

canal, suspended payment and went into bankruptcy. He estimated the cost of the canal at \$114,000,000, and promised to finish it for \$120,000,000. At the end of 1888 not more than one-fifth of the work was done, while nearly \$400,000,000 had been paid out of the treasury. It was said that one-third of this money had been spent on the canal, one-third wasted, and one-third stolen.

In 1890 a new company was organized to complete the canal under M. Grenade, the time for completion being extended to October 1, 1904. He estimated that the canal would be completed for \$100,000,000.

In the meantime steps were taken for the abrogation of the Clayton-Bulwer treaty by which the United States bound itself not to build a canal across Panama and the result of which was the first Hay-Pauncefote treaty of 1900. This treaty was amended by the United States Senate, but in its amended form it was rejected by the British government.

The second treaty known as the Hay-Pauncefote treaty 1901, was ratified by the United States Senate. It superseded the Clayton-Bulwer treaty (1850) and gave the United States the privilege to construct, operate, and control the canal without any co-operation or guarantee from Great Britain or any other country.

President Roosevelt, in submitting the Hay-Pauncefote treaty to Congress, said:

It specifically provides that the United States alone should do the work of building and assume the responsibility of safeguarding the canal and shall regulate its neutral use by all nations on terms of equality without the guarantee of interference of any outside nation from any quarter.

Again he says, on January 4, 1904, in the special message:

Under the Hay-Pauncefote treaty, it was explicitly provided that the United States should control, police and protect the canal which was to be built, keeping it open for the vessels of all nations on equal terms. The United States thus assumes the position of guarantor of the canal and of its peaceful use by all the world.

In a note by Secretary Hay, on January 5, 1904, he states:

The Clayton-Bulwer Treaty was conceived to form an obstacle, and the British government therefore agreed to abrogate it, the United States only promising in return to protect the canal and keep it open on equal

terms to all nations, in accordance with our traditional policy.

Senator Davis, in his report to the President of the United States on the Hay-Pauncefote treaty, said:

No American statesman speaking with official authority or responsibility has ever intimated that the United States would attempt to control this canal for the exclusive benefit of our government or people. They have all with one accord declared that the canal was to be neutral ground in time of war, and always open on terms of impartial equality.

To set up a selfish motive of gain by establishing a monopoly of a highway that must derive its income from the patronage of all maritime countries, would be unworthy of the United States if we owned the country through which the canal was to be built.

I have dwelt upon the treaties between Great Britain and the United States at some length because they seem to occupy the forefront of the situation so far as any decisive action was concerned. It must not be forgotten, however, that other nations of Europe appeared to be equally anxious for the early construction of the canal and treaties for this purpose were made with Spain in 1850, with Belgium in 1858, with France in 1859, and with Italy in 1871. In addition to these treaties, concessions were made to private corporations, and Congress at different times voted large sums of money for the survey of several routes, for the purpose of ascertaining their relative feasibility and cost. The route most favoured by the last Board of Commissioners appointed by the United States government for this purpose was by way of Lake Nicaragua, which, although a longer route than by way of Panama, promised to be less expensive. Not content, however, with the result of the examination by way of Nicaragua, a treaty was entered into with New Granada, now known as Columbia, for a concession across Panama. This treaty was submitted to the Senate of New Granada, but failed in ratification. In the meantime the new French Panama Company was pursuing its labours under financial difficulties. It was bound by its concession from Columbia to complete the canal in 1904, a contract which seemed impossible of fulfilment, and when a further extension of time was asked, Columbia seemed disinclined to grant such a privilege, and that brings me back to the failure of Columbia to ratify the treaty

Hon. Sir GEORGE ROSS.