to their parents, but also to citizens interested in the future good health of our country. Mrs. Everett McKinley Dirksen, wife of the late Senate minority leader, recently expressed her sentiments on this situation. I ask unanimous consent that her address to the Capitol Hill Club be printed in the RECORD.

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

ADDRESS BY MRS. EVERETT MCKINLEY DIRKSEN
BEFORE CAPITOL HILL CLUB WOMEN'S
LUNCHEON

Members of the Capitol Hill Club and your guests. When Lou Tower called me in Florida last February and asked if I would say a few words to the Capitol Hill Club in May, I tried to convince her that I felt quite inadequate to present any ideas, now that I am a part of the "silent majority."

I think I almost miss the Senator more in the early evenings than at any other time, because when he came home we'd sit and relax, and would give and take about the events of the day. And from these sessions I felt I could go out and speak with some authority.

I didn't realize until only a few days ago that Lou had not taken me seriously and so here I am with a few ideas of my own. These ideas are on fundamentals and words which I think we are going to have to put back in our vocabulary if we are going to solve the problems of today.

The one word I am going to talk about is "discipline." The dictionary defines it as "training, which corrects, molds, strengthens and perfects." (I wonder if we might even find the little word "obsolete" in the new edition of Webster.) It is awfully important tho that we think of the word "love" when we talk about and exercise discipline. Because while you are attempting to train and mold, there must be love and understanding.

I recall years ago when some of the first schools of free thinking were tried out in Evanston, Illinois. The kindergarten children were not disciplined in any way. They would break up boxes, destroy furniture, throw paints, and it was all put under the term of aggressiveness or freedom of expression. These children have now grown and are still expressing themselves in words and actions but with more authority and more violence. Also they are listening to professors, taking notes and going out and repeating what they have heard. It seems so much easier than to read a history book and try to think a few things out for themselves.

I also quarrel with the mothers and fathers who feel inadequate and who feel they have lost control over their children. They say this is the computer age and the television age and their children know so much more about these things than they do. But parents have background and experience that far outweighs all of this computer age. And this is where the discipline in the home must be exercised.

As I watched the young people descend on Washington the other Saturday I said to my-

self, Where did they get the money to come to Washington? How long are they going to be away from home? And most of all, where are they going to spend the night and with whom? And do their parents know this?

And then I stood in the window of a shop on Connecticut Avenue and watched them come from the Mall up to DuPont Circle. They were dirty. They were unkempt. Not one boy had on anything above his waist. I thought "Where is their sense of pride. They can't all be from broken homes or from the streets. Weren't they taught any of the decencies at home?" Didn't you have to scrape your feet before you came into the house and didn't you have to wash your hands before you came to the table? And weren't there a lot of other things that you had to learn that had to do with cleanliness?

Only in the atmosphere of cleanliness is the mind free to do constructive things, and the things these young people were doing were destructive things.

As I watched them I was thinking "they are away from their schools and their classrooms and it is nearing the end of the school year." Do you remember when you graduated from high school or college? Do you remember when you walked up to the platform and received your diploma? This year many of the schools are closed and the graduates are receiving their diplomas by mail and many of them couldn't care less. When they go to seek employment is the employer going to ask for a high school, or trade school or college diploma? Or is that discipline gone also?

The schools that are adopting this method are catering to a small minority of students and many of the noisy ones are not students, but this discipline of which I have been speaking not only belongs in the home, it belongs in the school as well.

Last Sunday I was listening to a TV program. It was titled Religion in the Schools and because this was so close to the heart of my Senator and still is in mine, I was anxious to hear it. The panel was composed of a Democrat Congressman, a member of the D.C. school board and a young girl from Cathedral School. This girl was deploring that the students had to take religion in the school. She said there were more important things to do. People are hungry and they need food. She continuously referred to the "society" and how the "society" should take care of these people who were hungry and the "society" should see that they were clothed and fed. I was disappointed that no one asked her to define "society". I am sure it would have a hollow sound because it could only be a word that she had glibly picked up in the classroom. The program left me with a very troubled mind because in conclusion this young girl said that if the "society" didn't take care of her people and they were hungry they had every right to go out and steal to get what they wanted. The moderator asked the Congressman what he thought about this and he said he was very disturbed but that if his family was hungry he might be forced to steal. That is where they left the program that had started out to be Religion in the schools.

I think the real breakdown in the morals of this country was when we all repeated Franklin Roosevelt's Four Freedoms. "Freedom from fear, freedom from want etc". It all had a negative sound. There was no freedom for anything. And as the government gives more and more it takes away more and more.

There are fine children all over this country and all over the world who are brought up with discipline in the home and there is plenty of love that is sprinkled in with this discipline. These young people will find in the homes the freedom to do constructive things. Through conversation with their elders they will develop a sense of pride in their country and will realize their elders have great faith in their President.

As I conclude I want to talk about the

marigold. David Burpee developed and named one particular marigold "Senator Dirksen, the smiling marigold." Many of you have planted seeds this year and are watching them grow. With the help of God who will send the rain and the sunshine these smiling faces will look up to the heavens and will bring you joy.

I want to plant another seed with you today. There are forces in this country that want to destroy us. There are forces in the Republican Party that want to tear us apart. You people have always been a united force in our party and let me tell you, there is no more "silent majority". You will have to read the papers and watch TV, and act. First get down on your knees and ask God to give you the judgement to speak wisely and then talk to your friends. But most of all take your pen in hand. If you feel that what you have listened to or read is going to destroy this country, then voice your objections. If there are enough letters of disapproval they will listen.

But there is one thing more. The bible says "If a man asks you to go with him a mile, go with him two". Don't stop after the first mile. If someone is doing or saying what you feel in your heart is right, tell him so. The Senator used to say "It is only the ones who want to tear me apart who write letters. The ones who agree with me don't bother to tell me so." Let's go this second mile and we'll find it is these seeds which will bring forth blossoms.

