

Sections 1 and 2 provide:

1. This Act may be cited as The War Appropriation Act, 1939.

2. (1) From and out of the Consolidated Revenue Fund there may be paid and applied beyond the ordinary grants of Parliament a sum not exceeding one hundred million dollars towards defraying any expenses that may be incurred by or under the authority of the Governor in Council during the year ending the thirty-first day of March, 1940, for—

(a) the security, defence, peace, order and welfare of Canada;

(b) the conduct of naval, military and air operations in or beyond Canada;

(c) promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or in any other manner whatsoever; and

(d) the carrying out of any measure deemed necessary or advisable by the Governor in Council in consequence of the existence of a state of war.

(2) The six special warrants, issued on or since the twenty-fifth day of August, 1939, under the authority of section twenty-five of The Consolidated Revenue and Audit Act, 1931, to the total amount of sixteen million, four hundred and fifty-four thousand, one hundred and twenty dollars, shall form part of the amount hereby appropriated.

I will give some detail concerning this projected expenditure. The cost of a war effort by Canada does not lend itself to precise calculations in advance. Fortunately we lack experience as to the costs involved in mobilizing large numbers of men, and the task of fortifying our sea frontiers is, to a great degree, without precedent. Therefore the process must take a form permitting financial decisions to be made as need arises, and not settling now a fixed plan which must be rigidly observed, irrespective of what the necessities may involve.

The Appropriation Act for the current fiscal year provides, in round figures, 65 millions for the services which come within the field of the Department of National Defence. As will be recalled, the votes were to a great extent for the acquisition of armaments and machines of war. A large number of contracts have been entered into since April 1, and deliveries are being made. But, broadly speaking, the majority of the contracts are still in process of being performed, with the result that approximately 50 millions of the regular appropriations remain undisbursed, and that expenditures for armaments in the next few months will be, in the main, for those for which provision is already made.

It is not desirable, and the reason is obvious, that I be too specific in particularizing the nature of the steps which the general staffs of the three defence services recommend should be taken. I trust, therefore, that the Senate will bear with me if my explanation takes the form of broad generalizations.

First, as to the Naval Service: The existence of a state of war as it is now prosecuted on the high seas demands that all reasonable precautions be taken to safeguard our ports and sea lanes. The Minister of National Defence is of the opinion that this can be achieved by the acquisition of certain classes of craft, by the equipping of other craft with necessary apparatus and by the provision of various forms of protective works on each seaboard. There will also be expansions in the Service to permit the navy to perform the duties expected of it during a time such as the present.

Next, as to the Militia Service: The permanent force and the non-permanent units of the Militia have been placed on active service status, and the establishments of the units are being filled out by recruiting activities. Therefore, with respect to the Militia, the major costs in the next few months will be for pay and allowances and for clothing, shelter, subsistence and training furnished to the men on active service status.

A problem to be faced is that of housing the members of the forces, because the winter season is not far distant. Again, in a country as large as Canada, the question of transport is neither a simple nor an inexpensive one to solve. It is felt that we should provide so that the activity of the Canadian Militia at the moment could take the form of mobilizing at least 40,000 for general purposes, plus a further number for coast defence and special purposes. The acquisition of large quantities of materials is also necessary, but immediate disbursements will be mainly on account of men in training.

Now, as to the Air Force: The Air Force's needs pivot on the acquisition of stores and equipment, mainly aircraft. It is idle to discuss what may be needed. Aircraft cannot be acquired at once simply by the placing of an order, as automobiles can. An expenditure of about 40 millions would bring the Air Force to full peace-time establishment, both in equipment and personnel, but it is not expected such an amount will be disbursed in the next few months.

In addition to expenditure on equipment, an immediate expenditure on the training and dispatching of pilots and airmen overseas will be necessary. Enlistments are now taking place, a substantial number of pilots and airmen are already trained or completing their training, and there will be no delay in proceeding with this effective form of co-operation with Great Britain. It is essential that there be ample funds to meet any emergency which may arise in the needs of this Service.

The next department which has material addition to its costs is the Royal Canadian