

of finance has changed to New York." This was a feeler on my part. He looked at me and smiled. I said, "Do you agree?" "I do not," he said. "Well," I said, "everybody says so." To this he replied, "Ah! But it has not, and it never will." When I asked why, he said: "Because the Americans do not understand exchange. There are none except perhaps the Dutch and English who understand exchange, and if people do not understand exchange they cannot control the finances of the world." I think the gyrations of the American financiers since then bring home the truth of what that gentleman said.

General Johnson said the other day, and he put it in writing, that America would never succeed until financial America became of the same character as—I will not use the word he did—as financial England. He said, "The Bank of England has existed for two hundred years, and there never was a scandal in it." You know, it is not merely knowledge, but character that brings success. I do not know anything about finance from my own experience, but I do know that I would rather trust the experience and judgment of the English financial world than any other. I regard the financiers of America as being still in their apprenticeship, and I would rather look to England for financial, commercial, or any other material advice than to any other country in the world. I am quite sure that the right honourable the Prime Minister consulted the great authorities in England before he launched the Banking Commission, for he so announced before the Commission reported; and I feel confident that he is acting upon the mature judgment of the great English authorities on finance; therefore I believe that the best remedy for our troubles is the one which must have been recommended to the Prime Minister in England, namely, a Central Bank.

Now I want to say a few words about the St. Lawrence Waterway. I think that the Waterway Treaty should be brought before this House now for academic discussion, and that we should have every possible opportunity to discuss it before it comes up for final consideration in Parliament. We must remember that this treaty is being made for all time—until this world withers; that it is meant to bind not only us, but all generations of Canadians. I believe, therefore, that every word in it should be subjected to the most searching examination and criticism that we can give it. I have been considering this treaty somewhat, but have not brought a copy of it with me, as I did not intend to speak about it, and did not think it would come up during this debate. I want to point

Hon. Mr. LYNCH-STANTON.

out two things which make me doubtful about the treaty, and which are at all events arguable. Of course, my conclusions may be entirely wrong.

The first matter I wish to speak of is this. There was a discussion somewhere in the United States as to the right of the American people under this treaty to divert or draw off the water of the St. Lawrence river for power or other purposes. A letter was written by Mr. Stimson to Mr. Herridge. I have not the letter here; so I shall speak of it only in a general way. Mr. Stimson said: "Such and such a construction has been put upon a certain clause of the treaty. I understand it to mean so and so. What do you understand it to mean?" To this Mr. Herridge replied. Now, I say that no such discussion should have taken place. Once the treaty is before us, why should either Government give an opinion as to its meaning? Yet the American Government puts an interpretation on it and asks the Canadian Government if it agrees that that is what the treaty means. This shows that the interpretation of the treaty is uncertain and must be construed by an outside letter. The Americans will be satisfied, because Mr. Herridge accepts that statement as to the meaning of the treaty. Fifty years from now a question may arise and the treaty may be interpreted not by its own wording, but by the construction placed upon it by those two gentlemen. I say that such an expression of opinion is most unwise. If there is any doubt about what the treaty means, let it be amended.

Hon. Mr. DANDURAND: In the debate in the American Senate has there been any reference to the exchange of letters between Mr. Stimson and Mr. Herridge, which the honourable gentleman mentions?

Hon. Mr. LYNCH-STANTON: Not that I know of. I saw the copies of the letters, that is all. Mr. Herridge and Mr. Stimson may be absolutely correct in their interpretation, but some day it may be to the interest of someone to dispute that. Is not the proper interpretation to be found in the treaty itself? Are these letters to be part of it, or is it wholly embodied within the four corners of the document purporting to contain it? I think it would be imprudent to pass such a treaty before we are advised what it all means.

I consider, honourable members, that this is a very, very important matter, and we should be careful in what we do, lest our descendants have cause to complain that we entered into an unwise treaty. We are all the time blaming our predecessors for things