CANADIAN OIL CONTROLS CAUSE
TROUBLE

Mr. MONDALE. Mr. President, on March 25, a bipartisan group of 25 Senators from Northern States wrote to the President and strongly urged that he "direct representatives of the Department of State to enter into immediate negotiations with Canada looking toward the prompt establishment of a 'freer exchange of petroleum.'" The 25 Senators included both the majority leader and the minority leader, and I hoped that we would receive a prompt and thoughtful reply from the President.

On April 22, 1970, Mr. William E. Timmons, an assistant to the President, responded to the 25 Senators in a letter which gave no indication that the United States was prepared to enter into serious and bona fide negotiations with Canada. In fact, the letter contained a virtual ultimatum to Canada that a comprehensive agreement "with respect to all energy matters" was required if the United States was to remove the quantitative controls on Canadian oil imports which had been represented as merely temporary.

In writing to the President, the 25 Senators observed that the proclamation had caused dismay on the part of our Canadian friends and neighbors. The New York Times for May 31 contained a very interesting article in which the Canadian Minister of Energy, Mines, and Resources, the Honorable J. J. Greene, was described as believing that the Canadians could not be blackmailed into an agreement which was contrary to their interests by such unilateral actions as had been taken by the United States. As he said:

Canadians are just not the kind of people to negotiate anything with a gun at the head.

The experience of our country with Canadian imports gives every reason to believe that the source of supply is as

secure as any other which we could rely on in a national emergency. Even the President's own Cabinet Task Force on Oil Import Controls reached substantially this conclusion. Nevertheless, it did raise the extraneous question of the dependence of Canada's eastern provinces on imports of oil from abroad. In this connection, we had already pointed out to the President in March that this issue was irrelevant to the security of Canadian supply to the United States because there would be no practical means for diverting Canada's western oil to the east if eastern supplies should be cut off.

Indeed, Minister Greene has publicly committed his government to the security of export deliveries to the United States on at least two occasions. I was glad to see that the Senator from Oklahoma (Mr. BELLMON) placed in the CONGRESSIONAL RECORD for May 21, 1970, the full text of Minister Greene's address on May 12 to the Independent Petroleum Association at Denver, Colo. In doing so, the Senator called attention to a few of the Minister's remarks which described Canada's resolve to pursue an independent course in its own economic development and trade policy.

I wish that the Senator had also drawn attention to the Minister's remarks in which he addressed the issue of the security of Canadian exports to the United States. In the same speech, Minister Greene said:

Specifically, there have been suggestions that in an emergency western Canadian oil might be diverted from U.S. markets to meet needs in eastern Canada if adequate tankerborne supplies were not available to that area.

Secondly, it has been suggested that the U.S. would have to be prepared to make emergency deliveries of its domestic oil to eastern Canada if overseas supplies to the whole eastern seaboard of North America were curtailed.

As to the security of our export deliveries to the United States markets, this has surely never been seriously challenged. Indeed, the work of the U.S. Cabinet Task Force on oil import control tended, if anything, to confirm the reliability of Canadian supply. Diversion to eastern Canadian markets of oil flowing to the U.S. would not at present be possible because of the absence of the necessary pipeline connections. And having regard to the long standing arrangements between our two countries in defence, trade, and other areas, I cannot find it credible that we would divert such supplies unless by mutual agreement for a common purpose, or that we would violate trading agreements that were in effect between us.

Mr. Greene made many of the same points in a speech in Washington, D.C., on April 23. In addressing the spring conference for corporation executives at Johns Hopkins University, he said also that he "would like to suggest that it should be left to us to evaluate the matter of oil supply security in eastern Canada and to take any appropriate action." But he also pointed out that Canada had the matter of eastern oil supply security under active review and would be prepared to revise its oil policy if it concluded that a problem did, in fact, exist. Since U.S. supplies are the only alternative to the import of foreign oil for Canada's eastern provinces, it is interesting to note that such supplies are also shipped by many

of the same coastal routes that are used by oil from South America. Thus, it is not obvious that substituting American oil for Venezuelan oil would in any way contribute to the security of eastern Canada's supplies in an emergency.

On May 26, I wrote the President of the United States again on this vital subject. I pointed out that Mr. Timmons' reply was not at all responsive to the letter which the 25 Senators had written in March. Specifically, Mr. Timmons' reply was limited to the national security basis for the proclamation and it was not satisfactory on that point. But our letter had raised a number of other points including the question of relationships with Canada and the problem of fuel shortages and cost increases which would confront consumers in the United States.

We have seen that the control program has, indeed, resulted in just the shortages and price increases which we predicted. Not only have such shortages been felt in the northern tier of the United States but States in the midcontinent have also been adversely affected. They have found that the cutback in Canadian supplies has resulted in the draining off of domestic oil to refineries in the North. Price increases have occurred in many of these States, both in the midcontinent and in the upper Midwest.

Referring to the two recent speeches of Minister Greene in Denver and in Washington, I suggested that the President "promptly review the new controls in the light of his remarks." I pointed out that these speeches should "provide whatever additional assurance the President might have thought necessary in regard to our ability to depend on Canadian oil in an emergency."

Mr. President, I note that negotiations between the United States and Canada have come to a virtual standstill since the unilateral action which the United States took. I believe it is up to our Government to initiate discussions promptly. Minister Greene has indicated that the Canadians are prepared to talk in a reasonable atmosphere where they are not subject to unacceptable preconditions. In these troubled times, when the United States is plagued with inflation at home and can ill afford to antagonize one of our best friends in the international arena, it is troubling that our Government would act in such a way as to inhibit free and constructive discussions with our Canadian neighbors. I hope that our Government will accept the welcomed indications that Canada is prepared to be reasonable.

