

of the Royal Canadian Naval Volunteer Reserve and some are being transferred to the Royal Navy, following a rigorous period of training in their own country. This training period usually begins with three to four months' drill and lectures at the divisions in the principal Canadian cities. Upon transfer to one of Canada's coasts, this training period is continued, with practical experience in many of the finer points of naval technique.

By June, 1940, the first detachments of officers from the Royal Canadian Naval Volunteer Reserve completed training in England. The first group, 50 in number and all sub-lieutenants, so impressed the Commanding Officer of the training establishment where they were stationed that he forwarded a memorandum to the Chief of Naval Staff, in which he said he and his staff officers were "greatly impressed by their keenness and bearing" and that "without doubt such material will be a very valuable asset to the Royal Navy. Some of the young officers have been detailed to important duty in close contact with the enemy and have acquitted themselves admirably".

Canadian Naval vessels have been on 24-hour duty since the outbreak of the War, not only on convoy service but on patrol work as well. Some units have seen service in the Caribbean Sea and European waters, and on several occasions they have played important roles in the capture of enemy ships. One vessel of the Royal Canadian Navy has been lost to date, viz., H.M.C.S. *Fraser*. The official announcement of the disaster, read in the House of Commons by Prime Minister King on June 28th, ran as follows: "Naval Service Headquarters regrets to announce that while engaged in the pursuance of hazardous duties off the mouth of the Gironde River near Bordeaux, France, H.M.C.S. *Fraser* was lost". Of the total complement of 160 officers and men, 45 were reported dead or missing. A sequel to this sinking was the sterling work done by another Canadian naval vessel, H.M.C.S. *Restigouche*, in rescuing a majority of the survivors in the dead of night, despite bad weather conditions.

Soon after, H.M.C.S. *St. Laurent* rescued upwards of 700 persons from the *Arandora Star* which was torpedoed *en route* to Canada with German and Italian internees. For gallantry displayed during the evacuation from France, three officers of the Royal Canadian Naval Volunteer Reserve were awarded Distinguished Service Crosses while three others were mentioned in dispatches; these were the first awards made during the War to Canadians serving overseas as members of Canadian units.

To replace the *Fraser*, H.M.C.S. *Margaree*, a class D destroyer, was acquired from the Royal Navy and commissioned for service in late August, 1940.

The Economic Effort and the Organization Established for its Effective Operation.

Modern 'total war' requires the effective mobilization of economic forces to equip and supply the fighting forces and to maintain the civil population while as much as possible of the national effort is devoted to war. For Canada this has implied that, in addition to providing men and materials for her own fighting forces, she must, to the maximum of her ability, furnish her Allies with food, munitions, equipment, and raw materials.

Canada is much better able to aid in these directions than she was in 1914 because the industrial structure, as well as agriculture, is much more fully developed. The true measure of a country's ability to wage war must always be the power to adapt, expand, and adjust its production to meet the ever-changing requirements of war. The available margin of production above what is needed for consumption, and the ability to mobilize it quickly, are the real things that determine