

decides to proceed with the project the cost will be apportioned equitably for every part of the Dominion.

Some honourable members may say that this is not the time to begin a work of such great dimensions; that we should wait until a better day dawns. That view may be right, but engineers say that the international section cannot be completed in less than ten years, whilst the national section could be done in less than five years. So it is quite possible that arrangements may be made to proceed with the development of the international section, and in the meantime Canada can wait for the return of a more prosperous period before assuming any burden in connection with the national section.

If improvement in world conditions can be hoped for, it behoves us to ascertain how we can the better hasten it along. It seems to me that in this respect the primary and fundamental necessity is the establishment of permanent world peace. I may be wrong, but it seems to me that, far removed as we are from the source of all the troubles that have visited Europe during the centuries—for Europe has been nothing but a battlefield—we are apt to mistake sadly the conditions essential to assure peace, to release credit, and thereby to re-establish economic prosperity. I hear people say, "It is abominable to see how certain countries are monopolizing the gold of the world." Will you allow me to state briefly in this respect an explanation given to me in Paris? It is this: People generally believe that the French nation captures whatever it can get of the gold of the world. They fail to see that gold is sent to France as to a country of refuge. That gold is left on deposit and has to be invested. To-morrow conditions may be such that France will no longer continue to be a country of refuge, and then the gold, like the birds, will take wings and fly to some other refuge. What then will happen to France? France will have to pay. France, having invested the gold in her own securities, will have to sell those securities, and they will fall in value. Just as soon as the value of those securities drops, other consignments of gold will be recalled, and more French securities will be thrown on the market, thus depressing values still further, and very soon all the gold sent to France for refuge will seek a haven in another country. Do you want evidence that gold concentrates in certain lands in an endeavour to seek protection? Are you aware that Holland has a gold cover for her specie that exceeds 150 per cent? About the same condition exists in Switzerland. Why? Because, rightly or wrongly,

the people throughout the world—in Germany, perhaps, more than anywhere else—send their gold to the countries where they think it will be in safe keeping until such time as they require it.

This brings me down to disarmament. If there was one thing above any other that impressed me at the last meeting of the Assembly of the League, it was the unanimous accord on the essential fact that the only foundation upon which better times could be built gradually, but surely, was confidence. Admirable speeches drove this conviction home to the delegates. Sir Robert Cecil, for instance, gave a magnificent picture of conditions throughout the world and showed how it was that people who were disposed to lend their money to a country hesitated and then abstained when they learned that it could be devastated, nay, practically destroyed, overnight, by an attack from the air with explosives and poisonous gases. Sir Arthur Salter said that through lack of confidence the flow of credit was suddenly interrupted in 1929, the stoppage leaving a gap to the extent of two billion dollars in the usual credit requirements of the world. After lending lavishly, the creditors of the world abruptly ceased providing funds, and this left a deficiency for the normal needs of the business of the world. How can it be supplied? Sir Arthur Salter, like everybody else, affirms that the primary condition for the reconstruction of the economic and financial activities of the world is confidence.

It seems to me that in this country, as in many other parts of the world far removed from the immediate point of danger, people look to disarmament as a means of security. But, if I may venture the statement, the reverse is true. It is security that is the means to attain disarmament. Do you believe that any argument, even the most convincing, could induce people to lay down their arms and bare their breasts to the attack of the enemy who, they know, or they think they know, lurks just over their frontier?

It may be useful to bring to this Chamber a whiff of the atmosphere of the Assembly of the League at Geneva. Strange as it may seem, those who come from places farthest removed from the point of danger clamour the loudest for disarmament. In other words, the intensity of the demand for disarmament is in direct ratio to the distance that separates those who make the demand from the danger zone in Europe. Of course we are vitally interested in the peace of the world; nevertheless it is difficult to conceive how anyone