P13753

PANAMA CANAL TOLLS

SPEECH

OF

HON. WILLIAM E. CHILTON OF WEST VIRGINIA

IN THE

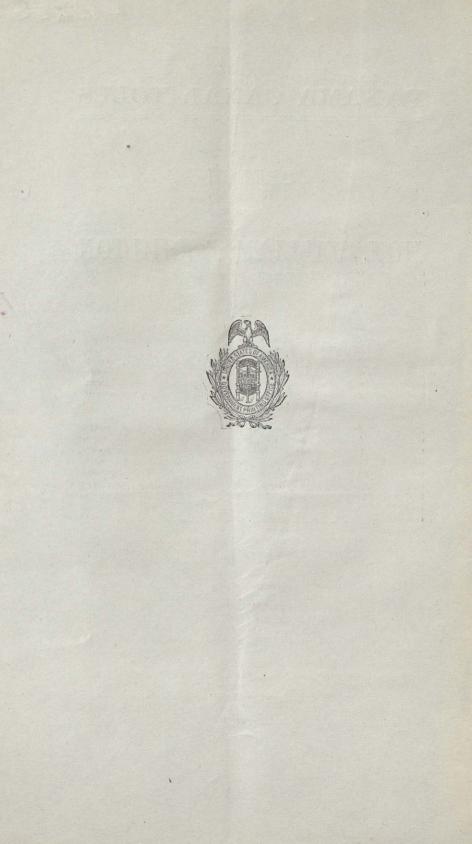
SENATE OF THE UNITED STATES

MAY 14, 1914

FAVORING THE REPEAL OF THE PANAMA CANAL FREE TOLLS LAW



WASHINGTON 1914



SPEECH

HON. WILLIAM E. CHILTON.

The Senate, as in Committee of the Whole, had under consideration the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. CHILTON. Mr. President, as a member of the Committee on Interoceanic Canals, which has had the pending bill under consideration, I desire to present to the Senate some of the reasons which induced a part of the committee to desire that this bill should be reported to the Senate favorably and should become a law.

The bill seeks to repeal what is commonly known as the freetolls clause of the act of August 24, 1912, known as the Panama Canal act. That act was in no sense passed as a political measure, and political lines were not drawn upon any vote cast in this Chamber during its consideration. The House of Repre-sentatives was then Democratic and this body was Republican, and, so far as I recall, neither in the Committee on Interoceanic Canals nor in this Chamber was any reference made to the political phase of the subject, nor was any effort made to draw political lines. The object of the bill was to govern and control the Canal Zone and the operation of the Panama Canal. The bill vested in the hands of the President the power to appoint officers to control the Canal Zone, and gave him full power to prescribe the tolls which should be charged for passing vessels, freight, and passengers through the canal. The President has, by the bill, full power in the premises, except for what is known as the proviso exempting coastwise vessels. In that respect his power was limited by providing that no tolls should be charged upon such vessels. The bill passed the House without any division on party lines. There were more Democrats who voted against the bill than there were Democrats voting for it. Before the bill passed the Senate the Baltimore convention was held, President Wilson was nominated, and as a part of the platform of that convention there was a plank as follows: We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal.

A very short while after this party declaration was made the bill came before the Senate and was passed. I was actively engaged in the campaign which followed, confining my efforts, however, principally to the State of West Virginia. I do not recall that I ever heard a speaker on either side mention the subject. I am sure that there was no general discussion in the newspapers of the State on the subject, and I feel safe in saying that anyone familiar with the campaign in West Virginia in that year will bear me out in the statement that this question was rarely, if ever, mentioned in the press, on the stump.

44940-13390

3

or in the general discussions which the people had prior to the election.

The fact is, that when the act of 1912 was before the Senate for final passage, the Democrats were in the midst of a campaign to regain ascendency in the Nation which had been denied them for 16 years, and they were also fresh from a national convention which had declared for free tolls. Without thinking of consequences, most of them followed the platform declaration which I have just quoted, not stopping to consider the ancient doctrine of "subsidies." Now we are compelled to think. Now we must decide between granting a subsidy and free tolls. We must consider where mental integrity compels us to go. I dodge neither our past history nor our present duty.

The present bill is intended to repeal, and, if passed, will repeal the exception to which I have referred in the act of August 24, 1912, and when that repeal shall be made it will leave the fixing of tolls through the Panama Canal, as was the original purpose of the bill passed at the last session of Congress, in the hands of the President.

The following objections have been made to the passage of this bill: First, that it is in the teeth of the plank of the Democratic platform of 1912 which I have quoted; second, that there is no valid ground for the contention that the act of 1912 violates the provisions of the Hay-Pauncefote treaty; third, that even if it should violate that treaty Congress has the right to pass an act in violation of a treaty, and that in this case its duty to do so is clear; and, fourth, that it is an act of cowardice and a surrender of the principles of the Monroe doctrine to pass the present legislation.

As far as I can do so without sacrificing subject matter to mere form I want to take these objections up in their order and give to the Senate very briefly my reasons for feeling that none of them are founded upon good and sufficient reasons.

It is entirely premature to say that the present bill violates the Democratic platform of 1912. The platform of 1912 should be read, as should every other platform, with three qualifications: First, that the legislation promised can be enacted under the Constitution of the United States. I take it that the Democratic Party, noted for its adherence to the doctrine that the Constitution is the fundamental law and must always be observed, would never knowingly declare for a measure which violated the Constitution. For many years the Democratic Party has declared in favor of the election of United States Senators by direct vote, but there was always understood the provision that this could not be done and would not be done until the Constitution was so amended as to make it possible. Finally the Constitution was so amended. If that amendment had been in a more general form, vesting in the Congress the power to fix the manner by which Senators should be elected, then it would have been the duty of the Democratic Party to see to it, so far as in its power lay, that Senators should be elected in accordance with the repeated declarations of the party.

There is also to be attached to every party declaration the provision that the legislation may not be possible on account of our treaty obligations.

I do not deny that Congress has the power to disregard a treaty. It is too late to controvert the proposition that a treaty

and an act of Congress have the same dignity, and the last one to be adopted shall be considered the supreme law of the land. But it never has been the policy of the Democratic Party to break solemn treaties. I have never heard that it was a principle of the Democratic Party to do so, and I have never known of a Democratic convention passing any such resolution.

We are a self-respecting, honorable people. We recognize the treaty-making power. We realize that when dealing with foreign affairs a large part of the power and all of the work are in the hands of the executive department, and I can not believe that a Democratic convention which has not studied the question and has no specific information upon the question, nor can I believe that the mass of the people who respect their Government and its orderly and honest administration, would deliberately say that they desired the United States Government to take the position of violating any treaty. No treaty can become operative and bind us until it has received the sanction of the executive department and a two-thirds vote of approval in the Senate. The ratification of a treaty is a solemn function of Government, and by requiring that no ratification can be made until it shall have been indorsed by a vote of two-thirds of the Senate we attest to its solemn character. When ratified it becomes the supreme law of the land, and when we pass an act which violates a treaty it should be done in that solemn, deliberate, serious way that makes it certain that we know what we are doing.

The Panama Canal tolls question had not been debated generally throughout the United States prior to August 24, 1912. If there was at that time a sentiment in favor of granting free tolls to coastwise vessels, it was based upon a general conviction that we had the right to do so; and I do not think now, were the question submitted to the people, that they would, under any consideration, vote for free tolls if it were at the same time conceded that by doing so a solemn treaty of the United States would thereby be violated. We have that faith in the integrity and the stability of the American character to feel safe in the position that in every party declaration there is clearly understood to be the proviso to follow that no solemn treaty of the United States shall be thereby violated; and I can not imagine a Democratic convention instructing the Congress to violate a treaty, unless the subject had been debated and well considered. And if that should ever be done, and the people desire a treaty to be violated, it would be the subject of a specific resolution of the convention. It is not a violent presumption, but a reasonable assumption, that it should never be presumed that a Democratic convention meant by any declaration to violate a treaty, unless it passed a specific direction to do so. Therefore I feel that the plank in the Democratic platform of 1912 has annexed to it not only the provision that the Constitution of the United States shall not be violated, but the additional provision that the treaty obligations of the country shall not be violated. But good Democrats will understand that an administration like the one that President Wilson is conducting would keep an eye single to the fundamental principles of the party which have been settled by many conventions, and by the action of Democrats in both Houses of Congress. If there be anything as to which the Democratic Party is committed, it is upon the subject of subsidies.

In its platforms, from the stump, and in the votes of its members in both branches of Congress the party has adopted the policy of opposition to subsidies. Those who have discussed this position from a standpoint antagonistic to mine have taken some trouble to define the meaning of the word "subsidy." I find that Webster's Dictionary describes a "subsidy" to mean—

A grant from the Government or from a municipal corporation, or the like, to assist and promote an enterprise deemed advantageous to the public; a subvention.

I find that a "subvention" means "A Government aid or bounty." We need go no further in definitions to arrive at the conclusion that this is the very thing which the Democratic Party has declared against. The most prominent illustration from which the meaning of the Democratic Party's hostility to subsidies may be obtained is, strange to say, what is known as ship subsidies, the very subject with which we are dealing at this time. The principle upon which the Democratic Party opposes subsidies is that it is the taking of the money of all the people and giving it to a few; that the shipping business is, after all, but the business of a common carrier. Ships are to the sea what railroads are on the land. They carry freight and passengers for The subsidies granted to the transcontinental railroads, hire. in order to develop our country, probably did much to stimulate business, and some go so far as to argue that without these subsidies the great West would not have been developed. I do not exactly agree with this theory, and feel that, in proper time, the enterprise of the people and the resources of the West would have been a combination of brains and opportunity which would have done the work in plenty of time and would have saved us many follies in government. But I have been unable to see why a grant of land or money to a railroad is not the same thing as a grant of money to ships.

What was the ship subsidy which the Democratic Party has opposed? It was nothing more nor less than a grant of money from the Government to the owners of ships, to induce them to buy more ships and to engage further in the construction of vessels of commerce. Whatever may come of this discussion, whatever may come to the pending legislation, I have no apprehension that the sober judgment of the American people will fail to find ground to distinguish between a grant of money to shipowners and the free tolls provision of the act of 1912.

Say the amount which we could collect from coastwise vessels should be \$2,000,000 a year; if we collect it, it goes into the Treasury; if we do not collect it, it stays in the hands of the shipowners, who otherwise would pay it to the Government. In the one instance the Government would get it and put it into the Treasury for the benefit of all the people; in the other case the shipowners would keep it in their own pocket, and it would never get into the Treasury. If the amount which the ships would pay for going through the canal would amount to \$2,000,000, then we are subsidizing those vessels to the extent of \$2,000,000.

In order to illustrate this further, suppose we should add to this pending bill, which will require coastwise vessels to pay tolls, a provision requiring the Government to repay to the owners of coastwise vessels the exact sum which may be collected from them, such payments to be made, say, within 60 days 4940-13300 after collecting the same, and, for the purpose of carrying out that provision, we should make a permanent appropriation from year to year to cover the same. If the amount of the tolls on coastwise vessels should be \$2,000,000 a year, we would collect the \$2,000,000 a year and then pay it back to the vessel owners. This would be clearly a subsidy. It would be a payment of money by this Government to vessel owners, just as the ship-subsidy bill of a few years ago provided. It would be a direct payment out of the Treasury of the United States; and if we mean to exempt coastwise vessels from the payment of tolls, that is the way to do it. That would not violate the Hay-Pauncefote treaty. We would be passing our coastwise vessels through the canal without discriminating against any other country, and strictly in accordance with the terms of the treaty. Neither England nor any other country on earth could or would raise any objection to that course. As the Senator from Massachusetts has shown, the world objects only to our mode of accomplishing free tolls, recognizing that we can do so by granting a subsidy. It was on the ground that it is a subsidy that Secretary Knox upheld the law. But by doing thus we would commit ourselves to the policy of subsidizing vessels, and thereafter no Democrat could consistently insist that seagoing vessels should not be similarly subsidized.

If the principle of subsidy is right—that is, if it be best for this Government to pay money out of its Treasury belonging to all the people for the purpose of encouraging a coastwise trade then it is also a good thing to pay money out of the Treasury to encourage the seagoing trade. If we mean to be for subsidies, we ought to do it directly and in the open.

