

U.S. Congress

UNITED STATES



OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 91st CONGRESS
SECOND SESSION

VOLUME 116—PART 8

APRIL 1, 1970, TO APRIL 10, 1970
(PAGES 9923 TO 11270)

coalition farm bill, which will raise farm income by \$1.3 to \$1.4 billion per year, this cost-price squeeze could bring about economic disaster in the agriculture industry.

Mr. President, I ask that the full text of Mr. Dechant's remarks entitled "Nixon Administration Would Fleece the Farmer" be made a part of the RECORD at this point.

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

FARMERS UNION SAYS THE NIXON ADMINISTRATION WOULD FLEECE THE FARMER

WASHINGTON, D.C., March 25.—"When the endless debating about the farm program is finished, the farmer is going to find that while he was listening, his pocket has been picked," the national president of the Farmers Union Tony Dechant, said here today.

"The Nixon Administration's proposals to lower price support loan rates and weaken supply management under a so-called 'set-aside' plan, add up to only one thing," said Dechant. "That is lower farm income. We object. Farmers desperately need higher income. This is no time to cut farm income."

Dechant was critical of the proposal of Secretary of Agriculture Clifford Hardin made to the Senate Agriculture Committee on Monday. "We are extremely disappointed that the Secretary rejects the Coalition Farm Bill," said Dechant. "It has the support of 32 grassroots general farm, commodity and cooperative organizations. Not a single farm organization supports the Administration's proposal. It is shocking that the Nixon Administration—while talking about the need to improve farm income—is actually planning to fleece the farmer."

Hardin proposed to the Senate committee that loan rates for wheat and feed grains be lowered. "These are two segments of the farm economy most urgently in need of price improvement," said Dechant. He said that Hardin's "set aside" plan for retirement of farm acreage from production will virtually throw out the window supply management on a commodity-by-commodity basis. He said, "It could bring chaos in the market place. We have learned through experience that supply management must be approached on a commodity-by-commodity basis. It would be reckless to adopt a wholly untried plan to replace something we know works."

"The Farmers Union convention delegates," Dechant continued, "called this month on the Congress to approve the farm bill supported by the Coalition of Farm Organizations. They did so because the simple fact is that when support levels go down, as has been proposed by the Administration, prices to farmers go down. The set-aside plan is very similar to the 'sliding scale' and massive 'soil bank' recommendations made 15 years ago by Secretary of Agriculture Ezra Taft Benson. The Congress wisely rejected it."

Dechant disputed Hardin's statement that the Coalition Farm Bill would cost an additional \$1½ billion. "The true figure is between \$600 and \$700 million," he said. "And it would increase farm income by twice that amount."

CANADIAN OIL IMPORTS

Mr. MONDALE. Mr. President, the President's recent proclamation putting a quota on Canadian oil imports, ostensibly in the interest of national security, has been met with a great many objections. Last week, a bipartisan group of 25 Senators from Northern States wrote to the President and asked that he defer the quota and seek a freer exchange of petroleum with Canada.

The Minneapolis Tribune commented on this latest blow to consumers in an editorial of March 13. The Tribune pointed out that the curb on Canadian imports and the failure to liberalize oil imports, as proposed by a Presidential task force, meant that "the Nixon administration is more concerned for the welfare of the Nation's oil producers than it is for consumers."

The Austin, Minn., Daily Herald, on March 16, 1970, observed:

It will be hard for Minnesota to live with the President's latest mistake . . . For Minnesota the President's move is an ill wind that blows none of us any good.

The President's proclamation was issued on March 10 and was retroactive to March 1. Unfortunately, there was no notice or hearing afforded on the substance of the proclamation and the quota level it established. The proposed regulations to influence the proclamation were published on March 11 and comments were required by March 20.

As reported in Platt's Oilgram on March 24, 1970:

Nearly all of 25 refiners that commented . . . registered protests.

These included a charge that the proclamation is "little more than a continuation of the tired, discredited policy of special privilege," and a challenge of the "legal validity" of the order. Other comments were that the new controls were "arbitrary, unfair and unreasonable," "discriminatory," "inequitable," and that they "will result in supply and transportation problems."

