THE POLITICS OF SURVIVAL

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J. L. Granatstein

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THE CONSERVATIVE PARTY OF CANADA, 1939-1945

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Preface

Canadian political life during the Second World War was dominated by two major issues—conscription for overseas military service and the growth of socialism. These issues, one a throwback to the controversies of the Great War, the other seemingly a herald of things to come, shaped the conflict among the nation's political parties. Inevitably, internal struggles within the parties resulted as each attempted to plot its course.

The Conservative party underwent several changes in policy and leadership in its efforts to regain its strength after the *débâcles* of 1935 and 1940. The central contest within the party was between those who wished to make conscription and free enterprise the keystones of Conservative policy and those who feared that with such a restricted platform the Conservative party might again become a casualty of the war. This latter group, most of whose members favoured conscription and firmly believed in free enterprise, nonetheless believed that a new Conservatism, soundly based on a rational policy of social welfare, was a necessity if the party was to meet the challenge posed by the Co-operative Commonwealth Federation.

The dividing line between the protagonists in this Conservative controversy was not always a clear one. The militant conscriptionists united behind Senator Arthur Meighen and captured control of the party in November 1941. But after Meighen was defeated by a C.C.F. candidate in his bid to enter the House of Commons, the forward-looking Conservatives seized the initiative, held a conference, and propounded a new policy of progressive Conservatism. By December 1942 the party had a new leader in John Bracken, the long-time Liberal-Progressive premier of Manitoba, and a commitment to an advanced platform of social welfare measures. Bracken's selection had been engineered by Arthur Meighen with the tacit consent of both factions of the party, however, and until war's end, Bracken was tugged in two directions. The resulting compromises found the party entering the general election of June 1945 committed to conscription for the Pacific theatre and with an ambivalent attitude to social welfare. Well-organized and well-financed

though it now was, the Conservative party emerged from the war—as it had entered it—in Opposition. Once again, Conservatism had been defeated by conscription.

This book is an attempt to detail the history of an important period in Canadian political life. It is based primarily on interviews with political figures and on examination of the very abundant collections of the letters and papers of politicians held by repositories and individuals across Canada. Unfortunately, French-Canadian primary sources for the period are almost entirely non-existent or closed to researchers, the sole exception being the Ernest Lapointe Papers at the Public Archives of Canada. Had the Conservative party not been so feeble in Quebec during the period under study, this lack would have been of greater consequence.

This work would have been impossible without the co-operation of many people. My greatest debt is to the Honourable R. A. Bell, P.C., M.P., Q.C., one of this country's first professional politicians, who opened his papers to me, granted me interviews, wrote letters on my behalf to others, and read the entire manuscript. If all men in public life were as co-operative, the task of the student would be much easier. Dr. C. P. Stacey, in 1965–66 Director of History at Canadian Forces Headquarters, allowed me to use the Directorate files and the Crerar papers, helped in many other ways, and read the drafts of this manuscript. His assistance has improved the work substantially. I must also thank Miss Flora Macdonald, late of Progressive Conservative party headquarters, for her aid during my research there.

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Goodspeed, Dr. J. Mackay Hitsman, Thor Thorgrimsson, and Malcolm MacLeod, made many useful suggestions. The stylistic comments of Col. Goodspeed and Mr. Thorgrimsson, and Dr. Hitsman's knowledge of Canadian manpower problems were especially valuable. My friends, Robert Martin and Desmond Morton, and my colleagues, John Saywell, Peter Oliver, and Paul Stevens, also provided assistance.

Four acknowledgments remain. This monograph was originally presented as a dissertation in history at Duke University in May 1966, and I would be most remiss if I did not express my gratitude to the staff of that university for the courtesy and kindness with which I was received there. Professor Theodore Ropp, who supervised the dissertation, provided ideas, assistance, and criticism for three years. My debt to him is immense. The editorial staff of the University of Toronto Press, and particularly Miss Francess Halpenny and Mrs. Marion Magee, did not turn a sow's ear into a silk purse, but accomplished a small miracle all the same. Finally, my wife Elaine typed this work through innumerable drafts and helped in many different ways. With the exception of such errors or omissions as may remain, the final product is as much hers as mine.

