

year, investment by private industry in productive facilities vital to the defence effort of the free world will be about one billion five hundred million dollars. But whether these large amounts appear in government expenditures or in the investment plans of Canadian industry, they represent a demand upon Canadian manpower and resources. That is one reason why I do not think that the size of our contribution to the defence of the free world or the contribution of any other country is fully represented by defence expenditures.

It is perhaps hardly necessary for me to emphasize to a group of engineers the importance to the free world of an increase in the output of base metals or steel or petroleum or hydro power. Here in Canada we rate projects designed for these purposes on a par with defence industries. And it is fortunate for the free world that here in Canada the potentialities for expansion of these critical materials are so favorable. I shudder to think what the prospect would be if there did not exist in Canada, ready for development, such large deposits of iron ore, uranium, copper, nickel, lead and zinc and such large untapped reserves of water power.

My self-appointed "quiz" has only two questions to go: First, what is the Canadian attitude to compulsory military service?

Perhaps the chief source of criticism of Canada by Americans is that we do not have a system of compulsory military service. That is quite true but because we do not have compulsory military service does not mean that we are holding back in our preparedness effort. As I told some American friends in Chicago some weeks ago, the facts are quite to the contrary. In the opinion of the Canadian Government, Canada's defence effort would be weakened instead of strengthened by an attempt to introduce conscription at the present time. What I ask you to remember is that, when in the past the need arose for men to fight for freedom, Canada was not found wanting, either in quality or in quantity. Some time ago, our Prime Minister, the Right Honourable Louis St. Laurent, placed his views before the House of Commons on this problem of compulsory military service. I cannot do better than quote him:

"... we have been endeavouring to obtain the best possible information as to the most effective way in which our contribution can be made. So far there has been brought to my attention nothing that would indicate that the institution of national selective service at this time would be beneficial. On the contrary, the information we have obtained is that it would hamper what is being done at this moment. Now, that does not mean that the situation cannot change, and it does not mean that if and when it does change there will not be changes in the manner in which our resources will be contributed to this pool of international strength. But those changes will not be recommended by this government on any sentimental grounds because of any appeals on a racial or religious basis, but on their actual effective value to the joint strength of the combined forces of the North Atlantic alliance."

One final question, and that relates to controls in Canada and the United States. Some of you may have wondered why there seem to be fewer controls here in Canada than in the United States and drawn the inference that the defence effort is not impinging so sharply upon the Canadian economy as it is upon the United States economy.