

expansion, not so much by the construction of new aerodromes as by the extension of existing facilities. The increase in manpower essential to 'stepping up' production by the Plan will be met to a considerable extent by an increase in the number of men sent to Canada for training by the Royal Air Force. The R.A.F. will provide approximately 40 p.c. of the men to be trained and the remaining 60 p.c. will be provided by Canada, New Zealand and Australia.

Another outcome of the agreement is that considerably more emphasis is being placed on preserving the identity of the R.C.A.F. fighting forces overseas. Already 22 R.C.A.F. squadrons manned largely by Canadians, are in operation. The agreement calls not only for the formation of more but for the creation of an R.C.A.F. Bomber Group to be commanded as soon as possible by Canadians.

Existing R.C.A.F. squadrons have played a large part in the spring air offensive against Germany and of 6,000 aircrew participating in one large raid, 1,000 were members of the R.C.A.F. There is not an air operation originating in Britain against the enemy that does not include some Canadians in its aircrews.

In the spring of 1942 one R.C.A.F. squadron of flying boats went to the Far East. This squadron quickly distinguished itself by being the first to spot and report the approach of a large Japanese raiding force and as a result damage to Colombo, Ceylon, was held to a minimum. Another R.C.A.F. squadron (fighter) has been sent to the Middle East to assist in maintaining British superiority in the air over the desert.

At the same time Canada's air defences and the R.C.A.F. Home War Establishment have been considerably augmented on both coasts. More aerodromes have been constructed and more and better aircraft have been provided. The work of the home squadrons is not of a nature to attract public attention. But the long, gruelling hours, in bad weather and good, spent by coastal and convoy patrols are an essential and important part of the war effort.

The Economic Effort and Its Organization

Modern war requires the full and effective mobilization of the nation's economic resources 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 the prosecution of the War. For Canada this implies not only the provision of men and materials for her own fighting forces but the furnishing of food, materials, munitions and equipment to Britain and other Allies. The demands for manpower are therefore urgent for the making of munitions and war supplies as well as for the Services—the Navy, the Army and the Air Force.

Fortunately, so far as financial organization is concerned, the Canadian financial structure was already well developed before the War to a point where it had proved its suitability to the country's needs and its adaptability. The strain of war and Canada's accomplishment in meeting such a high proportion of the direct cost of the War, while at the same time providing Britain with very extensive financial assistance in obtaining war supplies in Canada, has been further evidence of this.

In the First World War, Canada's munitions output was limited to shells and rifles. Ships and aeroplanes, Bren guns, heavy machine guns, Browning guns, sub-machine guns, AA guns, anti-tank guns, trench mortars, 25 pounders, naval guns, tanks, universal carriers, etc., are but a few of the munitions now being supplied