These comments underscore the view that a grave error was made in restricting oil imports from our good friends and strong allies across the border.

Mr. President, I ask unanimous consent that the editorials and article be printed in the RECORD.

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

[From the Austin (Minn.) Daily Herald, Mar. 16, 1970]

CANADIAN CRUDE LIMITED

Crude oil imports have for some time been limited, and perhaps rightly so. This is because oil firms are careful not to bring in enough of it so they undermine the domestic market. The imported oil is, of course, purchased by much less than domestic can be sold for at a profit. So the prices coincide, and nobody is too disadvantaged.

President Nixon's decision to reduce Canadian crude oil imports drastically alters the situation. He probably wasn't aware that this act was a serious blow to Minnesota.

We feel it incumbent to support Sen. Walter Mondale's vigorous protest and that of Gerald M. Everett, executive director of the Northwest Petroleum Assn.

As Sen. Mondale and Everett point out, it will be hard for Minnesota to live with the President's latest mistake. All three Minnesota refineries—Continental Oil at Wrenshall, Great Northern Refining Co. at Pine Bend and Northwestern Refining Co. at St. Paul Park rely heavily on Canadian crude oil.

"There is no other place to go, and domestic crude oil is not available in sufficient quantity to wad a shotgun," Everett says.

For Minnesota, the President's move is an ill wind that blows none of us any good.

[From the Minneapolis (Minn.) Tribune, Mar. 13, 1970]

OIL AND NATIONAL SECURITY

The curb on oil imports from Canada and the foot-dragging over a task force recommendation that a system of tariffs be substituted for the present import quotas point in only one direction: The Nixon administration is more concerned for the welfare of the nation's oil producers than it is for consumers.

Current laws permit presidential restrictions on oil imports only for protection of national security. The idea is to limit dependence on foreign sources of oil that might be cut off in event of war. The task force majority, however, found that imports could be increased substantially, with a new tariff system, without endangering U.S. military and economic strength. The current quota system—a bonanza to domestic producers—costs consumers an estimated \$5 billion a year in higher prices than they would pay if the quotas were removed.

The report was released without President Nixon's endorsement. With an eye obviously on Senate races in several oil-producing states this year, he said only that the matter needs further study. The task force has studied it for a year.

The decision to curb imports of Canadian oil also was made "in the interest of Canadian and U.S. security," according to a State Department official. There is no indication, however, that the Canadian government agrees with this assessment. Nor did the task force report agree; it suggested Canada was a relatively secure source of oil. We suggest, too, that we let the Canadians determine whether their exports to this country put a strain on their oil reserves.

Canadian exports provide a major source of oil for Minnesota's refineries. Limiting such exports would have a serious effect on the state's economy, and bring a sharp rise in cost of oil products to consumers. We hope Gov. LeVander will join Minnesota's Sen. Mondale in protesting the President's action.

[From Platt's Oilgram, Mar. 24, 1970]

CANADIAN "QUOTA" RULES DRAW MOSTLY PROTESTS

WASHINGTON, March 23.—Nearly all of 25 refiners that commented on Oil Import Administration's proposed new rules for Canadian crude and unfinished oil import "quotas" for Dist. 1-4 registered protests on Presidential proclamation clamping quantitative controls and/or proposed method of making allocations.

Comments received by March 20 deadline ranged from "illegal" to "discriminatory" and "unreasonable" (see 3/23 Platt's Oilgram News).

Union Oil of California said proposed quota rules were "unfair, illogical and confusing" and "should be rejected out of hand," Union said:

"It is with dismay that we find, after the massive national effort of 1969 to understand and improve the country's oil imports policies, that the very first major proposal to emerge in 1970 is little more than a continuation of the tired, discredited policy of special privilege."

Ashland Oil & Refining questioned "the legal validity" of both Presidential proclamation limiting imports to 395,000 b/d and OTA's rules for setting quotas among historic importers and newcomers (see 3/11 Oilgram).

It said quota limitations "are so arbitrary, unfair and unreasonable as to present grave issues as to compliance with constitutional due-process standards." It reserved "all legal rights and remedies" with respect to proclamation, which, it said, should be "rescinded" and regulations, which should be "recalled."