I do not believe that the convention of 1912 nor the voters who elected Mr. Wilson meant or intended that any plank in the Baltimore platform was to reverse the Democratic position on the subject of subsidies, and therefore the Democratic Party must now solve this question by determining whether or not they are more wedded to the antisubsidy policy of the party or to the free-toll doctrine which got into the platform of 1912. If the following clause had been added to the plank on free tolls, what would have been the result? "We favor free tolls, whether the law shall violate any treaty or not; and in order to get them we modify our party position against ship subsidies." That would have been the frank and open way of doing it if the theory of some of us be correct.

Mr. President, the people have always been compelled to watch closely the devious and subtle ways of those who never give up "the patient search and vigil long" for subsidies. History shows that they have come in every form, and once encouraged they hang on with the firm grip of a Republican postmaster. The literature of this discussion has been enriched by the following liberal translation from a tablet found in the excavations at Karnak, which speak of a time 3,500 years before the Shipping Trust saw the budding opportunity in the act of 1912.

In the days of Seti there arose a mighty controversy which shock all Egypt.

It appears that in a prior reign a certain Egyptian had been granted the royal favor of exclusively carrying in vehicles all goods on the roads between Karnak and Memphis, which were not ass laden. A company was organized around this franchise, known as the Karnak-Memphis Transfer Co., and its vehicles quickly drove all asses off the roads.

In later years Seti built another road, much shorter and better, and which promptly became immensely popular for all the caravans be-tween Assyria and Babylonia on the east and Abyssinia on the west. The cost of this new road was about 400,000,000 shekels, and was paid out of the royal treasury; but the purpose was, and it was so declared, that this cost was to be defrayed finally by tolls levied on the vehicles, caravans, and asses of all nations using the road. To this declaration the nations joyfully assented, for, be it known, the road was of enormous interest to them. But at about the time the road was to be dedicated, the transfer company solemnly declared that its exclusive franchise would be im-paired by charging it toils. It claimed that requiring it to pay tolls along with foreigners when Egypt had built the entire road was to surrender Egyptian sovereignty—was, in fact, truckling to Babylonia; that there could have been no motive in building the road if its fran-chise and business were to be faxed; it charged finally that the terms "all nations" could not have included Egypt, which built the road. All this produced a high degree of botheration to Pharaoh, for the peo-ple, who, before the road was built, regarded the company as a trust, now showed a profound tendency to regard it as a benevolent organization. The air rang with "bad faith," "unconstitutional," " treason." "truck-ing to Assyria." and the whole nation divided itself into " toilites " and "antitollites."

So Pharaoh, in profound distress, proposed a change in the law by exempting the company from tolls. But at this the nations protested, for said they, "If our tolls are to be based on cost, then it is obviously to our advantage to have as many pay as possible," And so the battle raged.

At this crisis a Hebrew from Goshen appeared at the palace and ad-

At this crisis a Hebrew from Goshen appeared at the palace and ad-dressed the King in this wise: "O King, live forever. Why art thou bothered over this simple question? Dost thou not know that this company hath charged thy subjects all the traffic would bear? Does thou not know that it is already a monopoly in restraint of trade under the antitrust act of the Shepherd Kings? Dost thou not know that it hath waxed fat and arrogant and hath driven all asses off the road from Memphis to Karnak? Dost thou not know that its exclusive franchise of carrying all the freight is immensely valuable? And dost thou not think that it is arrogant and to throw that fits exclusive franchise, to ask for another, and to throw the King replied: "Isace, my son, I percive that thou art the goods, and that I, even I, am an illustrious chump. Bring hither the directors of that com-pany that they may be slain before me, and that their houses be made a dunghill, and, as for their franchise, granted by my foolish father, let it be instantly abolished." But Isaca replied: "O King, live forever; but be not hasty in this thing. Justice re-quireth not this decree. Hast thou not heard, even from thy father, that every man—and Kings sometimes—worketh for his own interests? Why rage and marvel that men are selfish? Marvel, rather, that any be unselfish." "Isace, my son," continues the tablet, " thou art wise in thy gener-ation; but these men have conspired against the royal ireasure, for my sweaty subjects have built this road and have dug the shekels from the Nile's soil to pay for it. If, then, these men be not knaves, they be lunatics or fools. Let them all be taken at once to the royal bug-house that this pest be not propagated and that my subjects be no longer deceived."

longer deceived.

Congressman Bowdle, of Ohio, one of the geniuses of that body, is my authority for this historical reference.

My position is that the true way to solve this is to meet a foreign situation which now confronts us and leave our position upon subsidies, our position upon free tolls, our relations to the Hay-Pauncefote treaty, all for future adjudication and decision. There will not be much in the shape of tolls collected through the Panama Canal until probably after the formal opening in 1915. We are starting in to try out not an inland waterway, but an extension of the ocean. We have spent about \$400,000,000 of the people's money. It was the money of all the people. Whether it will pay a return upon that money, whether or not it will prove in the end beneficial to this country, are matters as to which our hopes are high, but our cool judgment tells us it must be a matter for the future alone to tell. We know in our hearts that the scheme is experimental. Like the brave people that we are, we take the chance. We did what seemed to be the right thing at the time, and we now have the canal and must open it next year, and let the future determine whether our expenditures have been wise.

It seems to me that we ought to be slow to settle any permanent policy concerning it. We owe it as a solemn duty to the people of the United States, whose money we have expended and whose property we now hold in trust, to make that canal yield a fair return upon the money. We have no right to give away any of that return to any private firm or corporation without the specific, unmistakable direction of the people to do so; and in considering this question we must remember that it is hard to put on a toll, but it is always easy to take one off. It is easy to reduce rates, but hard to raise them. It seems to me that, as a matter of good business, we ought to determine how much paying traffic will go through the canal. We ought to test its earning capacity before we experiment with subsidies and special privileges to private individuals. That is what **a** prudent person would do in any business, and that is what we should do in handling the people's business.

It so happens that this principle and policy fits into the present situation beautifully. We can make this experiment with the canal before anyone could be affected very much, and in the meantime the Democrats of the United States will have met in their various conventions in the States and congressional districts, and it can be known whether or not the platform of 1912 was the deliberate judgment of the party. There is no need to take the chances of putting ourselves in the unenviable attitude of favoring ship subsidies or the disagreeable and dangerous attitude of violating a treaty with a friendly nation. There is no need for us to do a thing which business experience may teach. us is a mistake; and therefore the wise, prudent, and just thing to do is to repeal the free-tolls clause, leave this matter, as we have left all other matters connected with the canal, in the hands of the President, and pass with this bill Senator SIMMONS'S proviso, which reserves to us as a Nation all rights which we could possibly have or claim under the Hay-Pauncefote treaty; that is, negative the idea or the fear that in passing this bill we are voluntarily surrendering any rights.

This will be a complete answer to all the arguments which we have heard about surrendering American rights to a foreign country. We are not surrendering any rights; we are not showing cowardice; we are not pulling down the flag; and if the bill shall be passed with the Simmons proviso we will be free from the claim of anyone that we are construing our treaty either one way or the other. The Democratic Party will be free from the charge that it is violating the Democratic platform. Congress will be relieved from the imputation that it is making a mistake from a business standpoint, and the Democratic Party will be further relieved from the imputation that it is granting a ship subsidy. The foreign question, the business question, and the political question will all be left for decision at that time, when a decision will be necessary and when a final position will have to be taken.

I am amazed that anyone should state with positiveness that England must be wrong in her claim regarding this treaty; in other words, that she has no ground for her contention. Let us consider this a moment. There is the State of New York, represented here by a Senator who has been Secretary of War, Secretary of State, and a Senator of the United States, and a prominent lawyer all his life; also by a distinguished jurist who has spent most of his mature life upon the bench of one of the great courts of the Empire State of New York-both of them men of conceded ability. So far as the interests of the State of New York may be concerned, it would be naturally conceded that both view this question from the same standpoint, and yet both, as lawyers and as statesmen, disagree. Take the great State of Louisiana, represented by strong, vigorous lawyers of experience and ability. Both have had experience in public life; both have the courage of their convictions, and yet they differ upon this question. Take the State of Kentucky, represented by two vigorous men of well-known ability and of high character. men who have fought upon every known battle field of civil life; both love Kentucky and her people, and yet they differ as to what this treaty means. Take the great State of Mississippi. One of the Senators from that State on this floor has been a soldier, the governor of his State, and has appeared in public discussions from platforms in most of the States of this Union. The other has served most of his mature life in the lower House and in the Senate of the United States. Both of them are clear headed, warm hearted, and both have the courage of their convictions. Both love their native State and their people and their country with true southern ardor. They disagree as to the meaning of this treaty. Take the State of Tennessee. On the one side is a great judge, and on the other side is a great business man and editor; both view this question from the standpoint of Tennessee and her immense interests, and yet they disagree. Take the State of New Hampshire. On the one hand is the Republican leader and one of the oldest in the service of this body, and we know that he would not intentionally misrepresent his State. The other representative is a young, active, vigorous lawyer, and advocate of popular rights, who by personal contact we know to be conscientious and faithful to every trust. These two representatives of that great State disagree.

2

The same is true of the two Senators from Kansas and the two Senators from Montana. As to each and all I can testify to ability, fidelity, and a sincere desire to do right. Take my own State. The other side of this question is advocated by a Senator who has been in public life practically since he became 21 years of age, first as an officer in the Army, then district attorney, then Secretary of the Navy, then a Member of Congress, and then for over 20 years a circuit judge of the United States, and now a United States Senator; and much as I respect his learning and ability, I can not see my way clear to agree with him upon the construction of this treaty. In none of these cases can the differences be traced wholly to political bias. A Democrat disagrees from a Democrat, Republican from Republican, Democrat from Republican, and Progressive from both of us. In England we find some advocates of the position that we have the right to enforce our doctrine of free tolls. This is unquestionably advocated by one law journal, some 44940—13390 newspapers, and some of the public men of England, all of which goes to show that in England and the United States there is independence of thought and freedom of its expression. But it also demonstrates that this is that kind of a controversy as to which honest men can differ, and we have not the right to say that it is clearly one way or the other, but should leave it to friendly discussion and agreement, if possible; if not, then to some tribunal which can decide it once and for all and leave both Nations to adopt that course, under the decision which may be rendered which the domestic policies and necessities of either may dictate to the legislative branch of the Government as best. We are not justified in saying that this is a plain question, free from doubt. On the contrary, it is a grave problem I have studied it with care. I have tried to reach at best. correct conclusions, and the more I have studied it the more I have become convinced that we are not justified in saying that England is simply obstinate and arbitrary in maintaining her present position, and I have come to that conclusion for reasons which I will give further on in this discussion, which are based upon economic as well as upon legal grounds.

But at some time and in some place the true construction of the Hay-Pauncefote treaty must be and will be made, unless, indeed, this country shall ruthlessly and needlessly either deliberately break it or abrogate it, or shall persist in doing what it has never permitted any other nation to do—decide all disputed questions according to its own pleasure.

Ex-President Roosevelt is credited with the suggestion that it is our duty to arbitrate the question at issue. Assuredly he is neither a coward nor a quitter. He was President when the treaty was ratified. If the recent published interview with him was authorized, he believes that the question at issue should be decided in our favor; but he does not contend that we should be witness, lawyer, jury, judge, and sheriff in our own case. On the contrary, he contends that we should agree to arbitrate the case before The Hagne international tribunal. But the defenders of the Shipping Trust's demands call such a course a "surrender" of everything, including the "Honroe doctrine." When I use the term "defenders of the Shipping Trust," I would not have it construed in an offensive sense. The opponents of repeal are admittedly careless in the use of adjectives to describe the "treason" and "cowardice" involved in what the President would accomplish in one way and ex-President Roosevelt would accomplish in another way; but that may be charged to the exigencies of debate rather than to deliberate conviction.

These zealous champions do not seem to realize that history may link their names with the defenders of trusts and special privilege along with the authors and promoters of those subsidies and land grants whose baneful effects have accentuated the opposition to all subsidies. They fail to see that the words "ship subsidy" have a history; that like all special privileges it can not come in under its own name. It must hide behind a patriotic slogan or cover its face with the American flag to get even a hearing before the American people.