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Contents

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THE POLITICS OF SURVIVAL

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1. Introduction

The Tory tradition is to follow the British way of life. The Tory is British first, and secondly Canadian. The Liberal is Canadian first and a British subject afterwards—sometimes a long way afterwards. . . . The Tories put money and property first. The Liberals place humanity and equality of opportunity first. . . . The Tories are anti-Catholic—intolerant—and hate Quebec. The Liberals believe in freedom of worship, tolerance—and love Canada. . . . Toryism means reaction. Liberalism means progress.[1]

These well-worn slogans appeared in the reference handbook prepared by the Liberal party for its candidates in the general election of 1945. That such nonsense could still be peddled—and often accepted—as a realistic description of the Conservative party, its members, and its policies in 1945 is a testimony to the weaknesses of Conservatism both before and during the Second World War. And yet there were some elements of truth in the Liberal propaganda, elements which extended back in time to earlier crises and which hinged on the Conservative reactions to conscription and social welfare.

Conscription was the more perilous of the two issues. Canada had entered the Great War with enthusiasm, but the unity of the summer and fall of 1914 soon dissolved under the impact of casualties and a recurrence of the racial animosity that had cursed the nation since its birth. The English-speaking provinces, after some early hesitation, believed with a whole heart that England's cause was Canada's cause and that every fit man should serve. Quebec, on the other hand, had seen its initial urge to participate in the war disappear under the combined forces of government bungling and the attacks of the English majority.

The roots of Quebec's reaction went back into the history of New France. Hugh MacLennan captured the feeling of the *Canadien* in Père Beaubien, the rural priest in his novel *Two Solitudes*:

He thought of the war and the English with the same bitterness. How could French-Canadians—the only real Canadians—feel loyalty to a people who

[1]National Liberal Committee, *Reference Handbook, 1945* (Ottawa, 1945), p. 1–A6.

had conquered and humiliated them, and were Protestant anyway? France herself was no better; she had deserted her Canadians a century and a half ago, had left them in the snow and ice along the St. Lawrence surrounded by their enemies, had later murdered her anointed king and then turned atheist.[2]

"Je me souviens" was the motto of Quebec with good reason. The English overseas were the same to Father Beaubien and his compatriots as the English in Canada—the conquerers. The Boer War was still fresh in the memory; then English Canadians had demanded the right to help Britain crush a people very similar in some ways to the French Canadians. The 1914 war, too, was England's war, not Canada's, so let the English fight it. Attitudes of this sort were ineradicable, but the government of Sir Robert Borden compounded the problem by badly mismanaging recruiting in the province. No vigorous organization under French leadership was set up by Sir Sam Hughes, the anti-French, anti-Catholic Minister of Militia and Defence, and no intelligent effort was made to enlist the support of prominent public men. The failure to appeal to the pride and sentiment of the French Canadians played into the hands of the *nationalistes*, who increased their criticism of Canadian participation the more English Canada attacked Quebec for not providing her "fair share" of recruits for the carnage in Flanders. The political situation in Canada and the military situation on the Western Front had both reached the critical point by 1917.

"This year," said Père Beaubien, "the English provinces had imposed conscription on the whole country trying to force their conquest on Quebec a second time." Police and soldiers had conducted wide sweeps throughout the back country "and had taken young French-Canadians out of their homes like thieves to put them into the army."[3] Sir Wilfrid Laurier, who had welcomed a party truce in August 1914 and who had co-operated actively in the war effort throughout, was placed in an agonizing position, forced to choose between his origins and the national unity for which he had striven throughout his political life. If he joined Borden in a Union government, he would lose his Quebec following; if he did not, he would lose his English-speaking supporters. In the end, Laurier resolved his personal dilemma by refusing to enter a coalition and by affirming his belief that voluntary service was more efficient than conscription. His English followers deserted almost to a man, and a general election in December 1917 resulted in a Laurier-led Opposition that was almost wholly French-speaking and a Union government which contained scarcely a *Canadien* of stature.

[2]Hugh MacLennan, *Two Solitudes* (Toronto, 1945), p. 7.
[3]*Ibid.*

Although the Union government was composed of Conservatives and Liberals alike, it was the Conservative party that became a casualty of the war. The Conservatives had imposed conscription and had humiliated the great Laurier, and for what? The answer was evident to Quebec—for imperialism. The changes in leadership which followed the war emphasized the contrast between the two parties as between good and evil. Laurier was followed by William Lyon Mackenzie King, young and vigorous, although a platitudinous, circumlocutory speaker, and the one English-speaking Liberal of stature who had not declared against Laurier on conscription. Borden was succeeded as prime minister by Arthur Meighen, also young and vigorous, the ablest orator of his generation, and the minister who had steered the Military Service Act of 1917 through the House of Commons. With these men as leaders, conscription was sure to remain an issue of the postwar years, if only in the memory.