Falling such abrogation, Ashland urged "most strongly" that:

Effective quota date be postponed to May 1 (instead of March 30) and deadline for comments to April 10 (instead of March 20).

Retroactive features of both proclamation and regulations be eliminated.

Due to "shortages of inland waterway barges and domestic pipe line capacity," permissible level of Canadian crude and unfinished oil imports be increased to 560,000 b/d, from 395,000 b/d.

Controls be extended to product imports. Dists. 1 and 5 be specifically excluded from scope of proposed restrictions.

Following are other comments:

Mobil said lack of advance notice on proposed "interim" regulation and its retroactive feature "will result in supply and transportation problems for the industry."

Also, proposed base period (12 months ending Sept. 30, 1969) discriminates against Mobil, which was "one of only two companies" whose Canadian crude imports declined in this base period, compared to immediately preceding year "as a result of our voluntary compliance with government requests." Mobil's imports dropped to 9.1% of industry total in base period from 11.7% in immediately preceding 12 months.

Besides, proposed rules are "inequitable" to historic importers which are at same time new importers in Chicago area. In addition to its East Chicago refinery, Mobil has under construction "a major grassroots refining project" at Joliet, Ill., "undertaken after many discussions with government authorities and in full expectations that Canadian crude would provide a substantial input."

Clark Oil & Refining objected that rules discriminate in favor of historical importers and proposed that new rules "ration the crude on the basis of refinery inputs." It said:

"During the base period (for calculating allocations), when we were ready, willing and able to import Canadian crude, we were prevented from so doing by governmental action. Now, ironically, because of this prior obstruction, we are precluded from qualifying as a historical importer."

Gulf regretted issuance of quota limitations and suggested that restrictions not be extended beyond "temporary period." If Gulf is restricted to 17,000 b/d, it'll have to reduce runs in its Toledo, Ohio, refinery.

Murphy Oil said it is "unalterably opposed" to any restrictions, even if imposed on temporary basis.

Phillips supported quota proposal, but objected to method of allocation favoring historical importers. It suggested instead allocations based on refinery inputs, with provision for exchange of unused quotas, which it said, can be implemented without changing March 10 Presidential proclamation.

Cities Service "reluctantly" accepted restrictions, if these "are a temporary expedient for the purpose of permitting a viable long-term resolution of a North American oil import policy being negotiated with Canada."

However, it objected to making permissible imports available mostly to historical importers and especially to making remainder of permissible quantity available to newcomers on basis of "equal shares."

It proposed that quotas be redistributed on basis of "capability and desire" of refiners to process Canadian crude. It estimated that under new rule, Cities will receive 5,700 b/d to 6,700 b/d quota, whereas it had made arrangements to receive 23,300 b/d Canadian crude.

Shell agreed that quotas are necessary but feared that method of allocation "will be unpredictable and inequitable." It proposed that historical importers get their quotas as proposed, but that remainder of maximum allowable be given to all eligible applicants,

including historicals, and not to newcomers alone.

Indiana Standard was "disturbed by the inequitable plan that is now being proposed and by the manner in which it apparently will be imposed upon the industry without benefit of a public hearing." It said "fundamental inequity" of historical quotas for overseas imports is now being applied to Canadian crude.

Sun said it "has been hurt twice"—once, by voluntarily cooperating with the Canadian and U.S. governments' wishes, "when other companies did not, and now, a second time, by the historical level of imports being used as the basis for determining future allocations.

"Should we conclude that to disregard the desires of the U.S. government is the route to special privileges over competitors?" Sun asked.

Texaco said it had "strictly observed" informal (1967) agreement between U.S. and Canada. However, it will file applications under new rules to import Canadian crude for its three refineries near the Canadian border.

"This course of action is chosen because we are marketers in the areas served by refiners which will use Canadian crude oil and our failure to do likewise would place the company at a competitive marketing disadvantage."

TIROS DAY IN NEW JERSEY

Mr. CASE, Mr. President, by proclamation of the Governor, today is TIROS Day in New Jersey.

We in New Jersey are proud of the contributions made in our State to this and other aspects of the space program.

