

Montreal to the Lakes. There is a strong and probably predominant feeling in Canada that they would prefer this to be an all-Canadian project. The Government has assured us, however, that following favorable action on power it would be willing to discuss with us the question of United States participation in the waterway adding the caveat that this should be done without unduly delaying the waterway. As the Wiley Bill, now before Congress, pertains only to the question of United States participation in the waterway, which this Department has long felt would be in the United States' interest, it is felt that this particular piece of legislation, provided it is acted on promptly; i.e., this session, should not complicate our relations with Canada. On the other hand, other bills such as the Lehman Bill, which include provisions relating to power and which would almost certainly, therefore, delay a decision on power, contain the risk of jeopardizing our good relations.

In summary the most important action needed to insure a continuance of our close and harmonious relations, which in the political, economic and military fields are of great importance, is prompt and favorable action by the Federal Power Commission on the New York Power Authority's application which is now before the Commission. This would remove any suspicion on the part of the Canadians that the United States Government is delaying the initiation of the power project. It will be helpful in this connection, should the Administration decide to support the Wiley Bill, to give public expression to the fact that this Bill should not in any way delay the power part of the project.