Conceding that all the Senators on this floor are guided by their conception of duty, I still cherish the hope that this legislative pill, now coated with the sugar of "patriotism," merchant-marine "glory," and "American interests and rights" will 44940-13390 roll in the legislative mouth long enough to wash off the deceptive covering and reveal the bitter pill of ship subsidy that a trust would make us swallow.

The Senator from Kansas, in his discussion of this question, immediately following his reading of the provision of the act of August 24, 1912, which prohibits trust-controlled vessels from passing through the canal at all, makes use of the following vigorous language:

The allegation of the "repealers" that free tolls benefits only a trust or monopoly is not an honest argument. The truth is that if railroad-owned and trust-controlled ships had not been barred from the canal we would never have had this repeal bill before us. That is where the shoe pinches and that is where this controversy started. This ingenious and dishorest argument had been used by designing men to confuse the public mind and cover up the real purpose of this bill, and many sincere and patriotic people have been misted by their declarations.

By any fair interpretation this would create the impression that the Senator meant that it should be believed that the present bill repeals the provision of that act which excludes trust-controlled ships from going through the canal. The Senator does not say so, and, of course, we all know that such is not the case. There has never been an effort in this body to repeal that provision of the act, and why the Senator would say or insinuate that the owners of these trust-controlled vessels are behind the present effort to repeal another clause of the act, which clause can not be applied to such trust-controlled vessels, appears rather strange. If the trust-controlled vessels can not go through the canal at all, how could they be interested in the question of tolls or exemption from tolls of their vessels which can not go through the canal? If 'self-interest could have any influence in the matter one way or the other, from the standpoint of trust-controlled ships, it might be to keep the present law providing for free ships, in order that the trust might work out of their hands in some way the vessels. or some of them which they now own. In my judgment, this only shows how an honest man can become so enthusiastic in a cause as to see in the point that is against him a ray of hope. It further shows the vice of never changing one's opinion. I want it distinctly understood in this record that this bill does not repeal that part of the act of 1912 which prohibits trustcontrolled vessels from using the canal at all and under any circumstances. This is in harmony with the principles of the plan to curb trusts, over which the Congress has exclusive juris-If any international question shall rise in the enforcediction. ment of that provision, we can decide it when we come to it. The present act will have nothing to do with the decision of that question, however it might arise. In fact, as I have shown to my satisfaction, at least, this act can not be at any time and for any purpose used as a construction of the treaty.

Some interesting figures have been presented which the authors claim prove that at the election of 1912 all the votes cast for Wilson, Roosevelt, and Taft were registered for free tolls for coastwise ships. As I have tried to explain, this must be taken with the proviso that none of the people desired to violate a treaty and none of the Democrats wanted to grant a ship subsidy. I am confirmed in this opinion by the recent statement of ex-President Roosevelt favoring arbitration. He would arbitrate now. It is a part of the history of the act of 1912 that President Taft recommended that an amendment to 44940-13300 that act be passed under which the controversy could be submitted to the Supreme Court. Therefore the case stands thus:

Ex-President Roosevelt would submit the case to The Hague court, ex-President Taff stood for a hearing before the Supreme Court, and President Wilson recommends an opening of the case in about the only way left to us to do so. The current use of the words "cowardice" and "surrender" makes no distinctions. The course of the two ex-Presidents is in the minds of the opponents of repeal as "cowardly" as the course of the President, Is it possible that the "free tollers" contemplate turning their backs upon all three of the great leaders and form a party of their own?

If we adopt ex-President Taft's position, we are subject to the criticism of choosing our own national tribunal for the decision of an international question. If we adopt ex-President Roosevelt's recommendation, we are bound to repeal the act of 1912, and that may be the policy of President Wilson, if the Congress shall agree with him.

shall agree with him. But now there is nothing to arbitrate. We have hastily passed an act which is the law of the land. No matter what The Hague court might decide, that law binds our executive branch till amended or repealed by Congress. We can not submit anything in dispute to the Supreme Court now, because it is bound to enforce the act of 1912. So that, whether we agree with President Taft's recommendation in 1912, ex-President Roosevelt's recommendation now, or with President Wilson's message, the act of 1912 must be repealed. We are forbidden to take a forward step till we repeal or modify that act.

Mr. President, I do not want to evade what I am doing in favoring the repeal of the act of 1912. While I was ill, and was absent from the Senate by its leave, still I authorized my colleague to announce that, if present, I would vote for the bill, and I was paired in its favor.

This question was new to me then. But, regardless of my llness and my lack of information, I do not plead the "baby act," nor would I conceal the fact that I am about to vote to repeal a law which I helped to enact. But it would be a sad day whenever that course should be deemed impossible or improbable. There are few legislators who have not done so.

One who gets wrong is only a menace to righteousness; it is the one who persists in error who is dangerous and inexcusable. The Bible tells us that even the Maker of the heaven and earth "repented himself" of several things. History records that many of the great men of the world have, in following duty, changed their positions upon public questions. In my view of this matter, I could still favor free tolls for coastwise ships when the time comes that I might want to do so. I have tried to make clear that no good Democrat need blush that his party takes the older pledge for the new, or that it postpones the fulfillment of a pledge till that time when national obligations and honor will justify it.

We know as a party that "free tolls" in the abstract, or in the concrete, are viewed by the three leaders of the three leading parties from the same general standpoint—that is, that all would respect our treaty obligations. Now, what are our treaty obligations regarding the subject of tolls? Let us see what are the claims of Great Britain, and whether or not they can be brushed aside without consideration. The Hay-Pauncefote treaty is as follows:

The United States of America and His Majesty Edward VII, of the United Kingdom of Great Britain and Ireland, and of the British Do-minions beyond the Seas, King, and Emperor of India, being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the convention of the 19th April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the "general principle" of neu-tralization established in article 8 of that convention, have for that purpose appointed as their plenipotentiaries: The President of the United States, John Hay, Secretary of State of the United States of America:

The President of the United States, John Hay, Secretary of State of the United States of America: And His Majesty Edward VII, of the United Kingdom of Great Brit-ain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, the Right Hon. Lord Pauncefote, G. C. B., G. C. M. G., His Majesty's ambassador extraordinary and plenipotentiary to the United States;

Who, having communicated to each other their full powers, which were found to be in due and proper form, have agreed upon the following articles :

"ARTICLE 1.

"The high contracting parties agree that the present treaty shall supersede the aforementioned convention of the 19th April, 1850.

"ARTICLE 2.

"It is agreed that the canal may be constructed under the auspices of the Government of the United States either directly at its own cost, or by gift or loan of money to individuals or corporations, or through sub-scription to or purchase of stock or shares, and that, subject to the provisions of the present treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclu-cing width of moriging the regulation and management of the server sive right of providing for the regulation and management of the canal.

"ARTICLE 3

"Three data and the second states of the contralization of such ship canal, the following rules, substantially as embodied in the conven-tion of Constantinople, signed the 28th October, 1888, for the free navi-gation of the Suez Canal, that is to say: "1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens of subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and constable.

"2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

and disorder. "3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the

with only such infermission as may result from the necessities of the service. "Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents. "A. No belligerents shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch. "5. The provisions of this article shall apply to waters adjacent to the canal, within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

Within 24 hours from the uppretere of a vesser of an or or low cract "6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof, for the purposes of this treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents, and from acts calculated to impair their usefulness as part of the canal.

"ARTICLE 4.

"It is agreed that no change of territorial sovereignty or of international relations of the country or countries traversed by the before-mentioned canal shall affect the general principle of neutralization or the obligation of the high contracting parties under the present treaty. "ARTICLE 5.

"The present treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty; and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months from the date hereof. "In faith whereof the respective plenipotentiaries have signed this treaty and hereunto affixed their seals. "Design in durificate at Washington the 18th day of November in the

"Done in duplicate at Washington, the 18th day of November, in the year of our Lord 1901. " JOHN HAY. [SEAL.]

" PAUNCEFOTE. [SEAL.] "

This is the first time I have ever been called upon to construe a treaty. Acts of Congress and of State legislatures, deeds, wills, and written agreements I have often attempted to construe under the well-known rules laid down in the law books. As I understand a treaty it is a contract between nations and is to be construed by the same rules that the courts use in construing a contract between persons. The fundamental proposition of these rules as laid down is to arrive at the true intention of the parties. In doing this the law does not permit the courts to guess ner to go outside of the written instrument except, in cases of doubt, to get the surroundings of the parties and the relation of each to the subject matter, and this can be done only in those cases where the words would create an ambiguity. If the parties have written down their agreement in plain and unmistakable terms and the intention of the parties can be ascertained from what has been written down, then the courts can not substitute a more reasonable agreement or a more equitable agreement for the actual one already expressed in the writing. In other words, while the law desires to reach the true intention of the parties to an agreement it recognizes the right of the parties to write their own agreement, and where the minds have met and the writing is clear and unmistakable the parties are entitled to their own agreement and it is beyond the power of the courts to substitute another. I repeat that it is only in those cases in which the parties have been unfortunate in the use of terms, or in which the juxtaposition of sentences or terms makes it doubtful from the words used what the real intention of the parties may be, that the courts will go outside of the terms of the written paper to discover the true intention of the parties. The very purpose of the written agreement is to avoid a misunderstanding and the treachery of recollection. All things in the law proceed upon the theory of the honesty of the parties, a written agreement becoming a necessity in order that parties to transactions might be protected against death, failure of recollection, and any sort of misunderstanding.

If there be a law for the construction of treaties different from the law for the construction of any other contract, I would ignore it in the discussion of the treaty now before us for construction. I prefer to take up this treaty just as if it were a contract between two individuals, and this treaty were pleaded in an action at law or suit in equity, and upon demurrer the court were called upon to construe it and determine the question whether or not under the terms of this contract one of the parties to it is permitted to exempt its coastwise commerce 44940 - 13390

from the payment of tolls through the Panama Canal. It seems to me that two things are settled beyond the shadow of a doubt. One is, that what is known as the Clayton-Bulwer treaty has been behind us ever since the Hay-Pauncefote treaty was ratified. Anything connected with that treaty can be of no use here except as an avenue to exploit learning. Article 1 of the Hay-Pauncefote treaty wiped out the Clayton-Bulwer treaty and made it ancient history in all the relations between this Government and Great Britain. The language is as follows:

The high contracting parties agree that the present treaty shall superscde the aforementioned convention of the 19th of April, 1850.

The English language could not express more clearly that the parties intended that the Clayton-Bulwer treaty should be a thing of the past, and should no more rise up to plague the high contracting parties.

The next proposition, which it seems to me is settled beyond a shadow of doubt, is that it was the intention of the parties to the Hay-Pauncefote treaty that that instrument should express, and was meant to express, the agreement between the parties that no matter what might be the change in situation between the parties thereafter neither one could in good faith use that change as an excuse for receding from any contract or agreement expressed in that treaty. If I be correct in this proposition it will dispose of much of the argument made on this floor. The Hay-Pauncefote treaty was an agreement between two sovereigns concerning an isthmian canal. It is clear from the treaty that both parties understood what the other was trying to do. Both understood the possibilities of each as to territorial aggrandizement, treaty obligations with other countries, and change in international relations and obligations. Therefore article 4 specifically provided that whatever might come as to any change in territorial sovereignity or international relations, no such thing should be thereafter offered as an excuse for a failure to keep the treaty. I quote article 4:

It is agreed that no change of territorial sovereignty or of international relations of the country or countries traversed by the aforementioned canal shall affect the general principle of neutralization or the obligation of the high contracting parties under the present treaty.

Without going outside of the treaty, and without calling to our aid anything but its plain terms as expressed by the parties, it is perfectly clear that the United States understood that England might, through some international relations or change in territorial sovereignty of the Central American Republics, be put in a position from which she night claim that the treaty did not bind her; but it is more likely that England foresaw that the United States would in some way obtain title to or sovereignty over the strip of land through which she would thereafter build the canal, and England understood that in that event there would be those in the United States who would contend, just as it has been contended upon this floor, that the change in territorial sovereignty or international relations would justify the United States in breaking the treaty.

