

WASHINGTON • THROUGH CANADIAN EYES

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Dear Sir:

Here we are going on three and a half months and still no Canadian Ambassador in Washington . . . at least as this is written. That's a long time in these days of vital Canada-U.S. relations to be without the top man in Washington. The first month, the State Department more or less joked about the absence; the second month there was some apprehension; and now the Canada-concerned officials of Foggy Bottom are just wondering when in blazes is the next Canadian Ambassador coming to Washington. They're not exactly angry at Ottawa about this overly long delay, but they certainly don't like it.

There are, of course, precedents for not keeping an Ambassador in a foreign capital, but at this time when Canadian-American relations are so important it is hardly the moment to unnecessarily pull feathers out of the eagle.

Meanwhile, on Massachusetts Avenue here, the Canadian Embassy Chancery is operating smoothly, efficiently and effectively under Ed Ritchie, the Charge d' Affaires. The likeable, hardworking economic specialist is not only doing his own job but the Ambassador's as well.

But with the U.S. Congress back in town, this is hardly the time to have the Canadian Embassy in Washington short-staffed at the senior level. As we've mentioned before, cocktail party gossip has offered at least seven potential candidates for the job, all of whom have scoffed at the idea. These include: External Affairs Minister Sydney Smith; House Speaker Roland Michener; former Ambassador Arnold Heeney; Brazilian Traction head Henry Borden; Toronto Telegram publisher John Bassett; and Ottawa Journal Chief Grattan O'Leary.

* * One of the most exciting things that has ever happened in Canada-U.S. relations, rivalling, we think, the Hyde Park Agreement or even the Rush-Bagot agreement, was the way Washington fell all over itself to impress that recent visiting delegation from the Canadian Parliament. We've told you before that these meetings between Congress and Parliament will play a vital role in future Canada-U.S. relations, and it's been heartening to see how serious the Americans are taking these meetings. In fact, at times it seems even more serious than the Canadians who have by far the most to gain. You've read reports of these meetings in your papers, but it is important for you to know that Washington means business. There's a vast reservoir of good will and interest down here in the future of the Congress-Parliament sessions and most of the success will depend on a reciprocation by Ottawa of this American enthusiasm. These meetings are going to be more or less a mutual education society and it is clear the Congressmen need more education about Canada than vice versa.

So, it's up to the Canadian members to take the lead in offering plenty of ammunition for discussion and recommendation.

The Congress-Parliament groups--maybe up to 24 members on each side-- will meet twice a year, once in Canada, once below the 49th parallel. They'll have a staff--and that's most important if they're going to get anywhere--and will be in touch between meetings. If anybody has a problem, for example some potentially damaging legislation introduced in Congress, either a meeting would be called or personal correspondence would ensue. One Congressman at these meetings confessed he'd been the author of a bill that hurt Canada but had no idea there were any repercussions north of the border.

The Congressmen and Parliamentarians won't have power to act, but they will make recommendations to their respective governments. And you can figure these recommendations will carry plenty of weight. In fact, we're convinced these meetings will become much more important than the Cabinet-level Joint Economic Committee meetings. Members of this Cabinet committee have the power to act, but seldom, if ever, have acted. The Congress-Parliament meetings may provide the necessary needle to get action.

* * And speaking of that Cabinet-level Joint Economic Committee, their Ottawa meeting seemed to be like all the rest. If all the pledges for greater and closer consultation and cooperation made by this Committee were laid end to end they'd stretch from Moosonee to Bella Coola. Sure, the meetings are valuable because the Canadian and American Cabinet Members get to know each other personally and gain a little knowledge about how the other guy operates and what's bothering him. But it stops there.

The day after he returned to Washington from Ottawa, Interior Secretary Fred Seaton said he wants United States to have more and more barter deals for farm surpluses and apparently saw no contradiction to this in the spirit of the Ottawa communique. Seaton also said Canada has not a leg to stand on in the argument against U.S. oil import quotas. Finally he said he was quite satisfied with the present lead and zinc import quotas and had no intention of changing them just now.

And from all appearances here, the U.S. farm surplus disposal program is going to keep on going and growing for many years to come . . . a lot more than five or ten.

* * And while the Cabinet Members were meeting in Ottawa, down in Washington, the Agriculture Department was appointing a defeated Republican Congressman to the job of consultant on surplus disposals. First thing he said was that he wants to make more barter deals and get rid of more American surpluses for local currencies.

