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grave danger of sanctions, leading to hostilities; they, also, realized how completely unprepared the country was, at that time, to engage in a war.

No time was lost in undertaking the restoration of the existing defences to the state of efficiency in which they had been before the onset of the great economic depression during the early years of which they were, perhaps inevitably, neglected.

Within the first year after the government came into power, there were two major threats to the peace of the world. In March, 1936, the Rhineland was re-militarized by Germany in defiance of her treaty obligations, and Germany was once more put in a position to attack France. In July, a civil war broke out in Spain. For two years and a half the Spanish war threatened to embroil the whole continent of Europe, because of the intervention of great powers who were interested in the fortunes of one party or the other in that struggle.

The growing menace to the peace of Europe which is so vital to our welfare in Canada, and to the welfare of other parts of the world, made it necessary for us, in 1937, substantially to increase our estimates for the defence of Canada. At the same time the increased range