Article 4 was intended to prevent any such contention ever being made. It not only provides that any such event should not affect the "general principles of neutralization," but it also provides that that event should not affect "the obligation of the high contracting parties under the present treaty." In 44940-13300

other words, this clause of the treaty fortifies both parties against one of the principal arguments now being made in the Senate of the United States as a reason why this country is not bound by the treaty. I do not mean to reflect upon anyone else when I say that I can not give countenance to this theory. I am as loyal to the United States as anyone possibly could be, and I want her to have every right to which she is entitled. In any view of her domestic affairs-that is, whether she committed herself to the principle of ship subsidies or free tolls-I shall be guided by the ancient Democratic faith that a subsidy. like all other special privileges, has no place in a government attempting to give everyone equal opportunities; yet, as between ourselves and any foreign government, I would not throw away the right, if we have it, to subsidize American vessels, if it is the judgment of a majority of the people of this country that such a policy is best.

In our international relations there should be no politics. When we deal with a foreign Government our rights belong to all the people and should be preserved; but as an individual Senator here I am called upon to construe a treaty and to say by my vote what a written paper means. In doing this I am bound to preserve my intellectual integrity, and I can not be intellectually honest and at the same time say that article 4 of the treaty has any meaning or could be possibly construed by any fair-minded court as meaning anything except that we shall not hereafter claim anything on account of any change in territorial sovereignty or international relations of the country or countries traversed by the canal. We are bound to construe the Hay-Pauncefote treaty now just as we would have been bound to construe it if we had no title to the Canal Zone and no territorial sovereignty over it. We are bound to construe it as our international relations were at the time that treaty was ratified, because we have solemnly agreed that no change in any of these matters should affect our obligations under that treaty, Therefore, I shall eliminate from the discussion, so far as I am concerned, the Clayton-Bulwer treaty and all change of territorial sovereignty or international relations which have taken place since the Haj-Pauncefote treaty was ratified. I do this because, if I had been called upon or were called upon now to write down in the English language an agreement that bound me to this course, I could not express it in more apt language than is expressed in the last-mentioned treaty. After reading and digesting article 1 and article 4 it seems to me that this Senate will eliminate about two-thirds of the discussion which has taken place upon this floor.

I have been at a loss to understand the force of the argument that inasmuch as there are six rules named as a basis of the neutralization of the canal, and because the last five of them are supposed not to apply to the United States, that for this reason the first one shall not so apply. It is a position in logic that I am not able to work out. I would not be surprised to find in a contract that one clause applied to one party and five clauses to another, or vice versa. I know of no reason and can conceive of no reason why parties to an agreement should not bind one of the parties in clause 1 and bind the other party entirely in five other clauses. Clause 1 of article 3

44940 - 13390 - 2

of the treaty, or rule No. 1 for the neutralization of the canal, is an agreement. It is written in the English language. It is part and parcel of an agreement entered into between England upon the one part and the United States upon the other. It was intended to express the solemn obligation of the United States concerning a great waterway.

If it binds us as a Nation to do a thing, we can not afford to taint our honor by refusing to do it. We ought to read this clause as we would read a contract between individuals, and, without quibbling or dodging, meet the issue, whatever it may be. This matter is being construed by the highest tribunal on earth, the enlightened judgment and the aroused conscience of the civilized world. In that forum there is no place for a dodger or a quibbler. There we shall be judged as a people and as a Nation, and patriots want us to stand in that enviable attitude that was expressed by Washington when he admonished us to live up to every international contract. His idea was to be slow to make international engagements, and then be most conscientious in living up to one already made. We can not, in deciding this question, afford to take the position of a litigant trying to get out from under the terms of a contract; but rather shall we, out in the broad light of day with the eyes of the world upon us, try to keep the place of an honest Christian nation, willing to construe our own contracts as they are and not as we would probably like to have them. Let us endeavor to get at our true intention from what our representatives said when they wrote the contract, and not from what we would like to have if we could write the contract again ourselves. In this spirit let us review clause 1 of article 3. It reads as follows:

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges shall be just and equitable.

The first words that strike our attention, and have been the subject of so much discussion, are the words "all nations." The average citizen of the United States, I take it, would have no trouble in construing the words "all nations" if he should find them in the State statutes, an act of Congress, a speech made upon the floor of the Senate, in a poem by Longfellow, in the resolutions of a political convention, or even on a tablet which Dr. Cook or Admiral Peary may have placed upon the North Pole. In the absence of something to explain, something to modify, something to change their ordinary meaning, "all" embraces every one. "All nations" would include the United States, and when England and the United States would use these two words they would embrace those two countries. In the oft-quoted expression, "All nations shall bow and all tongues shall confess" there can be no doubt what is meant.

When it is used in far-away China, China is not excepted; when it is used in the United States, the United States is not excepted. But we take the next clause, "on terms of entire equality." There the contracting parties use two words of strong import. There shall not only be equality as to all nations, but "entire equality." The contracting parties were not satisfied with using the words "all nations," but they went further and required that all nations should be on terms of

entire equality. But they were not satisfied with this clear expression, and went further and used the following:

So that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise.

They were not satisfied by saying that "all nations" should be embraced and that there should be "terms of entire equality," but they went further and provided that there should be "no discrimination against any such nation"; and then, to further show what was meant by the parties, they provided that the "citizens and subjects" of every nation should be on terms of equality, and that there should be no "discrimination" against its "citizens or subjects." And what kind of discrimination is meant? The treaty itself explains-"in respect of the conditions or charges of traffic or otherwise." In other words, here are two parties making a contract regarding the use of a great waterway, and under that contract they provide for entire equality. They provided against discrimination, against discriminating against their citizens or subjects; and then, so as to be sure that no one could misconstrue those words, they provided that this equality and this immunity from discrimination shall go so far as to be the security and the privilege of every citizen and every subject of these nations, not only regarding their vessels of war and commerce, but "in respect of the conditions or charges of traffic or otherwise."

It is not alone the tolls on vessels, but the "charges" for traffic and the "conditions of traffic" which are embraced; and then if that was not broad enough to embrace the equality and the immunity from discrimination which the parties have provided, they use the other expressions, "or otherwise," so as to take in every consideration which would affect any vessels or any cargo and its relation to any nation or to the citizens or subjects of any nation. I might ask here, what is not embraced in this solemn covenant? How could a purpose to put every citizen and every subject of every nation and every nation "on terms of entire equality" be more aptly expressed, and what language could be used from which there could be deduced the clear intention that there should be no right, privilege, immunity, or advantage for one nation or the citizens or subjects of any nation over the citizens or subjects of any other nation than are used in this clause of the treaty? But it does not stop there. It then puts a broad mantle of interpretation over all of it-"such conditions and charges of traffic shall be just and equitable." What does "just" mean? It means "right." It means "true," "fair," "without discrimination," without giving one any advantage over another. "Equitable" means "in the spirit of equity." Equity is a practice made necessary by the harshness of the common law. It was for the correction of those things wherein the law, by reason of its universality, was deficient. Equity courts are courts of conscience, into which the dishonest and contract-breaking litigant can not come. The primary principle of the courts of equity is that no one can come into them except with clean hands. He must come wanting to do right, to be fair. The treaty provides, and I want to lay especial stress upon the fact, that we shall not limit this last sentence of rule 1 to charges of traffic. It embraces as well " conditions of traffic." We can not dismiss this last sentence by saying that the charges of traffic through the canal shall be 44940 - 13390

reasonable; that is, that we will not make the tolls too high, and that we will on the vessels and cargoes through which we collect tolls make them just and equitable from a transportation standpoint, and make no discrimination as between citizens and subjects of different nations. We bound ourselves in this treaty to make "conditions of traffic just and equitable," which means that we ought in the court of the world, out in the open, where conscience and good faith must obtain, make the operation of that canal just and equitable, so far as the conditions of traffic as well as the charges of traffic may be concerned. If we are the "dictator" of charges, we could levy an "inequitable" toll or an "unjust" toll. However, we promised never to be unjust and never to be blind to equity.

unjust and never to be blind to equity. Now, what is meant by the term "conditions of traffic"? Shall we stand here and say that it has a restricted or a narrow meaning? Shall we be surprised that England, our neighbor, and a friendly nation, respectfully asks us to embrace her and her vessels in every consideration of the construction of these rules? Is it any wonder that she should say that a cargo which she started from Halifax, Nova Scotia, to go to San Francisco by way of the Panama Canal, shall be treated in a different way from a cargo which shall start from Boston to go to San Francisco through the canal? That is traffic; that is commerce. We take our cargo from Boston in a vessel of commerce and England takes hers in a vessel of commerce. England proposes to observe our rules, and if she does we have contracted with her that those two cargoes shall go on "terms of entire equality." We have solemply agreed with her that, regarding that cargo, there shall be no "discrimination" against her and no discrimination against her "citizens" nor against her "subjects." We have solemnly agreed that this entire equality and this absence of discrimination shall be in respect not only to the "charges of traffic," but the "conditions of traffic." Are we now surprised as a self-respecting, honest Nation that England should claim that we are discriminating against her when we take to the same market, and go practically over the same route, and yet we have so fixed " conditions and charges of traffic " that we will take our cargo to this common market at a less charge than she can get hers there? Shall we be surprised when she says that that is not "entire equality"? Is it amazing that she should say that this looks like discrimination against her and her subjects? Shall we think it something terrible that this friendly nation shall protest that this course of ours is making the conditions or the charges of traffic harder on her subjects than it is on ours? Should we marvel that the English people say that these conditions or charges of traffic are not just and not equitable under this clause of the treaty? Is it treason, is it cowardice, that a Senator's intellectual honesty compels him at this point to pause and see what he would do if he were concerned as a judge to decide this momentous question?

If we are to be perfectly fair and just in discussing this question, we must realize that the condition here now is not what will be the final outcome of this controversy, but what is our present duty. We are trying to determine what is the right course in dealing with a friendly nation at the present time, because this is a controversy between nations, and we can not settle it here unless we say that we will doggedly and arbi-

trarily pursue our own course and what we may conceive to be our own rights without consulting the other party to the agreement. In other words, we must try to put ourselves in England's place at the present time. The real question is what would we do if the positions were changed, and what would be our conception of our duty as a nation if we at this time occupied England's position regarding the canal, because we are asked now to say that England has no rights concerning this matter, that she is an interloper, that we will decide all controverted points in our own favor, enter judgment and issue execution, and will not discuss the question with the other party to the contract. In determining what would be the natural position of England on this subject we ought to recollect what we have said and what we have done as bearing upon this question. From the report made by Senator Davis, of Minnesota, to the Senate Committee on Foreign Relations recommending the ratification of the Hay-Pauncefote treaty I take the following extracts:

[Extract from the report of Senator Davis, of Minnesota, from the Senate Committee on Foreign Relations, recommending the ratifica-tion of the Hay-Pauncefote treaty.]

That the United States sought no exclusive privilege or preferential right of any kind in regard to the proposed communication, and their sincere wish, if it should be found practical, was to see it dedicated to the common use of all nations on the most liberal terms and a foot-ing of perfect equality for all. That the United States would not if they could obtain any exclusive right or privilege in a great highway which naturally belongs to all mankind.

mankind.

right or privilege in a great highway which naturally belongs to all mankind. That while they aim at no exclusive privilege for themselves, they could never consent to see so important a communication fall under the exclusive control of any other great commercial power. If, however, the British Government shall reject these overtures on our part, and shall refuse to cooperate with us in the generous and philanthropic scheme of rendering the interoceanic communication by the way of the port and river San Juan free to all nations upon the same terms, we shall deem ourselves justified in protecting our inter-cest independently of aid and despite her opposition or hostility. It was an explicit and peremptory demand for an agreement that would give to Nicatagua the freedom of exit to the sea through the San Juan River for a ship canal that should be open to all nations on equal terms and protected by an agreement of perfect neutrality. In the origin of our claim to the right of way for our people and our produce, armies, malls, and other property through the canal, we offer to dedicate the canal to the equal use of mankind. As to neutrality and the exclusive control of the canal and its dedication to universal use, the suggestions that were incorporated in the Clayton-Bulwer treaty came from the United States and were concurred in by Great Britain. In no instance has the Government of the features of neutrality, its equal and impartial use by all other mations. Thus the United States from the beginning before the Claytonnations.