I ask unanimous consent that the New York Times article, the March 25 letter to the President from 25 Senators, the April 22 reply by Mr. Timmons, the May 26 letter from me to the President, and the speech by Minister Greene in Washington, D.C., on April 23 be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

CANADA RESENTS U.S. FUEL POLICY

(By Jay Walz)

OTTAWA, May 30.—Persistent demands by the Nixon Administration that Canada negotiate a common policy for the use of North

American energy sources—oil, coal, gas, uranium and hydropower—are meeting increasing resistance here. They are also causing a rare outburst of nationalism that Canadians normally hold in reserve.

Recent White House tactics prompted J. J. Greene, the Minister of Energy, Mines and Resources, to scold an American audience in Denver for taking Canadians for granted.

Addressing a meeting of the Independent Petroleum Association of America two weeks ago, Mr. Greene said that the United States must prepare for a much more nationalistic Canada, "in which there will be firm control of all foreign investment, particularly in the resources industry."

At present, United States companies own or control about two-thirds of all oil and mineral production in Canada.

While several high-ranking officials of the State Department listened, Mr. Greene said that Canada wanted to be herself, and to avoid "the malaise that exists in your land." He cited the United States involvement in Southeast Asia, campus unrest, disorder in the streets and problems of pollution as major reasons for Canada's desire "to be different."

LETTERS SUPPORT STAND

He said the current round of bargaining between Ottawa and Washington on the continental resources must lead to "Canadian solutions in a Canadian interest."

Mr. Greene's office reports that since the speech he has received an avalanche of mail showing a 10-to-1 ratio of approval of his strong "nationalist" words.

Canadian hackles have been rising since last March when President Nixon ordered a reduction in the amount of Canadian oil flowing into United States markets from an average 634,692 barrels a day to 395,000 barrels. This action, which Canadian officials say was taken without Canada's consent, was interpreted here as an effort to prod Canada into talks on other forms of energy.

Canada at present can use only about one-half of the oil coming from the rich Alberta fields and is eager to sell the other half to the United States. Ottawa officials, however, are reluctant to commit Canada to long-term arrangements on the other fuels, which are largely undeveloped, because, as Mr. Greene said on Thursday, "we don't know what Canada is going to need 25 or 50 years from now."

MOVE LINKED TO ACCORD

The White House at first indicated that the cutback would be temporary. But a recent letter signed by a Presidential assistant suggests that the restriction on imports is tied to an agreement on general policy.

The letter, answering the protest of 25 United States senators to the cutback, said that the national security of the United States required the conclusion of a "comprehensive agreement with Canada with respect to all energy matters and imposition of some qualitative limitations on the entry of Canadian petroleum pending the conclusion of such a pact."

Mr. Greene charged at a news conference that this was blackmail. "Canadians are just not the kind of people to negotiate anything with a gun at the head," he said. "It's very difficult to set up talks with respect to long-term policies when this unilateral action of cutting back has been taken by the Americans without Canadian consent."

Prime Minister Pierre Elliott Trudeau told newsmen in Vancouver yesterday that his Government was trying to ascertain whether the letter was just an opinion or represented a new policy. Mr. Greene told the House of Commons that the letter contained contradictions that created doubts that it was a statement of national policy.

[In San Clemente, Calif., Gerald L. Warren, White House deputy press secretary acknowledged that the letter had been sent and said

that the Administration "has always said the controls, voluntary or mandatory, were necessary until an agreement is reached on all energy matters.")

While Mr. Greene said he had given Mr. Trudeau's office a copy of his Denver speech before he delivered it. It remains to be seen whether the Prime Minister will support him in the coming talks with Washington.

While letters to newspaper editors suggest the Minister may have struck a vein of popular support, some Western politicians have taken him to task for "childish diplomacy."

Eldon Wooliams, a Conservative representing an oil-conscious district of Calgary, said that Mr. Greene was "ruining the Canadian oil market." George Hees, a former Conservative Minister of Trade and Commerce, called on Mr. Greene to formally apologize for parts of his Denver speech as a first step in restoring good relations with the United States.

MARCH 25, 1970.

HON. RICHARD M. NIXON,
The White House
Washington, D.C.

DEAR MR. PRESIDENT: As Senators from northern states, whose consumers have a strong interest in oil policy, we were all heartened by your statement on February 20, 1970, in which you referred to the "unique degree of security (which) can be afforded by moving toward an integrated North American energy market."

We were gratified by your directive to the Department of State "to continue to examine with Canada measures looking toward a freer exchange of petroleum, natural gas and other energy resources between the two countries."

Understandably, we were quite disturbed by your announcement, only 18 days later, of the establishment of mandatory controls on Canadian oil imports. This seems to be a backward step and an affront to Canada.

We believe that these controls will result in increased costs and, in some cases, fuel shortages and curtailed operations. In the face of inflationary pressures, we feel that only the most compelling reasons could justify an action which will raise prices.

At the same time, the Proclamation has caused dismay—if not resentment—on the part of our Canadian friends and neighbors. After all, Canada is a natural source of supply for the northern United States.

We know there was a substantial increase in imports in January, when Chicago began to draw oil from the Interprovincial Pipeline. We also are aware of the pattern of imports in excess of the voluntary control program. It was these factors which led to your conclusion to establish a mandatory control program. However, we cannot agree that the 395,000 average barrels per day limit will be "adequate to meet the needs of the U.S. refineries and consumers," as stated in the White House announcement of March 10.

We also have some doubt as to the statutory authority for this action. As you know, the authority to restrict imports which "threaten to impair the national security" has been used only in the case of the Oil Import Control program established in 1959. This control program has specifically exempted Canadian oil.

