

be critical of this Government in respect of the situation that now exists. I do not think it has shown any particular skill and alacrity in dealing with it, but in my opinion the basic trouble in regard to Canada's financial difficulties is the fact that we are spending too much on armaments. The serious feature of it is that these expenditures on armament are being incorporated into our economy and we are rapidly getting into a position where we cannot get along without such expenditures. I readily understand the outburst by the Prime Minister the other day when he commented on the intensive lobbies that were made in order to ensure that the production of armaments for the CF-105 would be continued. The question of defence purposes has gone out the window and it is now a question of employment. If Russia were as smart as she thinks she is, and as I think she is, she would grant the Western world right at this moment everything it asked in respect to disarmament. What a chaotic condition the Western world, or at least this continent, would be in then! Even at that Canada is not as badly off as the United States. If I remember correctly, the United States budget totals some \$77 billion, of which \$47 billion is being spent on armaments and foreign armament aid. It is a very much higher percentage than ours, I must admit, but it all points to the terrifying position we are getting in.

And what about the public frame of mind? I know that I am in such a frame of mind that whenever I read any sort of treatise or newspaper article on the necessity of defence I wonder what propaganda I am being subjected to. As a layman I don't know the answer. I don't know who can give an honest opinion. As a responsible member of Parliament I don't know where to turn for unbiased information on the desirable size of our defence. What is going on is reminiscent of the old days. About 60 years ago there paraded through Europe the head of an armament manufacturing company, Sir Basil Zaharoff. It was his business to go from one country to the other disseminating distrust and fear. I never read a book about his activities, but I have read different references to one, and I will quote a passage which struck my fancy. I presume this was written well before World War I:

And now he spreads word that Germany is building 20 new men-at-war, and so England begins the construction of 25 new vessels. France, not wishing to be left behind, begins building 30 additional ships.

What we have today is Sir Basil Zaharoff parading through this country in the guise of business executives and heads of trade unions, wardens of municipalities, mayors of towns,

besieging the Government of the day to make more and more expenditures on armaments. Indeed, if I were running an election, I would not like to go down to my native province of Nova Scotia and advocate a drastic reduction in expenditure on defence, including the navy. We are all touched with this; that is the situation we are living in. Upon my words, I do not know what the answer is, but I think if I were charged with the responsibility I would establish a national defence fund, such as there is for social security, in which I would set apart the amount we were going to spend on defence, and I would procure this amount specifically from income taxes, raising or lowering them annually, depending on the amount required, so that the people would realize the cost of defence and the difficulty it creates with relation to the financial system.

Honourable senators, I have almost finished. I cannot help but join with the Leader of the Government in the Senate in his optimistic references to the future of Canada. I also think we have a great future, but I would remind him that the resources we have in Canada have been lying here undeveloped for a million years, though it is only recently that we have had a market for them, or thought we did. No doubt these resources will remain largely undeveloped for another million years if we cannot obtain markets in which to sell them profitably.

On motion of Hon. Mr. Brunt, debate adjourned.

PUBLIC LANDS GRANTS BILL

SECOND READING

Hon. W. M. Aseltine moved the second reading of Bill S-2, to amend the Public Lands Grants Act.

He said: Honourable senators, I desire at this time to make a few remarks with regard to this bill.

As I explained on first reading, the purpose of the bill is to make a purely technical amendment to the Public Lands Grants Act. The amendment has to do with the legal formalities of transferring Crown lands. Under this act the Governor in Council is empowered to authorize the sale, lease, or other disposition of public lands. The legal documents usually used to carry out a sale or lease are letters patent issued under the Great Seal of Canada, or a lease signed on behalf of the Crown by some authorized person or persons. However, when it comes to the occasional transfer of public lands to a provincial Government, the courts have held that neither letters patent nor a lease are appropriate documents. The reasoning is that when public lands are transferred to