The features of heutranty, its equal and impartial use by an other nations. Thus the United States from the beginning, before the Clayton-Bulwer treaty, took the same ground that is reached in the conven-tion of February, 1900, for the universal decree of the neutral, free, and innocent use of the canal as a worldly highway, where war should not exist and where the honor of all nations would be a safer protection than fortresses for its security. From that day to this these wise fore-casts have been fulfilled, and Europe has adopted in the convention of Constantinople the same great safeguard for the canal that was pro-jected by Mr. Cass in 1857. No American statesman, speaking with official authority or responsi-bility, 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 equity to the ships and commerce of the world. Special treaties for the neutrality, impartiality, freedom, and innocent use of the two canals that are to be the eastern and western gate-ways of commerce between the two great occans are not in keeping with the magnitude and universality of the blessings they must confer 44940—13390

upon mankind. The subject rather belongs to the domain of international law.

national law. The leading powers of Europe recognized the importance of this sub-ject in respect of the Suez Canal, and ordained a public international act for its neutralization that is an honor to the civilization of the age. St is the beneficent work of all Europe and not of Great Britain alene. Whenever a canal is built in the Isthmus of Darien, it will be ulti-mately made subject to the same law of freedom and neutrality as governs the Suez Canal, as a part of the laws of nations, and no single power will be able to resist its control.

power will be able to resist its control. The European powers gave to this subject the greatest consideration, and reached conclusions that are not open to criticism as being unjust to any nation in the world. Turkey and Egypt, the imperial and the local sovereigns of the canal, and Great Britain, a controlling stock-holder in the Maritime Canal Co., had special interests in the rules for regulating the use of the canal, and they united in the convention which deprived them of exceptional privileges in its navigation, in peace and in war, for the sake of justice to all maritime nations and the peace and prosperity of the world. No nation disapproves of this great act or has had grounds of com-plaint against it. No American will ever be found to complain of it, it is right in its moral features, in its impartiality, and, above all, in its tendency to decrease the resort to war for the settlement of inter-national quarrels, and will have the cordial approval of the American people.

people.

The United States can not take an attitude of opposition to the principles of the great act of October 22, 1888, without discrediting the official declarations of our Government for 50 years on the neutrality of an isthmian canal and its equal use by all nations, without discrimination.

nation. To set up the selfish motive of gain by establishing a monopoly of a highway that must derive its income from the patronage of all mari-time countries would be unworthy of the United States if we owned the country through which the canal is to be built. But the location of the canal belongs to other Governments, from whom we must obtain any right to construct a canal on their terri-tory, and it is not unreasonable, if the question was new and was not involved in a subsisting treaty with Great Britain, that she should question the right of even Nicaragua and Costa Rica to grant to our ships of commerce and of war extraordinary privileges of transit through the canal. It is not reasonable to suppose that Nicaragua and Costa Rica would

Ships of commerce and of war extraordinary privileges of transit through the canal. It is not reasonable to suppose that Nicaragua and Costa Rica would grant to the United States the exclusive control of a canal through those States on terms less generous to the other maritime nations than those prescribed in the great act of October '22, 1888; or if we could compel them to give us such advantages over other nations it would not be creditable to our country to accept them. That our Government or our people will furnish the money to build the canal presents the single question whether it is profitable to do so. If the canal, as property, is worth more than its cost, we are not called on to divide the profits with other nations. If it is worth less, and we are compelled by national necessities to build the canal, we have no right to call on other nations to make up the loss to us. In any view, it is a venture that we will enter upon if it is to our interest, and if it is otherwise we will withdraw from its further consideration. The Suez Canal makes no discrimination in its tolls in favor of its stockholders, and, taking its profits or the half of them as our basis of calculation, we will never find it necessary to differentiate our rates of toll in favor of our own people in order to secure a very great profit on the investment. In this convention we stipulate against the blockade of the canal by any nation.

by any nation.

by any nation. In conditions that may not be entirely remote we would find this provision, in letting our ships through the canal free from capture by our enemy, of great security to our coastwise trade. The Suez Canal is in the same situation, and none of the European powers would have it otherwise, because it is to the interest of all nations that war shall not exist in or near the canal, and it is made a national crime for any nation to violate the neutral ground. No nation is willing to incur universal hostility by violating the sanctity of waters in which all have equal rights.

is whing to incur universal nothing by violating the sanctity of waters in which all have equal rights. But the canal is not dedicated to war but to peace, and whatever shall better secure just and honorable peace is a triumph. In time of war as in time of peace the commerce of the world will pass through its portals in perfect security, enriching all nations, and we of the English-speaking people will either forget that this grand work has ever cost us a day of bitterness, or we will rejoice that our (1010, 1200)

contentions have delayed our progress until the honor has fallen to our grand Republic to number this among our best works for the good of mankind.

When the second treaty was submitted to the Senate, Secretary of State Hay said:

The United States alone, as the sole owner of the canal, as a purely American enterprise, adopts and prescribes the rules by which the use of the canal shall be regulated and assumes the entire responsibility and burden of enforcing, without the assistance of Great Britain or of any other nation, its absolute neutrality.

Representative STEVENS of Minnesota has given the following statements from our own public men, indicating our general purpose to see to it that no discrimination should be allowed

in the use of, the canal: Mr. Clay, Secretary of State, to Messrs. Anderson and Sergeant, United States representatives to the Panama Congress, May 8, 1826: "A cut or a canal for purposes of navigation somewhere through the Isthmus that connects the two Americas to unlit the Pacific and At-lantic Oceans will form a proper subject of consideration at the con-gress. That vast object, if it should be ever accomplished, will be interesting in a greater or less degree to all parts of the world. But to this continent will probably accrue the largest amount of benefit from its execution, and to Colombia, Mexico, the Central Republic, Peru, and the United States more than to any other of the American nations. What is to redound to the advantage of all America should be effected by common means and united exertions and should not be left to the separate and unassisted efforts of any one power. * * * If the work should ever be executed so as to admit of the passage of sea ves-sels from ocean to ocean, the benefits of it ought not to be exclusively appropriated to any one nation, but should be extended to all parts of the globe upon the payment of a just compensation or reasonable tolls."

Senate resolution, 1835:

"* * The construction of a ship canal across the Isthmus which connects North and South America, and of securing forever by such stipulations the free and equal right of navigating such canal to all such nations. * * *" such nations.

Such nations. * * *** House resolution, 1839: ** * For the purpose of ascertaining the practicability of ef-fecting a communication between the Atlantic and Pacific Oceans by the construction of a ship canal across the 1sthmus and of securing forever, by suitable treaty stipulations, the free and equal right of navigating such canal to all nations." Treaty of 1846: ** * Any modes of communication that now exist, or that may be hereafter constructed, shall be open and free to the Government and citizens of the United States, and for the transportation of any articles of produce, manufactures, or merchandise of lawful commerce belonging to the citizens of the United States; that no other tolls or charges shall be levied or collected upon the citizens of the United States, or their said merchandise thus passing over any road or canal that may be made by the Government of New Granada, or by the authority of the same, than is, under like circumstances, levied upon and collected from the Granadian citizens. * * * Granadian citizens.

President Polk's message:

"It will constitute no alliance for any political object, but for a purely commercial purpose in which all the navigating nations of the world have a common interest.

world have a common interest. "In entering upon mutual guaranties proposed by the thirty-fifth ar-fiele of the treaty, neither the Government of New Granada nor that of the United States has any narrow or exclusive views. The ultimate object, as presented by the Senate of the United States in their resolu-tion of March 3, 1835, to which I have already referred, is to secure to all nations the free and equal right of passage over the Isthmus." Secretary of State Lewis Cass: "While the rights of sovereignty of the local governments must al-ways be respected, other rights also have arisen in the progress of events involving interests of great magnitude to the commercial world, and demanding its careful attention and, if need be, its efficient pro-tection. In view of these interests and after having invited capital and enterprise from other countries to aid in the opening in these great highways of nations under pledges of free transit to all desiring it, it can not be permitted that these Governments should exercise over them 44940—13300 44940 - 13390

an arbitrary and unlimited control, or close them or embarrass them without reference to the wants of commerce or the intercourse of the world. Equally disastrons would it be to leave them at the mercy of every nation which, in time of war, might find it advantageous for hostile purposes to take possession of them and either restrain their

hostile purposes to take possession of them and either restrain their use or suspend it altogether. "The President hopes that by the general consent of the maritime powers all such difficulties may be prevented, and the interoceanic lines, with the harbors of immediate approach to them, may be secured beyond interruption to the great purposes for which they were established." See Seward in note to Minister Adams, 1862: "This Government has no interest in the matter different from that of other maritime powers. It is willing to interpose its aid in execu-tion of its treaty and further equal benefit of all nations." In a note to the Colombian minister, January 18, 1869, Secretary Seward expressed himself in the same manner. Negotiations of Secretary of State Fish: "** * A Darien Canal should not be regarded as hostile to a Suez Canal; they will be not so much rivals as joint contributors to the increase of the commerce of the world, and thus mutually advance each other's interests. * *

Lord Granville's reply: "* * * such communication concerned not merely the United States or the American Continent, but, as was recognized by article 6 of the Clayton-Bulwer treaty, the whole civilized world, and that she would not oppose or decline any discussion for the purpose of securing on a general international basis its universal and unrestricted use. * * *' President Cleveland's message, 1885; "* * Whatever highway may be constructed across the barrier dividing the two greatest maritime areas of the world must be for the

"* * Whatever highway may be constructed across the barrier dividing the two greatest maritime areas of the world must be for the world's benefit—a trust for mankind, to be removed from the chance of domination by any single power, nor become a point of invitation for hostilities or a prize for warlike ambition. * * *" "* * * These suggestions may serve to emphasize what I have already said on the score of the necessity of a neutralization of any interoccanic transit; and this can only be accomplished by making the uses of the route open to all nations and subject to the ambitions and warlike necessities of none."

uses of the route open to an nations and subject to the anothers and warlike necessities of none." Secretary of State Olney's memorandum, 1896: "* * " That the interoceanic routes there specified should, under the sovereignty of the States travfersed by them, be neutral and free to all nations alike. "* * Under these circumstances, upon every principle which governs the relations to each other, either by nations or of individuals, the United States is completely estopped from denying that the treaty is in full force and vigor."

the United States is completely estopped from denying that the treaty is in full force and vigor." Message of President Roosevelt in submitting treaty: "* * It specifically provides that the United States alone shall 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 guaranty of interference of any outside nation from any quarter."

President Roosevelt's special message, January 4, 1904: "* * 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."

Secretary of State Hay's note of January 5, 1904: "* * 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 tra-ditional policy."

It can thus be seen that the provisions in the treaty are in accord with what the statesmen of this country have set forth as the intention and the purpose of the United States in building the canal, and we should not be surprised at this point, when the cocontracting parties ask for a construction of the treaty, and in a perfectly friendly and respectful way asks us to pause and decide, as a Christian nation should decide, what the treaty means before we enter upon a policy which England claims is in violation of the terms of the treaty. Let us pursue this investigation a little further. England would have the right to claim that for another ground we have been mistaken in our construction of this treaty, and it is worthy of our consideration. It bears directly upon the question what the words "all nations" mean. As I have before laid down, it is the golden rule in construing contracts that every part of the paper must be given a meaning, and where any clause may be doubtful such a construction of that clause must be given, if possible, as to make it harmonize with every other part of the written paper. This is so fundamentally the law of construction of contracts that it is hardly worth while to go to the law books, but this is a question of such importance that I will quote from some authorities to sustain the rules which I shall apply in the construction of this treaty.

INTERPRETATION AND CONSTRUCTION OF CONTRACTS.

INTERPRETATION AND CONSTRUCTION OF CONTRACTS.
The elementary canon of interpretation is, not that particular words may be isolatedly considered, but that the whole contract must be brought into view and interpreted with reference to the nature of the obligations between the parties and the intention which they have manifested in forming them. (168 U. S., 287; 163 U. S., 564; 149 U. S., 1; 159 U. S., 526; 143 U. S., 566.)
The contract must receive a reasonable construction, so as to carry the intention of the parties into effect. (186 U. S., 270.)
The universal rule is that where a contract will bear two constructions equally consistent with its language, one of which will render it operative and the other void, the former will be preferred. (118 U. S., 235; 9 Wall., 394; 117 U. S., 567.)
It is against the rules, both of law and of reason, to admit by implication in the construction would be incorrect which would oblitrate one portion of the contract in order to enforce another part thereof. (Burden Cent. Sugar Ref. Co. v. Payne, 167 U. S., 127.)
In construing contracts words are to receive their plain and literal meaning. (Caldron v. Atlas Steamship Co., 170 U. S., 272.)
Courts in the construction of contracts may avail themselves of the same situation as the parties who made the contract mand so judge of the wave executed. They are accordingly entitled to place themselves in the same situation as the parties who made the correct application of the language of the bings of the words and of the correct application of the language of the bings of the words are to receive their plain and literal meaning of the words and of the correct application of the language of the things described. (Wash. v. Towne, 5 Wall., 659; Goddard v. Foster, 17 Wall., 123; Moran v. Prather, 23 Wall., 492.)