The fact that the authority has been used but once underscores the narrow interpretation that you and your three predecessors have previously put upon this provision. Clearly, the test of a threat to the national security is, and was intended to be a difficult one to meet.

We do not find in the report of your Cabinet Task Force on Oil Import Control, or elsewhere, any logical case that even substantially increased imports of Canadian oil would adversely affect our national security interests. Indeed, we note that the Task

Force concluded on page 94 of its report, that "the risk of political instability or animosity is generally conceded to be very low in Canada. The risk of physical interruption or diversion of Canadian oil to other export markets in an emergency is also minimal. . . ."

The Task Force discussion of Canada's policy on importing oil for its eastern provinces seems entirely irrelevant to the amount of exports from the western provinces to the U.S. As you know, Canada's western oil is not transported to the eastern provinces. Even in an emergency situation, there would be no practical means for diverting such oil to eastern Canada. With respect to the risk of depletion of Canadian oil reserves, we note that such depletion would be offset by preservation of U.S. reserves.

The Proclamation issued by President Eisenhower in 1959 expressly relied on the statutory criterion that crude oil and related products were being imported "in such quantities and under such circumstances as to threaten to impair the national security". In contrast, your Proclamation of March 10 concludes that the existing exemption of Canadian oil imports "does not effectively serve our national security interests" and that the control program is necessary "for the accomplishment of the national security purposes of Proclamation 3279". In order to justify such a significant new action as this, we think an explicit finding of a threat to the national security must be made.

We recognize that the United States has some significant interests in what are, in the final analysis, Canada's own policies regarding oil and related matters. But we do not believe that either a voluntary control program, or a mandatory program is an appropriate vehicle for asserting those interests. Accordingly, we strongly urge that you direct representatives of the Department of State to enter into immediate negotiations with Canada looking toward the prompt establishment of a "freer exchange of petroleum. . . ." In the meantime, we believe the best interests of both countries would be served by deferring the effective date of the March 10th Proclamation, pending a determination as to whether suitable agreements can be worked out.

Inasmuch as the effects of this new order are already being felt by our consumers and refineries, we would appreciate your early response.

Sincerely,

Jacob Javits, Clairborne Pell, Abe Ribicoff, Eugene McCarthy, Thomas McIntyre, Lee Metcalf, Thomas J. Dodd, Quentin Burdick, Charles H. Percy, Charlie Goodell, Vance Hartke, Stephen Young, Phillip Hart.

Walter F. Mondale, George McGovern, Gaylord Nelson, Edward Kennedy, Edward W. Brooke, Edmund Muskie, Hugh Scott, John O. Pastore, Bill Proxmire, Mike Mansfield, Harrison Williams, Birch Bayh.

THE WHITE HOUSE,

Washington, D.C., April 22, 1970.

HON. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: This is in further response to your March 25 letter, which was co-signed by 24 Senators, concerning Canadian oil imports.

We agree with the basic premise of your letter that, since Proclamation 3969 has been issued pursuant to the authority of section 232 of the Trade Expansion Act, it presupposes that imports of Canadian oil threaten to impair the national security. Of course, such a threat may be posed in an indirect as well as in a direct manner. In our view, these imports create at least an indirect threat to the national security for two reasons.

First, in the announcement of the issuance of the proclamation it was stated

that the recent steep increase in the flow of petroleum imports from Canada was impairing the entire petroleum import control program. Since the protection of the national security is the very goal of that program, imports having the effect of crippling it necessarily threaten the national security.

Second, the report of the Cabinet Task Force on Oil Import Control supports the imposition of quantitative controls on the import of Canadian petroleum. It indicates (pars. 335b, c, 343b) that while the risk of physical interruption of the inland delivery of Canadian petroleum may be slight, a serious and disturbing element arises from the circumstance that Eastern Canada imports all of its petroleum requirements from potentially insecure sources overseas. In the event of an interruption of that supply, Canada would either compete with the United States for the supplies available or turn to the United States to furnish the necessary imports. Those contingencies detract from the security value of U.S. petroleum imports from Western Canada and demonstrate the dangers to the national security involved in excessive reliance on the imports. In this context the national security of the United States requires the conclusion of a comprehensive agreement with Canada with respect to all energy matters, and the imposition of some quantitative limitations on the entry of Canadian petroleum pending the conclusion of such a pact.

Your letter also takes the position that the proclamation is defective because it lacks an explicit finding of a threat to the national security. It will be noted that the recitals of the proclamation contain the following pertinent findings: (1) the present system "does not effectively serve our national security interests"; (2) petroleum imports from Canada should be limited "in order to institute a more effective system of import control for the accomplishment of the national security purposes of Proclamation No. 3279, as amended"; and (3) the President's approval of the preceding finding and his own statement that the limitation of imports of Canadian oil into Districts I-IV is "necessary in the interest of the national security objectives of Proclamation 3279."

These repeated references to the national security plainly demonstrate that the President's action was taken so that unlimited imports of Canadian petroleum will not threaten the national security. Section 232, of course, does not make the validity of a proclamation issued under it dependent upon the use of any specific formula. Nor does it require the President to spell out in his proclamation the precise manner in which the import threatens to impair the national security. Proclamation No. 3279 is no more specific on that score than Proclamation No. 3969.

I hope that the foregoing is fully responsive to the points you raised.

Sincerely,

WILLIAM E. TIMMONS,
Assistant to the President.

MAY 26, 1970.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: On March 25, 1970, twenty-five Senators from northern states wrote to you to protest your recent order imposing mandatory controls on Canadian oil imports. On April 22, one of your assistants, Mr. William E. Timmons, responded to me and to the other twenty-four Senators who had signed the letter. He closed with the hope that "the foregoing is fully responsive to the points" in our letter.

I must regretfully advise you that his letter is not responsive at all to the subjects which we covered. It deals almost exclusively with the national security issue and is not satisfactory in that regard.