The Conservative party went into a prolonged decline in the West and in Quebec after 1921. The party thus fought every election faced with the necessity of sweeping Ontario and the Maritimes in order to have any chance of forming a government. Although this herculean feat was accomplished in 1925 and 1930, the rewards of victory were slim indeed. Under Meighen, the Conservatives won the largest bloc of seats in 1925, but King clung to power with the shaky support of the Progressives. The constitutional crisis of 1926 resulted in another election, and the Conservative party was defeated. This election was the last directed by Meighen. Brilliant and able as he was, Meighen never managed to lead his party to a clear victory over his despised rival. A controversialist, he revelled in argument. Instead of conciliating his opponents, he could only goad them on with his obstinacy, sarcasm, and self-assurance. These qualities did not make for successful political leadership in a country where conciliation and compromise seemed the great virtues.

Meighen was replaced by Richard B. Bennett, the choice of the first national convention of the Conservative party in 1927. In many ways Bennett was similar to Meighen. Like his predecessor, Bennett had gone west in his youth to make his fortune (but unlike Meighen, he had succeeded). He, too, was robust, extremely able, and a powerful speaker but, unlike Meighen who was a warm man in private, Bennett was an egotist who made enemies faster than he found friends. The new leader was to have no better luck than Meighen, although the Conservatives did win the election of 1930 after his strong campaign, regaining strength in the West and even breaking into Quebec for the first time

since the war. The onset in earnest of the depression made this a hollow victory, however, and the Conservative party was destroyed for a generation.

There were limits to what any Canadian government could have done to overcome the paralyzing effects of the depression. Canada's dependence on foreign sales, particularly on the world wheat market, and her position as the weak corner of the North Atlantic triangle made her especially vulnerable. The situation was not eased by the balanced budgets, high tariffs, and faithful reliance on the rhetoric of free enterprise with which Bennett, as much the embodiment of capitalism as Meighen had been the symbol of conscription, first attempted to restore prosperity. Between one and two million Canadians in a population of ten million were on relief. The prairies were a parched dustbowl, the irreplaceable topsoil scattered by the wind. The social system of the nation was in upheaval. At last, by late 1934, the Conservative leader was ready to abandon orthodoxy, and the New Deal to the south provided a ready example. Under the influence of his brother-in-law, W. D. Herridge, the Canadian minister in Washington, Bennett proposed a sweeping programme of radical measures.[4] The depression-wracked electorate evidently regarded Bennett's sudden turnabout as a deathbed conversion, a desperate attempt to forestall certain losses in the election of 1935.[5] As a result, the Conservative party suffered its most crushing defeat, falling in strength from 137 to 39 members in the House of Commons of 245.[6] The Liberals again formed the government, not to be dislodged for twenty-two years.

[4]The W. D. Herridge Papers contain drafts of the radio speeches with which Bennett launched his New Deal, and there are unmistakable indications that Herridge pushed the Prime Minister faster along the new course than he would have liked. See also the discussion in J. R. H. Wilbur, "H. H. Stevens and the Reconstruction Party," *Canadian Historical Review*, XLV (March, 1964), 15–16.

[5]This may be an unfair judgment. Professor G. Horowitz has suggestively asked, "Why is it that the Canadian counterpart of Hoover apes *Roosevelt*? This phenomenon is usually interpreted as sheer historical accident, a product of Bennett's desperation and opportunism. But the answer may be that Bennett was not Hoover. Even in his 'orthodox' days Bennett's views on the state's role in the economy were far from similar to Hoover's; Bennett's attitude was that of Canadian, not American conservatism. . . . Bennett's sudden radicalism . . . may have been a manifestation . . . of a latent tory-democratic streak." G. Horowitz, "Conservatism, Liberalism and Socialism in Canada: An Interpretation," *Canadian Journal of Economics and Political Science*, XXXII (May, 1966), 157.