Judge Story, in the case of The Amiable Isabella (U. S. Sup. Ct., 1821, 6 Wheat., 1), says:

This court does not possess any treaty-making power. That power belongs by the Constitution to another department of the Government; and to alter, amend, or add to any treaty by inserting any clause, whether small or great, important or trivial, would be on our part as usurpation of power and not an exercise of judicial functions. It would be to make and not to construe a treaty. Neither can this court supply

a casus omissus in a treaty. We are to find out the intention of the parties by just rules of interpretation applied to the subject matter, and having found that, our duty is to follow it as far as it goes, and to stop where that stops, whatever may be the imperfections or difficulties which it leaves behind. The parties who formed this treaty, and they alone, have a right to annex the form of the passport. It is a high act of sovereignty, as high as the formation of any other stipulation of the treaty. It is a matter of negotiation between the Governments. The form of passport; it requires it to be the joint act of both, and that act is to be expressed by both parties in the only manner known between independent nations by a solemn compact through agents specially dele-gated and by a formal ratification.

gated and by a formal fathleation.
In the construction of a treaty its language must control and can not be varied by any notion of justice or convenience. (6 Wheat., 1; 92 U. S., 733; 179 U. S., 494.)
Where no exception is made in terms, none can be made by mere im-plication or construction. (Rhode Island v. Mass., 12 Pet., 657, 722; U. S. v. Choctaw Nation, 179 U. S., 94.)
A treaty is to be liberally construed. (Shanks v. Dupont, 3 Ret., 242; Hanenstein v. Lynham, 100 U. S., 48; Ward v. Race Horse, 163

The terms in which it is expressed. (Chine, 312165 C. D'Aliferte, 10 Annelle, 10 Annelle, 11 States C. Police Jury, 9 How., 280.)
A treaty is to be construed in the light of the facts and circumstances surrounding its making. (In re Ross, 140 U. S., 453; Owings v. Norwood, 5 Cranch, 344.)
A treaty is to be construed with reference to the contracting parties, the subject matter, and persons on whom it is to operate. (United States v. Arredondo, 6 Pet., 691; Geofroy v. Riggs, 133 U. S., 258.)
A convention which is operative upon both contracting nations and intended for their mutual protection is to be interpreted in a spirit of uberrima fides. (Tucker v. Alexanderof, 183 U. S., 424.)
It is a fundamental rule that in the construction of contracts if the language is doubful, the courts, in ascentaining the meaning of the parties, especially as to the subject matter, the conduct and situation of the parties as between themselves and with relation to the subject matter, and the surrounding facts and circumstances, and may avail themselves of the same light which the parties possessed when the contract was made. The transaction must necessarily be held to have been entered into with the intention to produce its natural result. (Vol. Encyl. Dig. U. S. Sup. Ct., p. 570, and numerous cases cited.) Every contract ought to be so construed that no clause, sentence, or word shall be superfluous, void, or insignificant. Every word ought to appendent to the general intent of the contract is void and must be rejected. The terms of the contract are to be understood in their plain, ordinary, and popular sense, unless they have generally, in respect to the subject matter, as by the known usage of trade or the like, acquired a peculiar sense distinct from the popular sense of the same words. (Addison's Law of Contracts, 7th ed., p. 45.)
An their plain, ordinary, and popular sense, unless they have generative, in the constract is to be construed with reference to the subject mat

As I gather the rule from these authorities it is that in construing a written instrument the lodestar is to arrive at the intention of the parties from what they have written down in the paper if it be possible to do so. We are not justified in disregarding anything that is written down in the paper, and all that the parties have stipulated in writing shall be given a meaning, and from everything that is written we must, if possible, arrive at the true intention of the parties. There is another golden rule of construction, and that is that where words can be given one meaning, if interpreted one way, and by that interpretation of the words they will be in harmony with all other parts of the paper, then such a construction shall be given to the words rather than another which would not be in harmony with other parts of the agreement. We are now construing the meaning of the words "all nations," and I desire to apply these rules to the Hay-Pauncefote treaty. It is said by those against the repeal of the present law that the United States is in the position of a grantor; that in article 3 of the treaty it is granting something to the other nations of the world, and therefore it is to be exempted. I am bound to admit that on the first statement of this proposition it carries some force. Notwithstanding the clear language which rule 1 contains, if it be true that the United States is the grantor, is the lord paramount, and was expressing to the world the rules by which it would permit the nations of the earth to use the canal, there is force in this argument. But it can be said, in answer, that England is also a grantor. We derive our right to make rules by the same treaty. It is a give-and-take instrument, for both parties give and take. Our Government confessed its inability to construct the canal, as it has, without the treaty. Therefore this argument may appear to the world as the position of the litigant, not the argument of the judge. Is it a forceful broad reason that will strike the intellect of the world, or is it an excuse or expedient of a litigant trying to gain an advantage? Let us talk plainly about these very important matters, be-cause the world will talk about them. Our position before the nations of the earth is a greater stake than the little pecuniary advantage that might be obtained. Is this really the broad lawyer's argument or is it an expedient under which we hope to gain our point whether right or wrong? In looking at England's standpoint, what she will say and what she will argue, and in viewing the world's standpoint upon this question, we must be careful that our contentions are reasons and not ex-We must be sure that our point will be justified by the cuses. court of last resort which decides whether or not we are treaty breakers or treaty keepers, and with that in view I want to analyze this part of the treaty.

Article 2 provides that the canal may be constructed under the "auspices" of the United States. It then goes on to provide that we may build it in the following ways: First, directly at our own cost; second, by gift or loan of money to individuals or corporations; and, third, through subscription to or purchase of stock or shares.

We chose to take the first way provided in the treaty—that is, we built it at our own cost—and now, because we chose that way, should we construe the words "all nations" as if that mode of building the canal had been the only mode provided for in the treaty; and, having chosen that mode, shall we call ourselves the lord paramount, the grantor, the giver, in construing the rules set forth in article 3? Suppose that instead of building this canal at our own cost we had given or loaned the money to individuals or corporations to build it. Suppose we had loaned the money to that old French company and it had gone forward and constructed the canal, what would have been our position? We could have reserved a lien upon all of the prop-

erty, rights, and franchises of the canal company for the repayment of our loan and its interest. We would have had the right of regulation and management of the canal provided for in article 2. We could have reserved the enjoyment of "all the rights incident to such construction" as provided in article 2, but could we in that event have said that certain vessels of ours should be exempt from tolls? Upon what theory could we have done so? The canal company would certainly have a right to make a fair return upon its money. It would have had the right to insist that the charges of traffic should be just and equitable. Why? Because it is provided under the treaty that a corporation might build it or that individuals might build it. That presupposes a right to make an investment that would bring a return, a just and equitable return, to the stockholders. That corporation would have had a right, in that event, to have insisted that this Government should not take its property without due process of law. In other words, having provided that a corporation could build the canal, we must construe the words "all nations" as those words would reasonably present themselves to all the parties concerned in the event that the canal had been built by the old French company under a loan from this Government.

We violate a fundamental principle of construction of the paper when we disregard the condition that the canal might have been built by that corporation and not directly by this Government. In the contingency just named the words ' fall nations" in the treaty must be construed from the standpoint of the corporation which built the canal. The rights of the stockholders of that corporation would have been bound up in the general proposition that our rules could not deprive it of its property, its tolls, without due process of law; and would also be bound up in the stipulation that "all nations" should enter the canal on terms of entire equality; that there should be no discrimination against any nation or its citizens or subjects in respect to the conditions or charges of traffic or otherwise; and that corporation would have had the right to insist that the charges of traffic should be just and equitable to it as well as But let just and equitable among all the nations of the earth. us suppose another condition that might confront us at this time. Suppose that the third manner of building the canal had been adopted; that is, through subscription to or purchase of stock or shares. Suppose that the Panama Canal Co., the old French company, had revived and reorganized and had sold some of its shares to England, Germany, France, Belgium, Italy, Greece, Austria, China, and Japan, and some to the United States. This plan would have been perfectly feasible and would have been within the terms of article 2 of the treaty. The language "through subscription to or purchase of stock or shares" is very broad and is consistent with our right to regulate and manage the canal and that it should be built under our "auspices." If a corporation had been organized to build the canal and we proceeded to exercise the authority given by article 2, to wit, "the exclusive right of providing for the regulation and management of the canal," could we in all fairness raise the argument that we are the grantor and that we are the lord peramount of the canal and the Canal Zone and that the words " all nations " referred to ail the other stockholders in the canal except ourselves?

In construing the words "all nations," I repeat, we must so construe them as to give them a meaning if the canal had been built in any of the three ways provided for in article 2. In the contingency last mentioned we would have had the anomaly that the nations of the earth, being stockholders in the canal, when we came to construe the meaning of the words "all nations" we would construe them to mean all stockholders except ourselves; and we as stockholders would claim the right to put our vessels through the canal free of charge and make all the other nations of the earth pay a just and equitable toll so as to pay dividends upon our own stock.

Now, in all seriousness, I ask again, is that argument that we are the grantors, and are excluded from the term "all nations" for that reason, in the light of these other conditions which might have been adopted for the building of the canal, an argument or an expedient? Is it a reason or an excuse? How will that great court of conscience, of the enlightened civilized world, take that argument? Will it put us in the position of contending for our rights or of trying to find an excuse to avoid the terms of the treaty? Therefore I contend that the words "all nations," at the very best that we can possibly claim for ourselves as a nation, may in a court without prejudice and without the prompting of self-interest be construed to include us. There are certainly weighty arguments on that side of the question. "A decent respect for the opinions of mankind" compels us to admit this; and therefore we should not undertake to stop the argument, to decide the case in which we are interested, in our own way, and seize the benefits of that interpretation without consulting the other side to the argument and without treating the request of England in the way that we would expect the same kind of request to be treated were the situation of the parties reversed. The record of this debate will have many points of argument based upon the proposition that by opposing this repeal act we surrender forever the rights of the United States. This has been repeated and repeated, notwithstanding the fact that all of us know that one Congress can not bind the other. All of us thoroughly understand that it is not the intention of those who would vote for the repeal of this act to do anything of the kind. There was adopted by a majority vote of the Committee on Interoceanic Canals the proviso offered by the senior Senator from North Carolina, in the following language: Provided, That neither the passage of this act nor anything therein contained shall be construed or held as waiving, impairing, or affecting any treaty or other right possessed by the United States.

There can be no sort of doubt that this proviso will be a part of the repealing act, if it shall be passed at all. I take it that every Senator here who will vote for the repeal of this act will also vote that the bill contain this proviso. So far as I am personally concerned, I have little doubt that the repeal of the act of 1912 would not commit us to a permanent construction of the Hay-Pauncefote treaty; but I do not want a repetition of the condition brought about by the defeat of the Bard amendment to that treaty. So far as I am concerned, I want us to say what we mean, and that is that we are not construing the treaty at all. We are simply showing the world that we know how to be fair; that we know how to deal with the civilized nations 44940-13300 of the earth; that we respect our obligations; that we are sensitive of our honor; and that, at best, the matter is susceptible of debate; and we are willing to go into any forum, willing to carry this matter before the enlightened judgment of the world, and, let come what may, we are prepared to do the right thing; and if, by diplomacy, arbitration, or in any other way, we have the right to free tolls through the canal, whether we exercise the right hereafter or not, we want to preserve it. If we have not the right, we want it to be decided in some way that is just and fair and let the matter be settled forever. There is no use for anyone to try to put us in any other light. We are willing to confer, debate, and treat upon this question, and do not intend to take advantage of the great trust committed to our charge and take a selfish advantage. We are conceding no rights, and say so in the proviso. We are giving away nothing to which we may be entitled. We are making all We simply say that we do not intend to put ourof that clear. selves in the attitude of having a matter of dispute with a friendly power, and, without hearing fully from the other side, proceed to decide the case in our own favor and then appropriate the subject matter of dispute to our own use.