Our letter also made the following points

which are not touched upon in Mr. Timmons' reply:

1. The control program "seems to be a backward step and an affront to Canada." This point is underscored by a statement made by the Honorable J. J. Greene, Canadian Minister of Energy, Mines and Resources, in a speech in Washington, D.C. in April:

"Similarly, we are convinced that the unilateral decision on the part of the U.S. to cut back imports of Canadian oil is a mistake for both countries."

Mr. Greene also stated in a speech in May in Denver, Colorado that Canada does not "consider that these controls are in keeping with the conditions of trade in oil which both our countries have sought to preserve over the years."

2. We commented that "These controls will result in increased costs and, in some cases, fuel shortages and curtailed operations." Shortages have already occurred in a great many states and prices have been raised.

3. We disagreed that the 395,000 average barrels per day limit would be "adequate to meet the needs of the U.S. refineries and consumers" as stated in the White House announcement of March 10. In fact, the shortages we predicted have been felt even beyond the northern tier of states which most of those who signed the March letter represent in the Senate.

4. We questioned whether a control program on Canadian oil imports, whether voluntary or mandatory, is an appropriate vehicle for asserting our interests in Canada's policies regarding oil and related matters. Mr. Greene said in his May speech in Denver, "I am convinced that the solutions which will prove to best serve our joint interests will be those very solutions we come to as being the Canadian solutions in the Canadian interest."

These issues are of great significance to our millions of constituents and threaten to impair our relationship with our Canadian friends and neighbors. As United States Senators, and especially as Senators from northern states, those who signed the letter to you of March 25 assumed that you would comment on these vital matters.

It is also disturbing that Mr. Timmons' letter, even with respect to the national security issue, is not responsive to our comments. Specifically, he states that the Cabinet Task Force on Oil Import Control recommends the imposition of quantitative controls on Canadian petroleum. But this recommendation was predicated on the need for such controls during a transition to greatly expanded imports of oil from the Middle East and Venezuela. In the absence of a liberalized import program, which the majority of the Task Force proposed, there is no recommendation (or justification) in the Task Force report for controls on Canadian oil.

Moreover, the Task Force discussion of the purported problems which stem from the dependence of eastern Canada on imports from potentially insecure sources overseas cannot stand the test of logic. As we pointed out in our letter, Canada's western oil is not transported to the eastern provinces. Thus, the connection between the sale of western Canadian oil to the United States and the reliance on overseas oil by eastern Canada is, at best, obscure from the national security viewpoint.

Minister Greene stated in his Washington speech in April that "The security of our export deliveries to the United States markets . . . has surely never been seriously challenged." He continued, "Diversion to eastern Canadian markets of oil flowing to the United States would not at present be possible because of the absence of the necessary pipeline connections. And having regard to the long-standing arrangements between our two countries in defense, trade and other

areas, I cannot find it credible that we would divert such supplies *unless by mutual agreement for a common purpose or that we would violate trading agreements* that were in effect between us." (Emphasis added.) The same points were repeated in his Denver speech in May.

I would also point out that the national security justification for curtailing Canadian imports is weak on other grounds. For example, during the 1967 crisis precipitated by the closing of the Suez Canal, we were quite anxious to get additional oil from Canada. The absence of sufficient pipeline capacity prevented our importing the oil from that secure source which was available to us. The effect of your control program will be to continue to inhibit the development of such pipeline systems which could serve us well in an emergency.

Surely the two speeches which Minister Greene made recently should provide whatever additional assurance you might have thought necessary in regard to our ability to depend on Canadian oil in an emergency. Therefore, I hope that you will promptly review the new controls in the light of his remarks. I feel confident that he would be prepared to confirm them in some formal exchange of instruments between the two governments. In the meantime, we cannot accept the continuation of these new restrictions at the demonstrably inadequate level of 395,000 barrels per day for the second half of this year.

Finally, Mr. Timmons' letter notes that the Trade Expansion Act authority for the oil import control program does not require the use of any specific formula nor the spelling out of the precise manner in which the threat occurs. He points out that Proclamation No. 3279 is not very specific either. It may be of interest that a number of members of the Senate have strongly criticized the proclamation and the statute on precisely that basis. Moreover, Section 232(d) of the law requires that a report be made. I do not believe that Proclamation No. 3969 adequately fulfills this requirement.

Because this subject is of the utmost importance to our constituents across the northern tier of the United States, and because it is of such great significance to our friend and neighbor to the north, I urgently request that you reconsider this matter at your earliest opportunity. I am sending a copy of this letter to the other twenty-four Senators who signed our letter of March 25. I am sure that they would also appreciate your early attention to these vital issues.

With warmest regards,

Sincerely,

WALTER F. MONDALE.

THE DEVELOPMENT OF CANADIAN RESOURCES WITH SPECIAL REFERENCE TO OIL

(By the Honourable J. J. Greene, Minister of Energy, Mines, and Resources, Canada)

1. INTRODUCTION

"Canada", as Jacques Cartier said to the Montreal Rotarians in 1535, "must develop its natural resources".

Since the days of the fur trade, development of natural resources has played a vitally-important role in Canadian economic growth.

A country heavily dependent on international trade, Canada experiences a "compulsion to export" to a unique degree. The products of our mines and of our oil and gas wells contribute significantly to our exports.

Regional development across the country has been stimulated by the opening up of mineral wealth. Today, it is hard to imagine the Prairies without oil and gas.

Finally, employment in and spending by our resource industries has a "multiplier effect" which reaches through the whole economy.

The resource industries then play a role in Canadian economic growth and development which is out of proportion to their size as measured by conventional economic indicators. I think there is a case for regarding these industries as a "psychological catalyst" in the Canadian economy. When they are expanding and innovating, developing new domestic and export markets, then confidence in the economy as a whole is at a high level.

