

time, that in the munitions field generally Canadian industry to make its most effective contribution must help to meet the requirements of other nations and that international planning must be sufficiently developed to provide the information we needed to plan that production here in Canada.

The international planning is now moving forward much more rapidly -- and it cannot move forward too rapidly to suit us here in Canada. Of course it is obvious that the largest contribution we in Canada can make to the building up of the combined strength necessary to make aggression appear to be an unattractive risk is in the field of production and supply. But we can make that contribution only when we know what it is best to produce.

I notice that, last year, in his speech to you, Mr. Howe made one general observation I think it is very important for us never to forget. I shall not use his exact words, but what he said in effect was this -- that, as men who want peace, we must take precautions against the possibility of war. He said he used the word "precautions" rather than "preparations" because we should make clear on every possible occasion that our defence plans and our defence preparations are precautionary measures taken in the hope that they will never be needed except as insurance.

When we consider what precautions we should take in Canada, we have to consider much more than the needs of our own armed forces; we must also take the steps necessary to enable Canadian industry to convert quickly from civilian to military supplies and to expand greatly if the need should arise. That task is, of course, the special concern of the Industrial Preparedness Association.

Now the events of the past few months have, I think, convinced us all that if we are to have real security against aggression we must step up the insurance premium. We all know there is almost no cost, in material terms, which is too great to pay for avoiding another world war. Certainly, if we succeed in avoiding that calamity, we will not feel the cost has been too high. And, if the worse comes to the worst, and we do not succeed, it will not matter how much we might have saved by skimping on the insurance premium: all that and far more, not only in material resources but also in human lives, would then unhesitatingly be thrown into the winning of any actual conflict.

While I shall speak to you particularly of the industrial and supply side of our increased defence programme, we all know that Canada's part, even in this preventive stage -- which we hope will be the only stage -- cannot be, and will not be, exclusively a productive role. We, too, have our contribution to make to the combined fighting forces being organized in the free world.

In the first place, there is a greater risk than ever before to our own territory. Even though we are well placed in the world, and our military advisers do not anticipate large-scale offensive operations against this continent, there is a real possibility of nuisance raids and of bombing attacks, and both Canada and the United States