[6]Conservative results by province in 1935 (with 1930 results in brackets): Ontario—25 (59); Quebec—5 (24); Nova Scotia—0 (10); New Brunswick—1 (10); Manitoba—1 (11); British Columbia—5 (7); Prince Edward Island—0 (3); Saskatchewan—1 (8); Alberta—1 (4). There was also an Independent Conservative elected in the Yukon both times.

But the depression was not the sole cause of the Conservative *débâcle* of 1935. Bennett's New Deal legislation had provoked a fierce reaction from the merchant class and from the old guard of the party. The prominent Liberal industrialist and fund-raiser, Vincent Massey, jeered in a letter to a friend that Bennett was "a self-appointed St. George . . . out to slay the dragon of 'uncontrolled capitalism,' of which until a few months ago he was the leading defender."[7] Understandably, the dragon's reaction was to withhold the contributions without which the Conservative campaign could not function. Financial problems were compounded by the collapse of the party organization. There was not a single Conservative government in office in any of the nine provinces in 1935; two years earlier there had been six.[8] The superb electoral machine that had won the 1930 election was no more. The offices had been closed, the files allowed to become outdated. Attempts to begin organization in late 1933 and early 1934 failed, and as Dr. R. J. Manion, Bennett's Minister of Railways and Canals, put it, "all we receive from the Chief [is] a stare. . . . So far, this Great Conservative Party, which is supposed to be the friend of big business, has not one dollar in its treasury." The belatedly resurrected organization had had no chance.[9]

The party was also weak internally. Eight of the eighteen members of Bennett's cabinet retired from active politics before the election. There had been a noisy break in 1934 with H. H. Stevens, the Minister of Trade and Commerce, who had attacked business from his position as chairman of the Price Spreads Inquiry of 1934.[10] Defeatism was rife within the cabinet. "For a year or more before the election," Manion wrote, "I was so sure of a grand-slam defeat that I prepared myself financially so that I could take a much-needed rest for a year. . . ."[11] The cabinet, the party, and the nation were apparently united in the belief that the driving, efficient, dictatorial Bennett was not the man to be prime minister during the depression.

[7]Massey to Lord Howard of Penrith, Feb. 22, 1935, in Vincent Massey, *What's Past is Prologue: The Memoirs of the Right Honourable Vincent Massey, C.H.* (Toronto, 1963), p. 220.

[8]In Ontario, Nova Scotia, New Brunswick, Prince Edward Island, British Columbia, and Saskatchewan.

[9]Manion to his son, James, Jan. 12, 1934, quoted in Wilbur, "Stevens and the Reconstruction Party," p. 6; Arthur R. Ford, *As the World Wags On* (Toronto, 1950), pp. 145–6.

[10]See J. R. H. Wilbur, "H. H. Stevens and R. B. Bennett, 1930–34," *Canadian Historical Review*, XLIII (March, 1962), 1, 9, 16n.

[11]Manion to C. H. Dickie, Jan. 2, 1936, quoted in Brian J. Young, "C. George McCullagh and the Leadership League," unpublished M.A. thesis, Queen's University, 1964, p. 62.

Bennett solidified the impression in the popular mind that the Conservative party was reactionary. The first four years of his administration remained in the memory, the last year and the New Deal did not. The people apparently believed that like all Tories Bennett favoured a high tariff; that like all Tories he favoured big business. But like all Conservatives, too, Bennett wanted the continuation of an independent British Canadian nation. In an effort to counter the assimilative effect of American radio stations, the "reactionary" Bennett had established a state-owned broadcasting system in 1932. Bennett abhorred the concept of public ownership, but once convinced that the choice lay between "the State or the United States," he had acted.[12] Borden had not liked the idea of a state-owned railway system either, but he had established the Canadian National Railways in 1918. The New Deal of 1935 was further evidence that in unusual circumstances the Conservatives could take radical steps. By 1935, however, the depression had spawned other parties that had no qualms whatsoever about radicalism.