Canadians today are more keenly aware than ever of the national importance of resource development. This awareness is related in part to the emphasis being given to opening up of the North, where development must be based largely on energy and mineral resources. It is coupled with a strong desire to ensure that the benefit to Canada of this development is maximized and that it proceeds in such a way that danger to the natural environment is minimized.

The result is greater government involvement in furthering resource development and in shaping the direction of that development in accordance with national aspirations.

My job as Minister of Energy, Mines and Resources is to ensure, as far as Government can, that we have healthy mining and energy industries. We want these industries to provide for increasing use of national resources and to continue to contribute their share to the realization of our economic and social goals.

We seek to achieve this purpose by fostering conditions favourable to sound expansion and by implementing policies directed at fuller, safer, and more efficient use of national resources. Moreover, my Department is justly renowned for its contribution to the appraisal of the extent of Canada's resources.

In implementing our policies, there is of course the need to strike a balance between consumer and producer interests, and between the different regions of Canada. Current desires have to be set against future needs. And purely economic criteria at times have to be subordinated to national political aims.

2. INTERDEPENDENCE IN RESOURCE DEVELOPMENT

Canadian energy and mineral resources are large. Quite how large, we are still finding out. Certainly their extent and variety is much greater than seemed possible just a few decades ago.

But once discovered, development is not always easy. Historically, some Canadian resources have proved particularly resistant to exploitation.

We have encountered technical problems: the tar sands are a particular example.

Transportation difficulties, a recurring theme in Canadian history, have been a frequent restraint. The natural-gas industry furnishes an example.

And availability of domestic capital has seldom been adequate to our resource development needs.

Characteristically, however, it is market access which has represented the ultimate limiting factor to the pace of Canadian resource development. Domestic markets are small and dispersed. It is logical, therefore, that Canada should look south for large and concentrated markets.

It is equally logical that the United States should look north for fuels and minerals to help supplement its domestic supplies. Take oil for example. Canadian resources are still at an early stage of development. I am told that we have found perhaps 10% of our total potential reserves of 120 billion barrels of crude oil. By contrast oil resources in the lower 48 states of the U.S.A. are in a late stage of development—perhaps half or more of total ultimate reserves have been found and the oil industry is finding it difficult to maintain its "inventory" of proven reserves.

In this setting of "complementarity", it makes common sense to me that trade between the two countries is in the interest of both. Much has been said and written about a "continental oil or energy policy". Much has been written by those who neither understood the question nor the factors and yet have instant and certain answers. When the time comes to sit down with the United States, we shall want to find out more about what they have in mind and what trade arrangements can be achieved which are in the Canadian interest and yet of benefit to the United States. We would not be prepared to talk water in this context. With this exclusion, we are prepared to discuss energy matters on a "no holds barred" basis, always assuming that the existence of constitutional and statutory restraints on trade in energy sources is recognized in both countries.

In both these areas where there exists a serious difference of opinion it would be an easy thing to assume "tough stands" which might delight the jingoist or win quick political approval. But I suggest that such reaction which could render our positions rigid and inflexible would serve neither of our interests. I believe that the record of our past relations where we resolved differences at the bargaining table, negotiating in good will, and to the end of achieving resolutions which made the best economic sense is the pattern we should once again follow.

Of course, there is a place where a nation must stand. If a nation has no beliefs or concepts which it holds sacred, it is not a nation at all but merely a group of people living under a single political roof. Canada is standing at the place of its sovereignty in the Arctic, and at the place of assuring ecological control of its northern environment. So much of our future lies in northern development. So much of our Canadian dream of our particular "new frontier" is in this great north of ours. We are determined that the mistakes of the past will not be repeated in these areas where the ecology is so sensitive. I note that already some of your own statesmen, and at least one of your great newspapers, have supported our stand, though your State Department has taken exception to our conclusion. I note that prior to our declaration as to our 100-mile pollution control zone in the Arctic, President Nixon had signed a bill extending U.S. jurisdiction beyond the 3-mile territorial sea for the purpose of prevention of pollution. We do not believe our initiative to be narrow, petty or empty gestures of sovereignty. It was a necessary and meaningful initiative to protect and ensure Canada's future in the north.

But we are equally certain that to achieve real and lasting results in maintaining the pristine purity of the northern ecology, we must and should work with you in bilateral or multilateral agreements and arrangements which will make pollution control effective. We are anxious to work with the United States to achieve such arrangements. And so, while the position we have declared is a firm and inviolable one, we know full well that practical results assuring the fulfillment of our purpose must be achieved by international understanding and arrangements. We believe this to be a realistic position, which fulfills our national responsibility, and yet is sufficiently flexible to allow discussions with the United States and other nations to enable satisfactory arrangements to be achieved.

Similarly, we are convinced that the unilateral decision on the part of the U.S. to cut back imports of Canadian oil is a mistake for both countries. We believe realistic trade arrangements in oil based on economic good sense to be the real answer. The resource studies done to date clearly show that we have existing and potential oil resources well beyond the need of Canada and Canadians in the present or in the foreseeable future,

and that we thus have surplus to Canadian needs for the marketplace. It is, of course, for the U.S. to determine whether they in turn have a need for a growing supply of Canadian oil. If the need is there, such actions as the unilateral cutback are not conducive to the achievement of trading arrangements which will be good for both countries. On both these issues, where we have differences, the danger is that of rigidity, and that we will end up doing the wrong things in economic terms because we have reached positions from which we cannot later move.

I have in mind, for example, the fact that if the bureaucracy set up to enforce the unilateral oil cutback remains too long in place, what were to be temporary restrictions might well become a permanent way of life. I think we have all experienced in the past the fact that the bureaucratic structure and bureaucratic rules, once they are firm in the cement of time, become as immovable as the mountain.

