

are now being made into the feasibility of harnessing the tidal waters of the Bay of Fundy. Ontario and Quebec both have a great deal of natural power, and the development of the St. Lawrence River as a power site is a possibility. There are objections to the development of the river as a ship canal or seaway. I can understand such objections, especially from the Maritime Provinces, because they have the seaports of Saint John and Halifax. There may be objections also from Quebec City and Montreal, as the development of the seaway would permit ships to go straight through to Port Arthur and Fort William or Windsor and Toronto and so on. But why anybody should object to the development of power on the St. Lawrence river I cannot understand. The great state of New York is agreeable to it, and I think that if the United States Senate does not pass the waterways bill this year the Canadian government should assist Ontario and Quebec in the development of power.

**Hon. Mr. Euler:** The United States President is not agreeable.

**Hon. Mr. Haig:** That may be, but he is only one person, and congress has overridden him quite often in the past few years. The trouble is that our government have not done anything to force the issue. They would like to have the seaway opened up first, and that is understandable; but I do not think it can be done, because I believe the resistance of the Atlantic states to it will be too strong. Therefore I say our government should do everything they can to bring about power development on the St. Lawrence.

We all know what a convenience electricity is in city homes. But what about rural homes and farms? We are extending the use of electrical power in the rural parts of Manitoba, and farmer after farmer has said to me: "Haig, you have no idea what a boon electrical power is to us. It makes it possible for us to have practically all the conveniences that you have in the city." Honourable senators, I think that the government of Canada should not only do everything they can to have power developed on the St. Lawrence, but should examine the electrical power situation from one end of the country to the other. On the Nelson river in Manitoba, one of the world's large power sites, we have 8 million horsepower. We are absolutely sure of a constant supply of water there, because in addition to drainage from our own province and the Rocky Mountains we get drainage from the great watershed of Minnesota. The difficulty is that the Nelson river is 400 miles away from the city of Winnipeg.

Now I wish to say something about foreign exchange. About two years ago I was doubtful as to what should be done in this matter, but I confess to the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) that a speech of his started me thinking, and the more I thought the more I was convinced that world trade will never revive until there is stability in exchange.

**Hon. Mr. Duff:** Hear, hear.

**Hon. Mr. Haig:** I do not see how it is possible for me as a Canadian to sell wheat to somebody in Europe so long as the money that I am paid for it turns out to be worth only about half as much as I thought it was worth. The theories of Bank of Canada officials and other experts may sound fine, but I do not believe they will work. No country needs world trade as badly as Canada does, but we cannot develop world trade until we establish a firm system of exchange. I noticed in this morning's papers that the government have warned exporters not to send goods to the Argentine, and have told them that if they do make shipments they will run the risk of not getting any money for them.

**Hon. Mr. Horner:** I think it was the Governor of the Bank of Canada who said that.

**Hon. Mr. Haig:** Yes, but the government are taking the responsibility for it. That is an illustration of the kind of thing I am talking about. In November my honourable friend from Essex (Hon. Mr. Lacasse) and I, with two members from the House of Commons, had the pleasure of being delegates from Canada to the Parliamentary Conference at Bermuda. I shall make further reference to this later. We discussed defence, economics, the future of parliamentary government and so on, but one topic that we always came back to was the need for some basis of exchange for trade between countries, though we never could agree what that basis should be. As I said before, I do not think any other country needs world trade as badly as Canada does. It is the very lifeblood of the part of Canada that I know best—Manitoba, Saskatchewan and Alberta—for I should think that 90 per cent of our income out there is derived from foreign trade in wheat, cattle and other farm products, and in fish and timber. It is true that our exports of timber are not as large as those of British Columbia or the Maritimes, but they are considerable. For all our exports we depend upon getting paid with something that we can use to buy other goods. The government have been congratulating themselves that in the month of September last we sold to the United States so many million dollars worth