

large defence expenditures. I am not criticizing those expenditures; we can not avoid them. To attempt to shirk our responsibilities in this respect would only imperil our freedom and liberty in the future. I believe the most important obligation of the Canadian people, and of all freedom-loving nations in the world, is to maintain that freedom and liberty. By freedom and liberty I mean the right to go about our ordinary vocations and live within an ordered law of our own making, the right to worship as we please and freely carry on our discussions of public affairs. These are the priceless things which in the generations of men who have passed on were achieved by the shedding of much blood, and these are the things which above all else we must guard and cherish. A greater degree of inflation might carry us along for some time, but in the end it could only produce very grave results. We all hope that the inflation which has been so much in evidence during the last five or six years is now under control, but I am bound to admit that anyone who reviews the world situation today cannot hold that hope without reservations. If world economic conditions grow worse, and if as a consequence our markets contract and we are unable to find adequate outlets for the products of Canadian labour and industry we may face a situation in which our economic wellbeing, instead of increasing, will decline. To my mind one of the most significant statements in the budget speech was the one quoted in our report, wherein Mr. Abbott warned the House of Commons that a shift in prices of one per cent either way would mean a difference of \$400 million in our total gross product and this in turn would affect the federal revenues of the country to the extent of from \$80 million to \$85 million.

If that statement signifies anything, it means that we are walking along a perilous ledge. In the light of that fact, which this report tries to emphasize, I think the Canadian people today are taking things rather too easily; they are proceeding too much on the assumption that everything is always going to be lovely. But if, on the contrary, we were to lose our markets to any serious extent, if the price level should decline, and if our revenues consequently should fall as they almost certainly would, we would be faced with either increased taxation or deficits, or both. That consideration applies not only to the federal government but to every government, provincial and municipal, throughout this country. All would be in the same boat. So we should try as far as possible to be prepared against that eventuality.

I do not believe there is any alternative to the old-fashioned remedy of economy, not

only in personal spending but in public spending. Today, on all levels of government, with this huge defence expenditure of two billion dollars a year hanging over us, we must economize in every possible way. As the report points out, taxation now absorbs about one-third of our net national income. Six thousand million dollars is a great deal of money for the Canadian people to pay in taxes, and it is incumbent upon everyone who is charged with responsibilities in this connection to so order the public business that the tax burden shall be as light as possible, and wherever practicable shall be reduced. There is no question, with the kind of world we are living in today, that uncertainty and doubt and fear will be with us for several years to come. Personally I am under no illusion that our defence expenditures will be limited to one year, or two years, or three. If present conditions continue—and their possibilities in terms of danger need scarcely be stressed to members of this house—we shall probably be spending as much three years hence as we are doing today.

I wish to say a word or two about the recommendations which have been made in the report.

The first has to do with the quantity of printed productions which issues from government departments. It will be recalled by members of the committee that during the progress of our inquiry a request was made for a list of all the publications issued by departments of government in the last fiscal year. As I recall, the request came from the honourable senator from Dartmouth-Halifax (Hon. Mr. Isnor) and was made to Mr. Bryce, the secretary of the Treasury Board. Naturally the preparation of this list took a considerable time, and it was only yesterday that I received it. Here it is; and when you look through it I think you will agree that every kind of publication which one can imagine is included. I have not had the opportunity to study it closely, but in glancing over it I wondered how we manage to get along with only one printing bureau; it looks as though two or three plants would be needed. How much of this output is necessary? That is a question to which some study should be given.

One recommendation of the committee is that all departments should be obliged to budget for their postage. The only exception—and this, for special and sufficient reasons—is the personal mail of members of parliament while parliament is in session, the only period in which the franking privilege is available to them. I venture to say that if government departments were required to