

ECONOMIC DEFENCE GEARED NOW TO DOMINION'S NEEDS

Vital Preparations Taken Care of By Emergency Measures

IMPORTANT ACTION

Ottawa, Sept. 19.—(CP)—Ten statutes enacted at a special session of parliament and nearly 100 orders-in-council have geared Canada's economic defence resources to war-time needs. All have been effected since August 25.

Started Last Month

Apart from those orders calling to active service the permanent and reserve forces of the naval, military and air branches, most important measures have had to do with mobilizing industry, controlling food distribution and prices, censorship, control of foreign exchange and taxation measures needed to boost revenues.

Emergency measures started on August 25, when the government appropriated, by Governor-General's warrant, \$8,000,000 for expenses of calling out the non-permanent militia to guard vulnerable transportation systems, essential public utilities and industries.

Orders calling out the militia were issued the next day, while other orders on that date appropriated \$7,500,000 immediate aircraft purchases and established naval control of all shipping. On August 31 an order was issued calling out part of the Air Force reserve.

Execute Many Orders

A long series of orders adopted September 1 called parliament to meet in emergency session September 7, proclaimed that a state of "apprehended war" had existed since August 25, and that the War Measures act of 1914 was in effect giving the government almost unlimited powers, called out the naval reserve, established censorship, put the active militia on a war-time establishment, recalled 500 former members of the Royal Canadian Mounted Police and authorized engagement of 1,100 special constables.

On September 3 an order was issued establishing the war-time prices and trade board to control prices and distribution of essential foods, and on September 5 an order required all Canadian shipping to obtain a license from the transport department before sailing from any port.

Regulations governing trade with the enemy were contained in an order issued September 7 and on September 9 a board was created to receive and record volunteer service offers for civilian service. Another order that day established the agriculture supply committee to facilitate the mobilization of farm production for the needs of Canada and her allies.

Is Organizing Now

A momentous order was issued September 10 proclaiming that a state of war existed between Canada and Germany, the first time in the Dominion's history that such a step had been taken as a free and independent nation within the British commonwealth.

On September 12, when Prime Minister Mackenzie King was obtaining approval of parliament for creating a new ministry of munitions and supply, he announced that, acting under authority of the War Measures act, the government was setting up a war supply board

to act until it became necessary to have a full-time ministry.

This board, clothed with wide powers to mobilize industry and industrial resources, is in course of organization with the old defence purchasing board, appointed early this year to prevent profiteering on contracts, serving as the nucleus.

On September 15 the government adopted orders-in-council setting up a foreign exchange control board with power to license import and export of all goods, money or securities. The board was empowered to use the stabilization fund of some \$60,000,000, created in 1933 when Canada's gold reserve was revalued at \$35 an ounce, to maintain the external value of the Canadian dollar.

Taxes Increased

Imposition of an excess profit tax was main feature of the budget adopted September 12, following passage of a bill empowering the government to spend \$100,000,000 by order-in-council up to the end of the fiscal year, March 31 next.

Other measures adopted at the five-day session of parliament increased tariff, excise and income taxes, and incorporated the Canadian patriotic fund to collect and distribute money for the care of dependants of those who serve.

Numerous supplementary orders have directed the various stages of recruiting to full strength of the various units of the naval, military and air forces for service either in Canada or abroad in the defence of Canada for the duration of the war.

Other orders have had to do with details of censorship, examination and disposition of enemy aliens, prize court provisions, war risk insurance and the many other details arising from Canada's participation.