I ask unanimous consent that the text of the Governor's proclamation and a summary of the achievements of the TIROS, ESSA, and ITOS satellites, prepared by RCA, be printed in the RECORD.

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

PROCLAMATION

Whereas, April 1, 1970, is the tenth anniversary of the launch of TIROS I, the world's first weather satellite, and

Whereas, TIROS I introduced a new and revolutionary dimension to the observation of the earth's weather, and

Whereas, TIROS I led to the Environmental Survey Satellites and ITOS Improved TIROS Operational Satellites which routinely observe the weather from space orbits, and

Whereas, these satellites now chart the weather globally every 12 hours, providing information to help prevent the loss of lives and destruction of property due to adverse weather, and

Whereas, all 20 TIROS, ESSA, and ITOS satellites launched by NASA achieved orbit and met or surpassed their mission goals, making the series the world's most successful space program, and

Whereas, these satellites have returned over 1,300,000 TV views of the earth's weather and have accumulated a useful life of space of over 35 years, and

Whereas, all 20 TIROS, ESSA, and ITOS satellites were designed and developed in Mercer County, New Jersey, by the RCA Astro-Electronics Division,

Now, therefore, be it resolved that I, William T. Cahill, as Governor of the State of New Jersey, do hereby declare April 1, 1970 as TIROS Day in New Jersey and urge the citizens of New Jersey, and the nation, to join me in paying tribute to this beneficial space program, its sponsors, the NASA Goddard Space Flight Center and the Environ-

mental Science Services Administration of the U.S. Department of Commerce and its builder in New Jersey, the RCA Astro-Electronics Division.

TIROS-ESSA-ITOS SUMMARY

The TIROS meteorological satellites will complete a decade of space operations on April 1, 1970. As of March, 1970, 20 consecutive successful launchings and orbital operations have been achieved by the 10 TIROS R&D satellites and 9 ESSA satellites (which are now part of the national operational system) and one ITOS space bus.

During this decade, this program has performed an outstanding service in providing vital meteorological observations of this planet's weather for use both in research and for routine operational daily weather forecasts on a global basis.

Prior to the innovation of this system in April, 1960, there was only a limited view of this planet's weather. With the TIROS, ESSA and ITOS satellites in orbit, observations of the earth's weather system are performed on a global basis daily; prior to this, only 20% of this planet's weather was observed daily by conventional earth-based means.

Another important aspect of TIROS, ESSA and ITOS satellites is the demonstration and application of unmanned satellites for peaceful purposes. TIROS, ESSA and ITOS satellites have routinely provided weather data for use, not only to the USA, but to countries throughout the world. This program has been cited by many dignitaries of the USA as well as members of the International community as to the contribution of the TIROS, ESSA and ITOS program of the benefit of mankind.

A special camera, called Automatic Picture Transmission System, was developed to provide satellite weather data directly to simple one-man-operated ground stations located anywhere in the world. This particular system has been operational with the ESSA satellite since 1966 and the ITOS launched on January 23, 1970. Over 400 stations, located in 60 countries throughout the planet, are receiving their own satellite weather data for their local use. This service has been provided by the USA as part of its international commitment to the UN's WMO. This is a splendid example of the international peaceful use of outer space for all mankind.

There are many other aspects of the program which are worth noting.

1. All hurricanes and typhoons are now observed and tracked by satellites.
2. Advanced warning of major storms is provided to the international community by the USA; hence, providing added time for protection of lives and property.
3. Underdeveloped countries can now share in the use of satellites.
4. Major international flights from New York and San Francisco utilize satellite weather data.
5. A number of U.S. Navy ships receive satellite weather data at sea.
6. Satellites have been utilized for sea ice reconnaissance to aid shipping in the Gulf of St. Lawrence.
7. All U.S. manned satellite—Mercury, Gemini, Apollo—have used TIROS weather data for the launch and recovery operations.
8. USA's most successful unmanned satellite:
 - a. 20 out of 20 launch and orbital successes.
 - b. Over 1,250,000 television pictures from space.

RURAL DEVELOPMENT TO BACK BURNER

Mr. MONDALE, Mr. President, the subject of rural development is of ma-