

bone of their bone, blood of their blood and flesh of their flesh. I shall approach the problem this afternoon from that point of view.

In his preliminary remarks the Minister of Finance made a few references to what had taken place during the last two or three years. Should I refer to these, I want the house and the country to understand that I do so without any recrimination, without any idea of offering destructive criticism, but simply to put the facts upon the record. The minister had something to say about the wishful thinking of our people during the last three years, but he was fair enough to say that there had been a good deal of wishful thinking on the part of the government during the same period. He might have gone further and said that the government knew that we were approaching a world catastrophe. The government should have given leadership to our people and brought them out of that complacency in which they were satisfied to stay so long as their attention was not drawn to the impending tragedy.

It was, I think, Emerson who a hundred years ago said, "He that marches ahead of public opinion marches out into the night." I say that this administration marched behind, lagged behind public opinion, and deserves to be left out in the night. Hon. members who were in the last house will remember that on many occasions our party urged the government to prepare for what was coming. Not only did we urge them to get ready; we offered to cooperate in every possible way. On March 2, 1937, I had the privilege of saying in this chamber:

No one knows better than . . . the Minister of National Defence—

Who at that time was the hon. gentleman who is now Minister of Pensions and National Health (Mr. Mackenzie).

—that billions are being spent in the little British isles overseas on armaments. Over a five-year period Great Britain has budgeted for an expenditure of \$7,500,000,000. The first white paper brought down provides for an expenditure of \$2,000,000,000.

That was three years and four months ago.

What does all this mean? . . . I hope the minister realizes the extraordinary changes which have taken place. . . . Throughout the whole world there is a great rush on the part of all countries to get into a position where they can take care of themselves. The minister must realize we are sitting on a volcano.

This amused the house very much, and I remember that there was considerable heckling. But this statement and similar warnings repeated many times throughout Canada did not move the government from a complacent attitude. To quote further from what I then said:

[Mr. J. H. Harris.]

We are going to have an eruption one of these days and then there may be a world catastrophe.

That catastrophe is upon us; it has been upon us for some little time. Yet even after war was declared there seemed to be, as the Minister of Finance said, a period of quietness and hesitation. Those symptoms affected not only many of our people but obtained in our government, which should have stirred itself a good deal more than it did. When parliament met in special session last September, my party not only gave no opposition but offered the government the utmost degree of cooperation, and by so doing left no excuse for the continued quietness and hesitation of which the minister spoke. The consequences are with us now—busy days and sleepless nights. We may have saved the interest on some money which should have been spent a year ago, and by waiting this long, what equipment we have may now be a trifle more modern. But the result of these delays has been to leave us unprepared in regard to equipment and organization to carry out our war effort. We are much further behind in evaluating and effectuating what is required than if we had got out of that complacent condition two or three years ago, or, certainly, when parliament met at the time that war was declared.

So much for the past. Let us forget the past and face the future. Let us all strive now to do what we can to further Canada's war effort. In this connection I should like to make one or two observations.

Tell our people, tell business, tell industry that from this time forward Canada's policy will be one which will see to it that we are going to defend ourselves, and that we intend to honour all the contracts which we have let and that the contracts will be filled. Whether the war stops or not we shall need this material. We shall need it for our own defence. Tell Canada that we shall have a defence policy which will necessitate having an armed force ready and prepared to defend ourselves. We will modernize our equipment from year to year; we will keep our coast in a continuous state of defence. Let us see if we cannot inspire some confidence in business and private enterprise which is timid lest the war effort may collapse.

I come now to an economic and financial review of the year that is past. The results have been fair. We budgeted for such and so and we reached and in some respects passed our objective. With the pay-as-you-go policy I am entirely in accord. In my opinion it could have been usefully expanded in several directions, and it might yet be extended. I doubt whether we can borrow our way