

honourable senators thought I took entirely too pessimistic a view at that time. Well, we could have been in three wars in the meantime if the League obligations had been enforced, and particularly we should have been at war with Italy last year. However, these covenants, apparently, no longer mean anything. As for accomplishing the objective for which it was formed—peace—the League has been an absolute failure.

Hon. Mr. HAIG: Hear, hear.

Hon. Mr. McRAE: It is possible that the League may continue to render a useful service as a common meeting-place for international co-operation with regard to matters other than war. I say "other than war," because that seems to have been the stumbling block that wrecked it. But if it is to serve such a useful purpose its covenants should be rewritten and member governments relieved from the embarrassment and stigma of not living up to their signed agreements. However, it does seem to me that international morality is pretty much a thing of the past. Certainly few nations are worrying to any degree about their obligations, financial and other.

In my judgment the League of Nations failed principally because it did not take into consideration human nature as we find it. It overlooked racial greed and hatreds which govern most nations in Europe. I am told that Sir Wilfrid Laurier referred to the League as a "beautiful dream," and so it has proved to be. I have only the deepest sympathy for the hundreds of thousands of peace-loving people throughout the world who placed so much faith in the League and who consequently must suffer great disappointment. As a matter of fact the League's efforts began at the wrong end—with governments, which are often changed overnight and which in any event but represent their peoples. The teaching of peace on earth and good-will towards men must begin at the cradle. In this respect what is the situation in Europe to-day?

I would remind honourable senators that it is now twenty-three years since the outbreak of the Great War. From that time onward the rising generations in Europe have grown up under war or the shadow of war, with hatred and distrust of their neighbours instilled into their very souls. That applies to men and women in Europe who are now thirty to forty years of age. They in turn are teaching their children the same principles, and this education under war conditions is going to affect many generations. The situation has lasted too long to be changed in a day or a year. Many long years—generations,

Hon. Mr. McRAE.

I fear—will have to pass before Europe can be restored to anything like the conditions which prevailed before the outbreak of the Great War. It is not pleasant to think about, but certainly European races are farther apart than they have been at any previous time in this century. It is thus we approach the present crisis in Europe—a continent educated for war.

The expenditure in preparation for war has reached gigantic figures. It is estimated that fourteen billion dollars were spent in 1935, compared with four billions in 1913, the year immediately preceding the World War. Between 1925 and 1929 world armament expenditure was 4 per cent of the industrial production of the world. Last year it increased to 11 per cent, and it is estimated that in the next three years it will be anywhere from 15 to 20 per cent of the total production of capital goods. Think of it, honourable senators! In fact, the present programmes of Britain and France alone contemplate an expenditure of twelve billion dollars over the next few years. The result of all this expenditure was perhaps best summed up by Mr. Neville Chamberlain, Chancellor of the Exchequer, who, speaking at Edinburgh, said:

Nothing but stark necessity would have made me confess to such a negation of common sense and common humanity . . . I cannot dismiss the hope that we and the other nations of Europe may presently find some less suicidal way of ending our fears and suspicions of one another before we are all ruined by our own efforts to defend ourselves.

What Mr. Chamberlain meant by "before we are all ruined" is that inflation, which is confiscation of capital, is inevitable. It is the sure way of taking away everything from those who have. That is realized by all intelligent Europeans. They have had experience with it. Unfortunately this inflation cannot be confined to Europe. It is in evidence in America and in Canada—better business, better prices, better times, all due to war. What a foundation to build on! It is worse than the drifting sands. The reaction is as inevitable as inflation is certain if Europe proceeds with its present programme. It is well that we should take heed and give due consideration to the aftermath of the inflation that is now on the way.

Under these desperate and uncontrollable conditions we are facing the next war. It will be wholesale murder. Every desirable quality of human nature will be discarded. The only objective will be to kill. There will be no non-combatants; the old and infirm, the baby in the cradle, all alike will be subject to gas attacks. If any proof of the seriousness of this new method of war is