

A. - External problems:

Forces at work in other parts of world, while beyond our control, exert powerful influence upon us;

Strife in Spain and Far East, and general insecurity in Europe have tended to create conflict of views in Canada -

Political ferment in other countries, with their clashing ideologies and ruthless political methods, following upon years of economic uncertainty, have influenced certain elements in this country who have no real grasp of, or sympathy for democratic institutions -

Importation of hate and stridency, class and racial strife: swastika, hammer and sickle; attacks upon minorities;

Defence also a problem of national unity:

Impossible to foresee, when Government took office, that defence would become one of most outstanding and urgent problems;

Situation changed with unexpected rapidity - hope of disarmament gone, world feverishly re-arming;