

commission arguing that it was not an export rate because it came back to Canada. I forget how it was decided, but that would tend to show that we already have competition that way, and competition will be much keener when we have the Panama canal.

Hon. Mr. CLORAN—I wish to congratulate the hon. leader of the opposition on his very learned and complete disquisition on the subject. I have learned more in one hour from him than I could gain in a whole year's study of the subject. He has condensed all the facts regarding this controversial matter in a most complete and intelligent manner. I am now fully posted on the subject, but I should like to have a little further information with reference to the coastwise trade, which is the whole substance of the discussion. The historical side has been placed before us in a very clear manner. The legal aspect of the question has been made as plain as daylight. The terms of the different treaties that have been made have been emphasized as strongly as any human brain could make them. Now we get down to the business side of it, and the leader of the opposition has put it that the United States government are bound, under all these conditions, to grant to Canadian coastwise trade the same rights as will be granted to United States coastwise trade.

Hon. Sir GEORGE ROSS—I think they are absolutely.

Hon. Mr. CLORAN—That is my opinion. What I want to know is this: if the United States grant equal rights to the coastwise trade of Canada, what about the rights of Newfoundland? Is she to be included?

Hon. Sir GEORGE ROSS—Newfoundland, having no coast on the Pacific, as Canada has, would not be included under coastwise trade.

Hon. Mr. CLORAN—What about the coasting trade of the Republics of South America?

Hon. Sir GEORGE ROSS—The treaty would only affect the coasting trade of Colombia.

Hon. Mr. CASGRAIN.

Hon. Mr. CLORAN—That is the northern zone?

Hon. Sir GEORGE ROSS—Yes. It would not affect Brazil, Chili or Peru; it would only affect Colombia, which has land on each side.

Hon. Mr. CLORAN—Is that made clear in the treaties governing the question—that that coastwise trade shall only be taken into consideration by the United States so long as it comes north.

Hon. Sir GEORGE ROSS—There is no distinction whether it is north or south.

Hon. Mr. CLORAN—Then the southern countries will have the right to demand the same concessions as northern countries?

Hon. Sir GEORGE ROSS—Trade between Brazil and Chili is trade between two countries, but trade between eastern Granada and the other side of Granada would be coastwise traffic of one country, just as the trade between British Columbia and the eastern provinces of Canada would be trade of that character.

Hon. Mr. CLORAN—All Brazil would have to do would be to get a port on the Pacific.

Hon. Sir GEORGE ROSS—If her land extended to the Pacific.

Hon. Mr. DANDURAND—The leader of the government expressed the hope that if diplomacy could not settle this question the United States would not put any obstacle in the way of a reference to the Hague Tribunal. I think it goes without saying that the United States could not object to such a reference, inasmuch as it has been the leading country in developing the settlement of international difficulties by arbitration. Up to last year there had been no treaty signed by the first class powers covering all questions and all difficulties that might arise between nations, but the United States through its president—the present incumbent of the office—last year signed a treaty with Great Britain and another with France binding itself not only to submit questions arising