3. OIL POLICIES—SOME UNDERLYING DIFFERENCES

An important question from the Canadian viewpoint, is the extent to which a trade agreement in respect of petroleum resources would involve adoption of "common policies."

For a decade or more the development of the Canadian oil industry has occurred within a framework basically different from that existing in the United States. Our policy has been voluntary rather than mandatory and its flexibility has contrasted with the relative rigidity of the United States Oil Import Control Program. Particularly striking has been the continued dependence of eastern Canada on imported oil while western Canadian oil has been shipped in large volumes to United States markets. To understand this policy, certain factual differences between our two countries need to be brought out.

There is the fact of Canadian geography—the great east-west extent of our country with presently-known oil resources landlocked in the western interior. United States oil policy might have taken a different course if United States oil reserves were all in the Rocky Mountain states.

There is the fact of regionalism within the Canadian federal system. The United States certainly has its regional differences too, but because of our "ribbon development" and our less definitive historical resolution of inter-regional conflicts the possibility of regional differences pulling the Canadian federal state apart cannot be ignored.

The issue of domestic versus imported oil has caused considerable fuss in New England. Had a similar issue developed in eastern Canada it could have been an extremely serious national problem because of that strong sense of regionalism which exists.

There is also the fact that western Canadian oil is already being shipped more than 2,000 miles to Ontario markets, a greater distance than any pipe line movement in the United States.

4. SECURITY OF SUPPLY

I am aware of the concerns which have been expressed in some circles that dependence of eastern Canada on imported oil carries unfavourable implications for the security of deliveries of oil to eastern Canada and to the United States in conditions of world oil supply emergency.

We have the matter of eastern Canadian oil supply security under active review, as any responsible government should. Hitherto, we have not considered the danger of supply interruption to be such as to require revision of our oil policy. But there are changing circumstances and if we conclude that a problem exists, then we shall seek to apply solutions to it.

Possible solutions might include storage in eastern Canada, arrangements to exchange

Canadian for United States oil in an emergency or the supply of some western Canadian oil to our eastern provinces. A complete answer could, of course, come with discovery of large oil resources on the Atlantic Shelf or in the Canadian Arctic.

I would like to suggest that it should be left to us to evaluate the matter of oil supply security in eastern Canada and to take any appropriate action. I am convinced that in the particular circumstances, the solutions which will best serve our joint interests are Canadian ones.

As to the security of our export deliveries to United States markets, this has surely never been seriously challenged. Indeed, the work of the U.S. Cabinet Task Force on oil import control tended, if anything, to confirm the reliability of Canadian supply. Diversion to eastern Canadian markets of oil flowing to the United States would not at present be possible because of the absence of the necessary pipe line connections. And having regard to the long standing arrangements between our two countries in defence, trade and other areas, I cannot find it credible that we would divert such supplies unless by mutual agreement for a common purpose or that we would violate trading agreements that were in effect between us.

5. SUMMING UP

We have in the past achieved accord and the resolution of our differences on the basis of economic good sense which accrued to the benefit of the standard of living of both of our peoples, rather than relied on chauvinistic posturing which in the end would have helped no one. I firmly believe that the same course which has served so well in the past should prevail in the future.

But there is perhaps a new factor which will require an even deeper understanding, a more determined decision to stay on that same sane road. Until fairly recently it appeared that Canada and the U.S.A. were going to be in the end almost identical in their make-up. We had but to cross the border at any given point for the affirmation of this fact. True, this impression of similarity may have been somewhat superficial. Be that as it may, it now appears quite clear that Canada is going to build on this northern half of the continent, a political entity which may in fact have a different appearance from that of the U.S.A. There is a great resurgence of Canadian nationalism. A nationalism that is not directed against anyone, or any nation, or any people. It is expressed in a determination to build something different, something uniquely Canadian. Because we are new, we are young, we are relatively undeveloped in industrial and technological terms, we believe that we can profit from the mistakes that have been made in the evolution of other states in building that unique Canada. The spirit is manifesting itself in many ways. The massive participation and determined involvement of many people, and particular young people on the questions of ecology. Their unwavering insistence that so-called economic progress be not at the expense of the environment. And on questions concerning foreign control of our economy, and the Canadian ethic becoming clear that the rules of the future permit maximum participation by Canadians in the international corporate conglomerates which will dominate the open marketplaces of the tomorrows. They are not satisfied to be a mere branch plant economy. The new nationalism manifests itself in the desire for an independent and uniquely Canadian foreign policy which will enable Canada and Canadians to play their full part in the world at large, bearing in mind the bilingual and bicultural nature of our own country.

This then will be the test. Whether we can still travel the same sound and sane road

of economic good sense in our relationship, despite the fact that we are not going to look as much alike in the political-national sense as appeared at one time to be the case. This, of course, is the real mark and the real test of friendship. Whether or not it can survive—yes, and strengthen—in difference. The friendship that crumbles or diminishes in difference is not much of a friendship. I am convinced that the past record, the warmth of personal feelings which exists between our people, the burdens and joys we have shared previously, in the fact that in the vast majority of things we will continue to see eye to eye, in the common denominator our people, their sense of decency and humanity is the most cogent and certain evidence to me that we will stay on that tried and good road of accord. That in those areas where we do not see eye to eye we will sit down and talk, as we have done before, and work out solutions that are in the best economic interest of both our countries. On this sane, though perhaps not very exciting path, lies the real interest of our two peoples. The record of our past one hundred and fifty-six years has been a good one. It will require patience and goodwill to reconcile our respective interests, to develop and use our resources consistently with those interests, and to ensure that our differences do not obscure those interests that we share in common. These things can be done and will be done.