* * Speaking of lead and zinc as we were a moment ago, a third international conference on the commodities will be held under United Nations auspices in February. The U.S. still is trying to get an international commodity agreement which would, in effect, cut exports to the U.S. by the same amount as now is being reduced under the domestic import quota program. Chances are pretty slim that any agreement will come out of the February talks.

* * Well sir, the political circus has come to town, just as it has in Ottawa. They don't waste any time down here. In the first hour and 51 minutes of action about 2,000 different bills were dumped into the Congressional hopper. And many of them are important to you.

Here's a rundown on some of these measures which would affect Canada:

- A bill for the "Chicago water steal", the proposed diversion from Lake Michigan which would lower the levels of the Great Lakes thereby damaging shipping, property owners and power projects. Chicago wants the extra water for sanitary purposes.
- A bill for tougher restrictions on oil imports.
- A bill to restrict imports of hardwood plywood.
- A bill proposing construction of a nuclear-powered ice breaker for Arctic exploration.
- A bill to allow the free-marketing of newly-minted gold.
- A bill to make mandatory the use of pilots on Great Lakes ships.
- A bill for a five year assistance program for New England fishermen providing subsidies.
- A bill to provide catch-all import quotas on any commodity at almost any time.
- A bill giving the consent of Congress for establishment of a Great Lakes Basin Compact among the Great Lakes states and Canadian provinces.
- A resolution to tie the U.S. farm surplus disposal program more closely with the U.S. foreign aid policy.
- A bill to return the U.S. to the gold standard.
- A bill to let Canadian vessels provide transportation between ports in southeastern Alaska and between Alaska and the other 48 States.

* * There have been a couple of relatively new moves on Canadian gas exports to United States. Northern Natural and Tennessee-Midwestern are talking about a deal for use of Canadian gas in the U.S. Upper Midwest and also Northern Natural says it is serious about considering building its own pipeline in Canada to the border and then selling the Canadian gas to itself in the U.S.

And so far, there has been no new application for permission to bring in Canadian gas filed by Tennessee-Midwestern. You'll know if there's a deal in the wind by the language used in the soon expected application for import permission from Northern Natural. We'll be watching that one for you.

* * Looks like our iron ore will continue to have an open door to the American market. A Tariff Commission hearing on iron ore imports heard only the voice of sweet unison as every witness, steelmakers, iron ore producers and union officials, said the duty free entry must be continued. The hearing was inspired by a now-defeated politician in Minnesota, ex-Senator Edward Thye, who was looking for issues before last November 4. But, after hearing the testimony, the Tariff Commission can hardly report anything but the fact that most everyone wants to continue duty free entry of iron ore.

And on top of this good news, is the report that steel-making in United States this year may set a record high. There's one big IF, however, and that is IF there is no strike next July. Some are already talking about the likelihood of a six week steel strike starting July 1.

* * While there is pressure in Congress to restrict imports of hardwood plywood, the U.S. Tariff Commission has launched an investigation with a hearing to be held next April 14, 1959. If you want to be heard on this one, write to the Tariff Commission, 8th and E Streets, N.W., Washington, D.C.

* * And if you've been thinking about the possibilities of using a nuclear blast to get at the vast oil richness of the Athabaskan tar sands, a Washington official has come up with a rough figure on the cost. He was thinking of using nuclear blasts for shale reserves, but the cost would be somewhat similar for a tar sands blast. The price?--\$1.2 million per shot.

* * The protectionists in Washington, still bleeding from their defeat last year in the Reciprocal Trade Agreements battle, are patching up the old wounds and starting anew. They have been meeting in Washington under the guidance of Oscar Strackbein, head of the Nationwide Committee on Import-Export Policy.

The plan for 1959 is to attack the R.T.A.A. by seeking to overhaul the escape clauses. Under one Strackbein proposal, the President would be required to accept all Tariff Commission recommendations for duty boosts and import quotas, except where the President publicly rules that the national defense would be impaired because imports of the product concerned were in short supply for U.S. defense industries. And under the suggestion, the President also could reject Tariff Commission recommendations if he shows that curbs on a given import that is important to the economy of a friendly nation, would disrupt U.S. commercial relations. These suggestions are quite mild compared with the big axe the protectionists tried to swing last year.

Sincerely,

The Editors