

national product of Canada would reach \$39.5 billion. Honourable senators, do you know what the gross national product is now? In 1962 it stands at \$39.4 billion, and there are still three years to go. The per capita gain in the gross national product since 1957 has been \$63 annually. Such facts absolutely upset all these nonsensical things that are being said.

Unemployment—oh, yes, it has been bad, worse than it should be. In August of this year unemployment in this country stood at 4.1 per cent. Mr. Gordon, in his report, quoted some of the leading authorities in the world as saying that when you get to 4 per cent you have practically no unemployment. Do you realize that unemployment on the prairies is down to 1.6 per cent, and that the highest unemployment in this country is in the Maritime provinces, where it is 6 per cent? If you look at the *New York Times* of yesterday you will see that in the great state of Pennsylvania unemployment at the present time is 6.3 per cent.

What is the worry about? All they say is: you have devalued the dollar. Is there anything remarkable about that? Over the past ten years seventy countries have devalued their currencies. Japan is a prosperous nation and we hear every day of its prosperity, but it is trying right now to devalue its currency. England is in trouble, and the United States is also having trouble. This has nothing to do with the basic prosperity of this country. Our fields, our forests, our mines, our nickel, our aluminum and our asbestos are all there. They have not gone away. Do you think the sophisticated investors of the world are not aware of all this? Do you think that they are not aware of Canada's position? Or do you think that they have, in fact, lost faith in us? We know it is not true to say they have lost faith in us. We know it is not true because we have more respect for the knowledge and the intelligence of the people whose business it is to find out about these things.

Honourable senators, I have wandered too long, and I am about to make an end, but there is just one more thing I would like to say. While I say to you that everything in

Canada is reasonably prosperous, I would not like to conclude by saying that everything in Canada is well and that everything in Canada is going to be well. I think that we are in for some hard, stormy weather ahead. That is the kind of world we are in. Matthew Arnold once wrote a striking couplet: "Standing between two worlds, one dead and the other struggling to be born." In the context of that new world, the world that is struggling to be born today, in a world in torment of transition, in a world where peace seems to be but a pause to identify the enemy, we must be prepared for difficulties, regardless of the kind of government we have. I do not think any government can ever be powerful enough or wise enough to meet all the difficulties which we shall encounter in the next ten or twenty years.

We must rid ourselves of this fatal illusion that security and prosperity can be achieved without toil and without sacrifice. It may be that over the past twenty years we have had too much sail on the ship. I wonder how often Canadian people sit down and try to understand the significance of this, that since World War II we have spent roughly \$30 billion on defence. If that does not give us cause for thought, we are not worthy of our democratic heritage.

I think it is true that we are living not merely on our financial capital, but on our spiritual capital as well. Fifty or more years ago James Russell Lowell warned the American people that the greatness of a nation must be weighed in scales more delicate than the balance of trade. That is a warning which is a challenge for us today. I am convinced that we Canadians have become all too obsessed with what somebody has called "expense-account civilization".

I have spoken too long and I have wandered too much. I thank all honourable senators for having given me their patient and indulgent attention. I can but hope that I have not dimmed too much what John Morley once called "the lamp of loyalty to reason".

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

The Senate adjourned until tomorrow at 3 p.m.