

The following sections review in more detail the various war activities of the nation, first as regards the armed forces, and secondly in relation to economics and finance.\*

### National Defence.

**The Administration of National Defence.**—During the first eight months of war the defence of Canada was the responsibility of the Department of National Defence, as organized under the National Defence Act. This legislation, passed during the session of 1922, had consolidated the former Department of Militia and Defence, the Department of Naval Service, and the Air Board under one Minister; a Defence Council was set up by Order in Council to advise the Minister.

The ever-increasing responsibilities that the war brought to the defence services in Canada and the importance that the Air Arm was assuming in the defence picture, especially in relation to the British Commonwealth Air Training Plan, made it necessary to set up a separate Department of National Defence for Air in May, 1940. On May 22, the Air Ministry Bill (amending the National Defence Act) providing for this Department received Royal Assent. The Hon. C. G. Power, Postmaster General, was made Minister of National Defence for Air and in addressing Parliament in support of the Bill he warmly commended the move, pointing out the arrangements for closest co-operation between the Defence Departments and the absence of conflict of authority.

After the accident in June that deprived the Dominion of the services of the Hon. Norman Rogers, Minister of National Defence during the early months of war, Colonel the Hon. J. L. Ralston became Minister of National Defence, and the National Defence Act was again amended on July 8, 1940. Changed conditions in Europe and the increased importance of the Navy, not only in the defence of Canadian coasts and harbours but in co-operation with the naval forces of the United Kingdom, resulted in the Government's decision to add to the existing Defence Departments a separate Department of National Defence for Naval Services. The Hon. Angus L. Macdonald, Premier of Nova Scotia, was appointed Minister of National Defence for Naval Services.

Provision was also made for the appointment of an Associate Minister of National Defence in order to facilitate the work of the Department, make it possible to have ministerial attention given to vitally important matters, and help to avoid congestion by providing two outlets instead of one. Mr. Power, who had been Acting Minister of National Defence for extended periods, while retaining the portfolio for Air also became Associate Minister of National Defence with the Hon. J. L. Ralston. The Department thus had the benefit of his recognized organizing ability and the experience he has acquired in the many phases of departmental activities. Matters dealt with from time to time by the Minister and the Associate Minister, respectively, are adjusted entirely between the Ministers concerned, the Government being always finally responsible. The Minister of National Defence is the Senior Minister with directing and complete ministerial authority.

**The Army.**—Prior to the War a joint Naval, Army, and Air Plan had been prepared for the defence of Canada in the event of a major war. It was on this Plan that the actions taken by the Militia Service were based during the period leading up to, and immediately following, the outbreak of war.

In so far as the Militia Service was concerned the 'Defence of Canada' envisaged the following principal defensive measures:

\* See unrevised Hansard for July 29, pp. 2233-2235, and for July 30, pp. 2260-2277, where this subject is debated.