NEED FOR RESTRAINT IN WAGE AND PRICE INCREASES

Mr. PERCY. Mr. President, the United States is actually suffering from an epidemic, and its name is inflation. It cannot be controlled by quarantine, because all are infected. It cannot be cured by half measures, especially half measures which ignore the facts of international competition. It will not "just go away."

What is the extent and intensity of this epidemic? To merely equal the buying power that he had in 1960, a worker with three dependents must earn 30 percent more in 1970. Even more alarming, the place of inflation is accelerating. In March 1970, the Consumer Price Index was up 6.1 percent from a year ago. In terms of the 1957-59 dollar, the March 1970 dollar was worth 75 cents. Food, clothing, and medical care all cost more. The American housewife may not be familiar with every statistic, but she knows what life is like at the grocery store checkout counter.

One reason why the slowdown in inflation has not yet come about is the common expectation that the Government will not stick to its anti-inflationary policy. Some businessmen still think they can safely raise prices because they think that Government deficits and easy money will be pumping the economy up again and they will be able to sell all they can produce at higher prices. On the labor side, in the first quarter of 1970, major union settlements have on the average provided for annual increases of over 8 percent in compensation, often for several years to come. In the construction industry, the increases have averaged more than 12.5 percent.

Why do workers think they can demand such increases without even further unemployment? How do employers expect to be able to pay them? It is simply because they think that inflation is going to continue at a rapid rate.

Few things reveal the extent of the inflationary disease and its basic causes more vividly than our declining position in international trade. As inflation has accelerated, our manufactured goods have become less and less competitive in the world market. Since 1958, our imports of manufactured goods have quadrupled while our exports have only doubled. And in recent years, our merchandise trade surplus has dwindled from over \$7 billion to virtually nothing in 1969. Why? One major reason for this disastrous decline is the great disparity between our labor costs and those in competing countries.

It is precisely this fact of world trade competition that limits our options on how to deal with inflation. Our global economy will no longer permit us to rationalize away inflationary wage and price increases as an internal phenomenon that will eventually equalize out.

The labor rate aspect of the problem of inflation is a subject which is understandably avoided by politicians but which now requires frank discussion. Let me repeat, the average major labor settlement in the first quarter of 1970 provided for an average pay increase of over 8 percent with the average increase in the construction industry over 12.5 percent.

These statistics, together with other cost increases in land, interest, and materials, show that it will be virtually impossible for the United States to meet its housing goals over the next decade.

Labor leaders are understandably negotiating contracts to take into account future expected cost-of-living increases. While increases of this kind seem most attractive to those who receive them, they should ask themselves, as we all must ask ourselves, what such settlements are doing to our economy in general and to the job security of American workingmen in particular.

It is difficult to blame the leaders and members of labor unions for wanting more, just as it is difficult to blame business leaders for passing their increased labor costs on to their customers, whenever possible. Yet, sooner rather than later, we must face up to the facts that these inflationary wage increases:

Rob us all of purchasing power;
Pick the pockets of those who are on fixed incomes;

Seriously damage our position in competitive world markets; and

Undermine the job security of American workers.

How should we deal with this corrosive problem? Wage and price controls? I sincerely hope not. The destruction of free collective bargaining and the ending of business decisions made free of Government coercion would be a bitter price to pay.

But Government must take firm action, where appropriate, to stop inflation. I am very worried about estimates that indicate that the fiscal 1971 budget may be in deficit by \$6 billion against an original forecast of \$1.3 billion surplus. The administration and Congress must work together to find revenue and cut expenditures to have a budget surplus. Otherwise, the fires of inflation will be fanned even more.

What is now needed in the struggle against the disease of inflation is another national commitment, a moral commitment, if you like: A commitment by labor leaders to practice restraint and lead their members responsibly; a commitment by business to hold prices in line; a commitment by workers to produce more and earn every dollar of increased wages; and a commitment by the administration and Congress to do everything in their power to foster productivity, equity, stability, and hold down the cost of Government.

To subdue inflation will require what has been called a spirit of creative collaboration among business, labor, and Government. We dare wait no longer. We need wait no longer. We must act now.

SECRETARY GENERAL U THANT'S IDEA PARALLELS WORLD ENVIRONMENTAL INSTITUTE PROPOSAL OF SENATOR MAGNUSON

Mr. MAGNUSON. Mr. President, on April 27, with 40 cosponsors, I submitted Senate Resolution 399, to facilitate creation of World Environmental Institute. As visualized in the resolution, the Institute would serve as a research center for global environmental problems and as a central clearinghouse on environmental knowledge. The goal of the Institute is to develop and provide information on environmental problems to all nations of the world in a cooperative manner.

Mr. President, since April 27 I have frequently called attention to similar environmental proposals by scientists and statesmen. On May 6, I inserted into the Record two fine proposals by Dr. George N. Kennan and Dr. Richard Gardner, respectively. I have also inserted the report of the Ad Hoc Committee of the International Council of Scientific Unions, which recommends creation of an International Center for the Environment.

Today I also have the honor and privilege of providing to the Senate a speech made recently by U Thant, the Secretary General of the United Nations. In his fine address, the Secretary General also recommends a global environmental authority. Calling attention to the urgent international environmental crisis, U Thant says:

If effective measures are to be taken in time, we need something new—and we need it speedily—a global authority . . . In the matter of environmental pollution it seems to me absolutely essential that all countries and peoples should be associated from the outset with the effort to face what may well prove to be the gravest threat that mankind as a whole has ever encountered . . . For the task of saving the environment, nothing less than a new step toward world order will do.

Mr. President, the Secretary General's words echo those of my address on April 27, and his concern echoes not only my concern, but the concern of thousands of scientists and statesmen from throughout the world. Out of this concern has come the beginning of action—Senate Resolution 399. The resolution is now before the Foreign Relations Committee, awaiting the views of the State Depart-