A great deal has been said in this debate over the provision, "This Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal."

They are sweet words when taken by themselves, and might be used as a basis for claiming anything for ourselves under the Like the claim that we are lord proprietors of the treaty. canal, that we stand in the relation of grantors as to the clause enunciated, they can by this be made the basis for doing almost anything that we please under the treaty. We forget, however, that the provision giving us all the rights incident to the construction and the right to regulate and manage the canal, as well as our claim to be the proprietor and our claim to be the grantor, are all made in article 2, "subject to the provisions of the present treaty." Whatever we may claim for article 3, everything in it is an agreement to which there are two parties. It is in one sense a recital, and England will insist, and she may have the right to insist, that all the clauses in article 3, exactly as our claim of the right to enjoy everything incident to the construction of the canal, shall be subject to the treaty. All of us are familiar with logging contracts, under which one of the parties agrees to deliver logs and timber and the other agrees to buy the logs and timber. It is quite usual in these contracts to provide that some rule for measuring logs shall obtain. In my country they usually provide that Doyle's rule shall govern. It is sometimes set forth at length in the contracts, and sometimes it is referred to generally. The man who is to measure the timber agrees that he will be bound by Doyle's rule, for instance, for measurements. This does not mean that the party adopting these measurement rules has any rights not prescribed by the rules. It does not mean that he is in any better position or any worse position by adopting rules than he would be if every condition of the measurement of the timber had been named in the contract. The words in the treaty. "The United States adopts, as the basis of the neutralization of such ship canal, the following rules, substan-44940 - 13390

tially as embodied in the convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal; that is to say" are claimed seriously on this floor to modify or qualify the six clauses. I can not for the life of me see what can be gained by deciding what is the meaning of the word "neutralization" as used in these introductory words. We must look at the six clauses themselves and see what they mean.

The United States adopted them. Why? Because in article 2 the Government of the United States was given the right, "subject to the provisions of the present treaty." to provide for the regulation and management of the canal, and England was unwilling to accept the treaty unless the rules by which it should be managed should be set forth in the treaty. Out of respect to the United States the form was adopted of having the United States name or specify what those rules should be. They were written down in the treaty and agreed to by both parties. The form in which they are written in the treaty makes no difference. The fact that they were put in the treaty shows that they suited both parties, and the treaty would not have been ratified if they had not suited both parties. They have the same force and effect as if the introductory words had never been used. It is recited that they are substantially as embodied in the convention of Constantinople for the free navigation of the Suez Canal, not for the "neutralization" of the Suez Canal, but for the "free navigation" of the Suez Canal. If there should be in the rules following a variance from the convention of Constantinople which would be against the provisions of the rules, clearly the recital can not be used to contradict a plain agreement of one of the parties. By using the word "substantially" we get the general intention. In other words, the idea I mean to convey is this: That because the word "neutralization" is used in the introductory language some have chosen to say that it was the intention of the parties to modify the set of rules following. This argument taken to its logical conclusion would make the word "neutralization" stronger than the words "free navigation" and outweigh all of the specific rules that follow. To illustrate further what I mean: Suppose that after the word "nations" in rule 1 there had been inserted the words "including the United States." then it would read that "the canal shall be free and open to the vessels of commerce and war of all nations, including the United States, observing these rules on terms of entire equality," and so forth. Then, what force could possibly be given to the word "neutralization" and the meaning thereof contended for by advocates of free tolls? It is illustrative of the doctrine that a specific provision must outweigh the recital or general introductory words. Suppose that a seventh clause had been added in the broad language that the United States shall be included within these rules, then all talk of neutralization and the meaning of it would clearly have no place in this discussion. If the word "neutralization" is strong enough to make the words "all nations" exclude the United States, then anything else thereafter used to show a contrary intent would not have sufficed. Logic that confounds itself is not logic. We can not easily get away from the well-settled rule that the specific pro-visions of this treaty are the specific promises or agreements

entered into by the parties to the treaty, and they must be so construed. The meaning of each word and sentence must be arrived at.

The treaty must be read as a whole and the intention of the parties must be ascertained; and we can not hide ourselves behind expedients and excuses to avoid the plain language of any provision. I have given my idea of what will be and what could be the contentions of Great Britain. I am giving what would be some of my contentions if the United States now stood in the same attitude toward England that she stands toward us. Whether these be sound or unsound, whether in the end they shall be decided against Great Britain or not, they all go to show that two honest men can differ as to the construction of this treaty. They show me further that, in all probability, if I were not a citizen of the United States I would, if called upon to decide this question, feel that the argument was rather in her favor than against her. Indeed, when we consider all of the arguments and take the treaty by its four corners, as the, law books require, and construe it as a whole, I feel that the probabilities are that, on a fair construction of the treaty, we can not claim the right to exempt any of our vessels or traffic from the payment of tolls; but we are not called upon to go that far, and until called upon to decide that question I am willing to present the arguments as I see them upon both sides and let it rest.

But from an economic standpoint it looks to me as if the act of 1912 is a mistake. I fear it is, and the investigation which I have so far made has rather strengthened than alleviated that fear. If the agitation of the last few years has been directed at any one thing more than another it has been at graft and special privileges. I feel that there is an abiding conviction in the minds of the people that no special right or immunity or privilege taken away from all the people and given to a few of the people can in the end be best for the country. It stimulates inordinate greed, is calculated to create wealthy classes, and burdens business and the consumer in the long run. It assuredly is not wise for one generation to grant special privileges when we know that the next generation must take up the burden of getting rid of them. When we recall that the coastwise trade of the United States is almost entirely in the hands of a combination of shipowners, as has been shown by an investigation made under the auspices of one branch of the Government, the force of this thought is accentuated. What is there about the Shipping Trust or about a business which can easily become a trust to distinguish it from the railroad business, the oil business, the steel business, or any other kind of business which is so liable to drift into the hands of a few? The junior Senator from New York estimates that these tolls will not amount, in all probability, to more than \$1,200,000 by one calculation which he made, and that calculation is based upon the fact that, excluding the railroad-owned vessels, which the act of 1912 does, there will be left to go through the canal only tonnage that will yield about that sum. We should not allow \$1,200,000, or even \$12,000,000 to make us violate principles which our experience has taught us are vital to orderly government. It will cost this Government many more millions in the long run to grant any one business a subsidy or special privi-44940 - 13390

lege, no matter how small it may be. Its example, its educational force, will cost us untold sums.

But let us look at this question from another standpoint. We have various treaties with foreign nations which may be affected by our position if we decide for free tolls. A Member of Congress has tabulated these treaties, and they may be found in the CONGRESSIONAL RECORD of April 6, 1914, page 6673. He gives a list of 29 of these treaties, and in every one of them there is a clause exempting the coastwise trade from the pay-ment of tolls, showing that it is the custom to make this specific exception in treaties when dealing with vessels and commerce if the intention is to exempt it. For instance, under the treaty with Nicaragua dated December 1, 1884, the pro-vision is "equal tolls for the vessels of all nations," but there is added "except the vessels of the contracting parties engaged in the coastwise trade." An examination of these treaties will, I think, demonstrate the proposition that when we use the term "all nations" or any provisions showing that there shall be no discrimination, and it is the further purpose to except domestic commerce or the coastwise trade, the exception is made in specific language. We are deeply interested in this question from our present position regarding other treaties. We have treaties which affect the lake trade to the north of us. The volume of this commerce is very large. The Soo Canal alone last year passed about 80,000,000 tons of commerce, and it has been estimated that more than 90 per cent of this is American commerce. It has been estimated that the Welland Canal alone, only 14 feet in depth, will carry more American traffic than our entire coastwise traffic which will pass through the Panama Canal, and yet we have, by the act of 1912, made a precedent without realizing the fact that we have scores of treaties where practically this same language has been used, and there may be applied to these treaties the construction which we placed upon the treaty by the act of 1912, and which construction will justify foreign Governments in using against us our own rule, and which affect many, many times more than the amount of commerce that will go through the Panama Canal. We should appreciate the wise, cautious, sound position of the President, who is guarding the interests of this Nation as a whole and does not see fit to give everything to a coastwise shipping interest that may use the Panama Canal. We must not forget that, with the exception of a few States bordering on the Atlantic seaboard and those bordering on the Pacific Ocean and the Gulf of Mexico, the greater part of the com-The coal, merce of this country originates in the interior. lumber, wheat, and corn of the West and the Middle West must fight a battle with the railroads before they can get to a ship. The freight on a ton of coal from West Virginia must pay \$1.40 to the Atlantic seaboard before it can get in sight of any kind of a vessel. It must pay from 80 cents to \$1.05 before it can reach the Great Lakes.

When it gets to the Great Lakes it is interested in all of those questions involved in the treaties which affect the operation of the canals which I have mentioned, and the coal and timber interest of West Virginia is interested in every one of those transportation problems on the Great Lakes much more than the small traffic which may be involved in the coastwise 44940-13390-3 trade that will go through the Panama Canal. If we rush headlong to the conclusion that the words "all nations" in this treaty do not include us, we may not complain when other nations will construe the same words so as to exclude their own domestic or coastwise traffic. We did have a controversy with England about the Welland Canal. It has been mentioned in these debates. There was involved in that controversy the meaning of the words "on terms of equality." Canada violated that treaty by providing a rebate of 18 cents a ton on grain carried to Montreal or points east thereof. Inasmuch as the United States did not carry any grain to Montreal or points east, and Canada carried practically all of her grain to Montreal or points east, the effect of the order was that Canada got all of her freight, or practically all of it, through the canal at practically 18 cents a ton less than was charged the United States. This, we claimed, was making the conditions or charges of traffic unjust to the United States. There was a great deal of diplomatic correspondence upon the subject, and finally the United States passed a retaliatory act, and finally England receded from her position. It is claimed by free-toll advocates that England still maintains that she did not violate the treaty. Even so, but she does not enforce her claim. So with us now, the thing to do is not to enforce any claim which we might have at this time. The great stake which we have in the canals to the north of us, in the business of the world, in the friendly cooperation with foreign powers, in our own dignity and honor, should constrain us to do now as England did then; that is, no matter what our rights may be we need not enforce those rights now, but leave that matter until such a time as we can check up where our interests are, how our position when taken may affect us to the east, south, north, and west, and when that time shall come, when we have all of the information and we are fully informed as to what our rights are, we can then take our position, if we desire to do so. While we may not concede anything now, and we are not, let us not by our demands make a precedent which may lose more than we can possibly gain. From the standpoint of self-interest we should pause and see where we are.

My colleague has paid a beautiful and a touching tribute to the flag of our country. He fought to maintain what he considered its dignity and honor at a time when I was too young to appreciate the issues which were involved. That tribute was worthy of him and of the State which he and I represent on this floor. It was a true burst of sentiment that mingled personal recollections and sufferings with the lofty promptings of his heart; and he is excusable, even to be commended, for forgetting for the moment that the law and its interpretation and justice and her votaries do not appeal to flags or arms.

His long experience at the bar and on the bench, his discriminating judicial mind, and his keen intellect, schooled and skilled to pick the wheat from the chaff in legal discussions, constrained him, no doubt, to prefer to discuss the patriotic viewpoint rather than the cold legal question that is involved on the face of the treaty of 1901.

It is hard for him to be illogical. It is easy for him to magnify and glorify the flag that speaks to him out of the years

when his heart was young, his blood ran high, and his youthful patriotism led him to deeds of valor.

My love for my country's flag is as pure as his. Every drop of blood ever shed for its protection and glory I revere as my inheritance. I want it to bedeck the seas of commerce. I want it always to represent liberty and a Government founded upon a people's love and respect. I would have it respected in every land on earth as representing a people who are strong without boasting of it, who are great without self-glorification, wise without pedantry, resourceful without displaying their riches, and honest and truthful by what they do rather than by what they say.

