

completion, there may have to be priorities set in the use of the canals during periods of peak traffic. A priority system would remain wholly in Canadian hands, subject to determination, as their own interest dictates. The effect of this upon American industry would be unpredictable and perhaps detrimental, since a major share of the traffic using the canal would be of American origin or destination.

6. Possible frictions - There is bound to be occasional discontent or dissatisfaction with the manner in which any one of the above factors is handled by a single nation. Such disputes might grow into serious disaffection and disagreements between the two countries—in spite of their long record of friendship—if the decisions are made unilaterally by one government. On the other hand, joint control and joint decision arrived at by negotiation would carry the prestige of both governments and the concurrence of the citizens of both countries and therefore would be less likely to result in continuing friction.

The examples where cooperative relations have been established between Canada and the United States in such fields as joint control of the boundary waters through the International Joint Commission, of defense preparedness by U.S.-Canadian Joint Defense Board, and other similar fields of activity bespeak the desirability of a similar control over the use of this very important channel of communication.

CONCLUSION:

I respectfully recommend, therefore, that we supplement our support of the application of the State of New York for a license to develop the power project with the request upon the Canadian government that they leave the door open for U.S. participation in the construction of part of the canal on U.S.