

and efficiency of modern weapons of war, particularly aircraft, forced upon us an increased realization of the vulnerability of Canada to direct attack. The emphasis in our defence programme was shifted to those branches of the services which could best meet such attacks.

Instead of the international situation improving, it deteriorated steadily in 1937. The renewal, in July, of active Japanese intervention in China served forcibly to remind us again that we had not one but two coasts to defend. The government were convinced that the security of Canada demanded the maintenance of the defence estimates in 1938 at the level established the previous year. Definite priority was given to the development of our coastal defences.

The threats of the previous years paled before those of 1938. In March, Austria was seized and annexed to Germany. In May the campaign for the annexation of the Sudeten regions of Czechoslovakia got under way in Germany. The crisis of last September brought the world to the very brink of war.

After Munich there was a fleeting hope that Germany had been satisfied and that peace might be rebuilt. That hope was shattered by the brutal seizure