Diplomacy and foreign policies can not shape the destinies of people except for the moment. Every enlightened, strong peo-ple like ours is a force on the face of the earth, and that force will make and unmake nations or spend its vitality in domestic or foreign quarrels. These United States do not doubt for a moment what their rightful destiny shall be. She is standing here between the two great oceans, perfecting a system of government that will avoid the mistakes of the ancient peoples of Asia, Africa, and Europe. Here is a people that take stock of themselves at regular intervals and have never made the foolish mistake of believing that anything made by man is too sacred to be changed, modified, or abolished when experience has taught that it was a mistake or that it had ceased to be useful. This is about the only real fundamental principle in the government of an enlightened, thinking, watchful people. Everything on the earth in the way of government and civilization has been changing. Changes will always go on. This people is learning that one lesson, and their good sense, their education, their energy, their enterprise, and their hatred of anarchy and disorder will take care of every emergency as it arises. There will never be any French Revolution here. Anarchy can not survive among a people who say their prayers, maintain the Christian religion, work for and earn their own living, conserve the great resources of this land, and, in an honest way, seek to make their Government truly representative of the will of a majority. A Government founded upon the consent of the governed is our fixed institution.

But this people can not, if they would, confine their influence within their own boundaries. Our star is shining for the oppressed and the unhappy everywhere. Our sword is only for defense, but our star is for conquest. Our purpose is to conquer no territory, annex no land, without the consent of its people; but our star of destiny shines by night when our people sleep. Wherever the love of liberty has enough life to sparkle; whereever men have ambition to be free and to desire to find a flag which stands for the solution of the problem of keeping opportunity's door wide open; wherever the children of men are born to misery, oppression, and suffering for that which others have done or failed to do the American flag will conquer, not armies and navies, but the hearts of men and women. Our destiny is to defend this Government of the people wherever and whenever its institutions are attacked, and to be ever prepared to do so; and to be for warlike conquest only where that is the surest defense for our threatened institutions. But our 44940-13390 conquests of the hearts of men and women have no bounds. The "consent of the governed" is our only limitation.

I can see the day when the American flag will sail every commercial sea; when every foot of land down to the Panama Canal will be governed under a written constitution like ours, and by peaceful elections at stated intervals all political differences will be settled and the great mineral and agricultural resources of these countries will be poured into the coffers of commerce and every kind of human slave will then be a free man working out his own destiny and earning his own living. Whether fate shall take the United States Army and Navy there is very doubtful, but fate will take our influence, our institutions, and the things for which our flag stands wherever there is an unsatisfied yearning for opportunity under free institutions.

With such destiny why can we not see that frankness, honor, truth, and righteousness should be the last things which we would endanger?

As we love the flag let us make it stand for honor as well as glory; let it stand for justice as well as power. If we are to sail every sea and reach every market, what greater asset could we have than the respect and confidence of every people?

President Wilson is not building for a day, but for centuries of that kind of power that goes hand in hand with justice and honor.

The fairest and the richest portion of the Western Hemisphere is glad to bow allegiance to the Stars and Stripes. This Government began its life a century and a quarter ago as the voluntary experiment of a brave, strong, enterprising people who had fled from injustice and special privilege, and who, therefore, felt that they could not afford to trust life, liberty, or the pursuit of happiness to any governmental machinery or power not subject to their own control, at least at intervals. Their experiment has been a success.

Their success in agriculture, manufacturing, mining, transportation, and invention has been signal. No less signal has been their success in general education and in raising the standard of living. We have put opportunity at the doorstep of the cabin, so that every child born in this land may have hopes of achieving the highest honors and the richest rewards. Our literature, our inventions, the story of our achievements, go to all lands of the earth; and it is no wonder that the simple story of the great Government of the western continent has challenged. the admiration of the world. No one can reckon our influence toward the democratizing of the world; but we do know that, one by one, the arbitrary one-man Governments of the Old World have been liberalized, and each epoch has brought more and more power to the people. Absolute monarchies have become limited, limited monarchies have become republics, till now the enlightened nations of the earth have decided to put away the idea of God-given earthly power in government. It is useless to deny the great influence exercised by this people and their model governmental system in striking down privilege and enthroning the man.

We have made liberty enlighten the world; and the freemen of the earth will bless us for our handiwork, and will look to

us for centuries to lead. We are most favorably situated to do so. We could lock up every inch of our shores, and could indefinitely live in luxury without any communication with the outside world. We could feed, clothe, educate, and advance our people till our population became many times what it is without sending a ship from our shores or receiving a cargo from abroad. We have nothing to fear from war. Our national debt is a mere trifle, which our new banking system could finance with a note at 90 days if it became necessary. Without borrowing a copper, and without a dollar of tax placed upon property, we could support an army of 1,000,000 men indefinitely. The resources of our mines and forests for centuries need not be cause for worry, and the manufacturing and agricultural possibilities of our people have never been put to a severe, not to say extreme, test. If liberty shall ever be driven to extremities when it must retire, like David at Hebron, to await God's own time for its acceptance by the world, she will make her last stand in the United States, where there is every resource and opportunity for hundreds of millions of population to live happily and well. But the other nations of the world know this as well as we do; and our products are too necessary to them to make our isolation possible, even if it could be conceived that it would ever be desirable.

In any view of present-day world politics this country and its Government, this people and their relation to humanity and to man's destiny, have an opportunity to remain what they are to-day, the beacon light of the world for governments based upon the consent of the governed. They can put hope, enthusiasm, and ambition into the breast of every young Washington, Jefferson, or Lincoln now struggling in foreign lands against odds that are placed upon him by ignorance, superstition, cowardice, or arbitrary power. America can lead the people of the earth to freedom of religion, freedom of the press, liberty of person, the right of property, and to open opportunity for every human being, if it will be true to its ideals and to the spirit which animated our fathers when they wrestled with the strong governments of the earth in our early days. We, as they, would spurn to bend the knee to any nation on earth. Our resources and our isolation are proofs against national fear. Indeed, the spirit of our people was proof against fear even when we were but a thin strip of colonies on the eastern shore of the Atlantic, and before we controlled the Gulf of Mexico, the Great Lakes, the Mississippi River, or the shores of the Pacific.

Senator JOHN SHARP WILLIAMS, in his lectures on Jefferson, gives what "should, if it does not, constitute permanently a part of the very soul of our relations with foreign nations." Quoting from Jefferson's communication to our Madrid commissioners, he gives this as the "crisp and lofty" as well as the "Demosthenic" style which Jefferson had of expressing our relations with every other Government:

We love and we value peace; we know its blessings from experience; we abhor the follies of war, and are not untried in its distresses and calamities. Unmeddling with the affairs of other nations, we have hoped that our distances and our disposition would have left us free in the example and indulgence of peace with all the world. We confide in our strength without boasting of it; we respect that of others without fearing it.

Let us "confide in our strength without boasting of it." We are not weak, so as to make it necessary to send messages like those of a Mexican dictator which describe a police force as a mighty army ready to strike for our "altars and our fires." We went through four years of Civil War, with more than a million men engaged, without being attacked by any foreign power, and we were never insulted, never humiliated.

Then, when we were exhausted and weak, we "confided in our strength without boasting of it" and learned anew of the wisdom, the long-headedness of Thomas Jefferson. It is the weak nation, like the weak man, that carries a chip on the shoulder. A bully that will not reason is as disgusting and disagreeable among nations as among men. But a strong nation, sure of its power but equally sure of its sense of justice, and as sensitive of its honor in keeping its own engagements as it is determined to insist upon its own rights, may walk erect among the nations of the earth without boasting and without fear of insult.

Such is the situation of the United States. Such do the friends of liberty, the world over, hope that she may remain. Such she must be, in order to lead the hosts of human liberty to the gradual attainment of that perfection in a government of the people which is the hope of freemen in every land.

But we can not maintain our enviable position if we fail to pay that "decent respect to the opinions of mankind" which we avowed in the opening utterance of our independence. We can not lead liberty's army unless we are as honest as we are brave, as open and frank as we are powerful and resourceful. We must have the confidence of the world. We should be ashamed to accept less than the unqualified approval of the intelligence of the world in all our foreign relations.

However hard the terms of any treaty may be, however difficult it may seem to keep our engagements with a foreign power, it should be the pride and the boast of this country that its plighted faith to another Government is as sacred as its bond or promise at home. The credit of the United States should never be allowed to be below par, and a debt of honor, which a treaty engagement is, should be regarded with that high sense of pride that obtains among men of honor when a promise can not be enforced at law. Now is the accepted time to show to the world that Americans "fear nothing but God and the doing of wrong."

Mr. WALSH. Mr. President, in the course of the remarks of the distinguished Member who has just addressed the Senate, the idea was advanced, or at least the thought was implied, that the advantages accruing from the construction of the Panama Canal are confined exclusively to narrow strips facing both oceans, and particularly that the great valleys of the Mississippi and the Ohio have no direct concern in the legislation which is now pending before this body. 1.13

The tolls were fixed as the result of very elaborate investigations conducted, and a very able report made by Prof. Emory R. Johnson, of the University of Pennsylvania. Away back in 1898 he contributed an article to the North American Review, in which he set forth the advantages to the various sections of the country of the construction of such a waterway. I am

going to take the time now to read briefly from that article what he said concerning its importance to the Mississippi Valley:

what he said concerning its importance to the mississipper Valley: The business men of Chicago show by the agitation which they have carried on for the construction of the Nicaragua Canal that they appreciate the relation which the waterway will bear to the economic development of the Central West. The region drained by the Great Lakes and the Mississippi River and its tributaries north of a line drawn east and west through the mouth of the Ohio River includes our richest agricultural resources, our most productive iron mines, and our chief stores of bituminous coal. Its forests are of great extent and value. Besides these highly developed extractive industries, the Central West carries on a large amount of manufacture. Iron and steel, machinery, ships, furniture and other woodenwares, flour, and other commodities are manufactured in large quantities. In no other section of the country is the traffic so heavy. Chicago has more commerce than New York and more manufactures than Philadelphia. The growth of Buffalo, Cleveland, Detrolt, Cincinnati, Indianapolis, Milwaukee, Duluth, St. Paul, Minneapolis, and the other prominent cities of this region exemplify its industrial resources and energy. This great central portion of the Erie Canal. There is no other section of the earth where cheap and efficient transportation has accomplished equal economic results, and there is certainly no section of the United States that will respond more quickly and generally to the transportation facilities which have been provided by the great takes, and the Krie and. There is no other section of our country and with the foreign countries bordering the Pacific Ocean will be large. The Nicaragua Canal will do for the western trade of the upper Mississippi States and the trans-Cordilleran section of our country and with the foreign countries bordering the Pacific Ocean will be large. The Nicaragua Canal will do for the western trade of the upper Missis pip is the section of the Great Lakes did for their traffic to and from the Atlanti

I should not take the time of the Senate to call attention to these remarks were it not for the fact that it is now urged that that particular section of the country-that is, the Mississippi Valley-ought to be particularly antagonistic to the exemption of coastwise vessels from the payment of tolls, because it is asserted that the railroads transporting traffic from coast to coast will be robbed of a large portion of the revenues which they derive from that traffic, and it will be incumbent upon them, for the purpose of reimbursing themselves, to impose heavier charges upon shipments within that region. The least reflection will disclose that exactly the same argument could be made against the construction of the canal at all, and it is an argument against the construction of the canal at all. T call attention to it now because I do not believe the railroads are, going to suffer at all by reason of the exemption of coastwise vessels from the payment of tolls, any more than they will suffer by reason of the construction of the canal in the first instance. I am satisfied that the construction of the canal is going to give such an impetus to business upon both coasts that it will be an advantage rather than a loss to the railroad companies under any circumstances.

Mr. CHILTON. Mr. President, I do not doubt that is the opinion of the distinguished professor from whom the Senator has read; but if the Senator will follow the references which I make in my speech, he will find that on the northern coast of this country we are affected by at least 29 or 30 treaties that we have with other countries, and that through the Soo Canal alone we pass many times more than the entire freight that will go through the Panama Canal. So far as my people, who are in the Mississippi Valley, are concerned, they are chiefly in-

terested in seeing that we maintain our treaty relations and maintain the present construction of those treaties as to what equity and justice require between England and America, and that there shall be no discrimination. We are more interested in seeing that the United States shall not now put a construction upon its treaties which will injure us as to eighty or one hundred million tons of traffic than we are in considering the few million tons that will go through the Panama Canal.

I am afraid of no discussion with Prof. Johnson or with anyone else when we have the cold facts and see where we stand. We can not get away from the proposition that we can not construe our treaty with Great Britain one way this year and expect her not to construe it the same way against us the next year. We are talking about the little thing, and the Mississippi Valley is interested in the big thing, which is the traffic through the Great Lakes. Any investigation of that sort will show that I have not made any mistake in my position, even from the selfish standpoint.

An and a set of the se