

we are now on the way to better conditions, and that though the whole world may be suffering from depression deeper than has ever before been known. Canada is suffering less than any other country and in many respects can be considered as in a specially fortunate position. Perhaps it would not be amiss to quote here a letter issued on the 5th of this month by Babson, whose competence in his own field no one will challenge. This is what the letter says:

To my Canadian friends I can give a distinct word of cheer based on fundamental business statistics. Of course, the Dominion is now passing through the usual mid-winter quiet, but several factors point toward a forward movement when spring arrives. Construction activities which in 1931 were 31 per cent below the preceding year, should show a moderate upturn during 1932. As spring advances considerable construction and maintenance work will be opened up, including road building, sewage systems, track laying, and general repair work. Some of these contracts already have been awarded.

Another important factor is gold production. Canada produced \$55,000,000 of gold in 1931 compared with \$43,453,600 in 1930 and \$39,861,663 in 1929. In 1932 production may be expected to further increase to around \$60,000,000. A favourable factor for the mines is the stable price of gold, whereas production costs have been lowered and profit margins increased. Recent gains have also been seen in production of automobiles and tires and in crude rubber imports. Of course, world conditions are still in confusion, tariff problems unsolved, and financial markets unsettled; but the fundamental position of business in Canada is sound and in fact better than in most other parts of the world.

There is, it seems, another factor that should help to bolster up our confidence in the future. At the last meeting of the League of Nations at Geneva it was pathetic to witness the grand old statesman of France, M. Briand, facing the collapse of his dream of the United States of Europe, on which he had based so much hope. It seemed as if the different countries of Europe would continue along their separate ways, each isolated by impassable tariff barriers. To-day the countries of the British Empire are in a much happier position, for they are on the eve of entering into an agreement which would result in greatly stimulating their trade. In the British market, which absorbs yearly \$650,000,000 of imports, Canada participates now only to the extent of \$50,000,000, but under preference this country ought to increase its share in that trade very materially.

Honourable senators, we are undoubtedly facing a difficult situation here at home. Our financial condition is such that we have to remit \$300,000,000 to foreign countries every year, or almost a million dollars a day, and by reason of our depreciated dollar we are losing no less than \$150,000 every day through

Hon. Mr. BEAUBIEN.

exchange. Never before have we been saddled with such a heavy burden.

Then we have a serious railway problem, but of that I prefer not to speak at this time. An able Commission has been charged with the duty of examining into the whole matter, and I feel that we may well leave the problem to its wisdom. But I should like to speak briefly on one subject which is of interest to the whole of Canada and particularly to Quebec, and that is the St. Lawrence waterways. The development of the canal system to its present stage has been the work of both parties for the last sixty years. Expressed in simple terms, that development has been nothing but the enlargement of our canals in an attempt to keep pace with the growing demands of shipping. In the old days canals of 9, 12 or 14 feet were sufficient, but an additional increase in capacity is required to provide accommodation for modern vessels. Viewed from that angle, there is nothing extraordinary about it, unless we regard the Welland canal as something out of the way. Why should a waterway of similar size, from Lake Ontario to Montreal, be looked upon as an exceptional accomplishment for the Government, something quite out of the way, something perhaps unwise? We felt the necessity of improving our waterways from Lake Ontario west in order to meet the conditions imposed by new developments in the world of shipping. From that point of view I do not know that there can be any very serious objection to this project, but I must say that in many sections of the country there is an impression that perhaps the time has not been as well chosen as it might be to initiate a work which entails such an expenditure.

Hon. Mr. CASGRAIN: A billion dollars.

Hon. Mr. BEAUBIEN: I realize that in the lives of nations as well as in the lives of individuals there are circumstances that sometimes compel them to do things that they otherwise would not do. There is no doubt that we are now feeling the natural pressure of fifty-seven million people tributary to the St. Lawrence waterways, perhaps the richest people in the world, a people who produce more per head than any other people in the world, and who are insisting day after day, month after month and year after year upon a better outlet to the ocean for their goods. Every day they are knocking more persistently at the door of Canada, demanding that the waterways up to the boundary, in which they have a half share, should be opened up in order to give them what they believe to be their right—better communication between the source of production and the markets of the