

The Royal Canadian Air Force and the aeronautical laboratories have grown up together. The committee in charge of the work in aeronautics is drawn from the Air Force, the laboratory staff of the Council, and the aircraft industry. A committee on aviation medicine has undertaken the study of problems created by such factors as the tremendous speeds and high altitudes attained by modern aircraft.

Newer activities of the Laboratories arising from the War include: intensive study of radio problems; studies antecedent to the production of optical glass in Canada; development of gear and equipment for naval protective devices; work on ballistics; investigations of methods of defence against chemical attack; research on blood storage; preservation of food; and the study of nutrition problems.

In addition to the research divisions under the auspices of the Council, there were in active operation, in 1940, about forty associate committees responsible for co-ordinating and supervising research on large national problems. One of the most important was the committee on medical research, under the chairmanship of the late Sir Frederick Banting.

Liaison with the United Kingdom and other countries of the British Empire has been established and maintained at a high level of efficiency through the interchange of staff and the exchange of information, both as to plans and results. The British Government has established a post of scientific liaison officer in Canada; this officer is stationed in the Research Council Building.

**Other Agencies and Activities.**—There are various other special agencies performing important economic functions, either of control or investigation. The Canadian Shipping Board has some control of the Canadian Merchant Marine, and deals with various, and now very important, war-time shipping problems. Two groups have been established to assist in co-ordinating Canadian economic action with that of the United States: the Materials Co-ordination Committee, consisting of two United States and two Canadian officials, dealing primarily with questions concerning supplies and control of raw materials; and the Joint Economic Committees, made up of Canadian and United States officials, and charged with the investigation of, and reporting on, war-time economic problems affecting the two countries, together with problems of post-war readjustment. These special international organizations supplement but do not alter either the regular diplomatic channels or the informal but extensive and important direct contact between Canada and the United States both on official and private work.

Canada has participated from the beginning, and upon an increasing scale, in economic warfare. Close contact and co-operation has been maintained with the British and other Commonwealth Governments on these questions. More recently the co-ordination of Canadian policies and actions with the controls exercised by the United States over its trade and transactions has become increasingly important.

The principal objects are twofold: to keep essential supplies from reaching enemy hands and to prevent the enemy from deriving any profit or benefit whatsoever from trade. The first of these is achieved by the control now exercised over exports from Canada. This control is administered through a special branch of the Department of Trade and Commerce, which branch, in matters of policy, consults with an inter-departmental committee. The second is principally achieved under the Trading with the Enemy Regulations, administered by the Custodian of Enemy Property. The Custodian is responsible for the compilation of the list of 'specified persons' which includes persons and firms in almost every non-belligerent