

## INTRODUCTION.

### Canada's War Effort and Economic Conditions at the End of June, 1940.

On Sept. 1, when the German army invaded Poland and a general war seemed inevitable, the Prime Minister of Canada announced that Parliament was being summoned to meet in Emergency Session on Sept. 7 and that, if the United Kingdom became involved in war, the Government would seek authority from Parliament for effective co-operation by the side of the United Kingdom. On Sept. 3, as soon as it was learned that the United Kingdom and Germany were at war, the Prime Minister, in a broadcast to the people of Canada, outlined the steps that had already been taken by the Government to meet the emergency. By the War Measures Act of 1914, all necessary power is given to the Government to meet such circumstances as the outbreak of hostilities had precipitated. This legislation enabled the Government to act quickly; as soon as there was valid reason for apprehending the outbreak of hostilities, steps were taken to ensure the proper defence of Canada until Parliament could be convoked. By Sept. 10, Parliament had assembled and acted, and a state of war between Canada and Germany was proclaimed by His Majesty The King in the following words:

"We do hereby declare and proclaim that a state of war with the German Reich exists and has existed in our Dominion of Canada as and from the tenth day of September, 1939."

**The General Organization of Canada's War Effort.**—As indicated, the immediate steps to organize the war effort were taken under authority of the War Measures Act of 1914 even before the United Kingdom declared war on Sept. 3; they were concerned with the defence forces. The militia, naval service, and air force were placed on active service, and certain other provisions were made for the defence of the coasts and for internal security.

The establishment of the first special economic organization—the War-time Prices and Trade Board—was announced the night of Sept. 3; it was charged with the duty of protecting the Canadian public against increases in the costs of the necessities of life. The "Defence of Canada Regulations" and other emergency regulations under the War Measures Act were brought into force and the censorship organization was established.

At the emergency session of Parliament ten measures were enacted. These measures included financial provisions to meet the cost of the War (see pp. 1131-1133) as well as an Act providing for the creation, when necessary, of a Department of Munitions and Supply.

Several months of what might be termed the organizational phase of Canada's war activity followed. Immediate consideration was given to the most effective way in which Canada could make her maximum contribution to the War. Consultations were held with the Allied authorities and their views were learned. Certain programs were announced and put into operation immediately. These included the preparation of two Divisions for overseas service and the doubling of the strength of the Canadian naval service. Representatives of the United Kingdom, Australia, and New Zealand came to Canada at the suggestion of the United Kingdom, and conferred with the Canadian authorities on the establishment of the British Commonwealth Air Training Plan. The Agreement on the details of this plan was signed on Dec. 17. Action had already begun to put it into effect (see p. xxviii).

On the economic side, organization proceeded equally rapidly. Plans made at that time were based on the assumption that the War would last at least three years, and that economic forces might well prove to be the determining factor in bringing