

world for the last twenty-five years or so has been more concerned with security and the advancement of its material well-being than, perhaps, with anything else. But the issue of these times is an issue of a spiritual and a moral character; it is whether or not freedom, in all its aspects, so far as the individual is concerned, is going to remain a force in the world. The alternative is the development of a naked tyranny, which Russia seeks to expand in every way she can and in every country. And it is inevitable that unless the western countries can rally their moral and spiritual powers in a way that they have not done up to the present time, deterioration—slow at the beginning, but accelerating as time passes—is bound to follow. That, honourable senators, is the background against which the report we now have under consideration should be analysed and judged. What is Canada's place in all this vast, swirling eddy of world affairs? It is worthwhile to look at that question for a moment or two.

I have said before in this house—and others have said it more eloquently than I—that there is no country in history that can equal Canada in the progress she has made in the eighty odd years since confederation. In our standard of living, in all the amenities that go to make up a decent civilization, we have been well out in the forefront. We have opened up half a continent; we have given it institutions of learning and government; we have a free press, freedom of religion, and with all that we have developed in a material way which, I repeat, has not been surpassed, and has rarely if ever been equalled.

Canada is a country of fourteen million people and is less than a hundred years old, but she is now the third trading nation in the world. Our production in relation to our population is unparalleled today. This is our heritage, not only in material things and in standard of living, but in the freedoms we enjoy—our free press, the free exercise of our religion and our unfettered parliamentary institutions. These are the things that we must jealously guard in our relationship with the rest of the world today.

To that end the Canadian people have willingly, within the past few years, taken on commitments which even a generation ago would have been unthinkable. We are committed in the NATO arrangements for the preservation of peace in Europe. Just the other day the honourable senator from Inkerman (Hon. Mr. Hugessen) introduced the protocol under the North Atlantic Treaty, which further enlarges our responsibilities. Our participation, so far as I know, was

approved without a dissenting voice in Canada. That in itself indicates an awareness, instinctive perhaps, on the part of the Canadian people, of the vast issues that are at stake.

Notwithstanding all this, I think it must be said that there is a somewhat easy optimism throughout this country. Perhaps that is an attitude not confined to Canada alone. As the world struggle goes on we become more or less acclimatized to it, but I doubt very much if the Canadian people fully realize the truly vital issues that are at stake. The report holds out some warnings on that point. We have endeavoured to suggest that there are considerations which the Canadian people must not overlook, if they are to fully guard themselves in the future.

The North American continent, it has been said, falls very easily into optimistic moods. A few days ago we considered in this house a measure for the reorganization of the financial structure of the Canadian National Railways. I endeavoured on that occasion to point out that what we were doing by the bill then before us was the climax of the optimism of forty, fifty, sixty years ago. It is an easy conception to hold that we shall ever be on the up and up, that we are going to have a steadily expanding economy, and that as a consequence we can without fear meet any of the dangers that our economy may face in the future. I suggest to my honourable colleagues that that is a matter for sober reflection.

Looking at our economy today and the economy of the world generally, I find it impossible—and I do not profess to be an economist—to see any clear course along which our economy may function over the next five years. I am firmly convinced that the dangers of inflation are not yet over. The reasons for so thinking are set out in this report. One fact of which I am thoroughly convinced is that our ability to maintain the material welfare of this country depends more than anything else upon our ability to find markets abroad for the products of the people of Canada. Our fourteen million people are for the most part energetic and resourceful, and Providence has endowed this country with natural resources that can scarcely be equalled in any other country of the world.

In a normal world we could look forward to an expanding economy and to ever-improving conditions; but against this prospect has come the impact of the world situation, which I sketched a little earlier. We find ourselves committed, along with our co-partners in the NATO alliance to meet