"Third" parties had won more than 20 per cent of the popular vote in the election of 1935. The Progressives were gone, but the shattered political structure they had left in western Canada gave ample room for new movements of protest. The Co-operative Commonwealth Federation, a democratic socialist party, had been formed in 1932 from intellectuals, workers, and the die-hard remnants of the Progressive party. In their first election, the C.C.F. won 400,000 votes and elected seven Members of Parliament. This was a modest start, but the socialists would gain strength rapidly a few years hence. The Social Credit party, which had burst into prominence with its capture of the province of Alberta earlier in 1935, returned seventeen members to the House of Commons, all but two from Alberta. The Social Crediters were exponents of the "funny money" doctrines of the fascistic Major C. H. Douglas, but their success in Alberta was attributable to the leadership of the remarkable William "Bible Bill" Aberhart, a school teacher turned radio revivalist. The third of the minor parties to contest the 1935 election was the Reconstruction party, founded and led by the dissident Conservative, H. H. Stevens. Although Stevens' candidates won almost 400,000 votes, the new party elected only a single member—Stevens himself—and disappeared with scarcely a trace. Reconstruction's main effect was to siphon off desperately needed Conservative voting strength. In at least forty-five constituencies, the combined Reconstruction and Conservative vote would have won the seat. Thirty-six of these constituen-

[12]Margaret Prang, "The Origins of Public Broadcasting in Canada," *Canadian Historical Review*, XLVI (March, 1965), 1, 3, 31.

cies had been Conservative in the last parliament.[18] A more skilful Conservative leader than Bennett would never have permitted Stevens to break away.

Bennett was to remain Leader of the Opposition until the summer of 1938. The party he would turn over to his successor in that year was at its lowest point, sneered at as reactionary, imperialist, and anti-French. If its fortunes were ever to be restored, it would have to select a new type of leader. It was with this thought in mind that the majority of the delegates to the second national convention of the Conservative party travelled to Ottawa in July 1938.

[18]A redistribution between the elections of 1930 and 1935 makes it difficult to be exact about the total effect of the Reconstruction party. The forty-five constituencies were distributed as follows: Ontario—24 (of which 21 had been Conservative in 1930); Nova Scotia—5 (4); Quebec—7 (5); Manitoba—4 (3); New Brunswick—3 (3); British Columbia—1; Saskatchewan—1. Based on A. L. Normandin, ed., *The Canadian Parliamentary Guide, 1936* (Ottawa, 1936).

2. The Conservative Setting

Despite the party's difficulties, the convention of 1938 met at a time of potential opportunity for the Conservative party. The depression showed few signs of abatement, and the Liberal government of Mackenzie King, as concerned with balanced budgets and *laissez-faire* as the Bennett government had ever been, seemed ineffectual in dealing with the problems of human misery. In addition, acute tensions were developing within the Liberal party between King and provincial premiers like Dufferin Pattullo of British Columbia and Mitchell Hepburn of Ontario.[1] Quebec, too, seemed ripe for exploitation. The leader of the Union Nationale government, Maurice Duplessis, had been provincial Conservative chief early in the 1930's. Since winning power in 1935 at the head of his new party, a coalition of reform groups, Duplessis had consolidated his hold on the province, had driven anyone with liberal tendencies from his government, and had adopted the role of a militant autonomist. His antipathy to the federal government had led him to ally himself with the Ontario premier, forming the "Duplessis-Hepburn axis." The worsening international situation, resulting in fears of a new war, also seemed to create an opportunity for the Conservative party in Quebec, but only if it could shed its conscriptionist, imperialist reputation. A new leader, free of the stereotyped Tory views of the past, was necessary if the opportunity was to be exploited. Was there such a man in the Conservative party? And if so, would the party allow him the manœuvrability he would need to fight and defeat Mackenzie King?

Dr. Robert J. Manion was the one avowed candidate for the leadership who seemed to satisfy the new requirements of the party. A 56-year-old physician from Fort William, Ontario, Manion had first been elected to parliament as a Liberal Unionist in 1917. Unlike many others, he had not returned to the Liberal fold after the war but had become a minister

[1]Margaret A. Ormsby, "T. Dufferin Pattullo and the Little New Deal," *Canadian Historical Review*, XLIII (Dec., 1962), 277–97; Richard M. Alway, "Hepburn, King, and the Rowell-Sirois Commission," *Canadian Historical Review*, XLVIII (June, 1967), 113–41.

in both of Meighen's short-lived governments. He had served as Minister of Railways and Canals in the Bennett administration and had lost his seat in the election of 1935. Manion was an Irish Roman Catholic, and although he was not fluent in French himself, his wife was a French Canadian and his children were bilingual. During the Great War, he had served as a medical officer with an infantry battalion until injured and invalided home, and he had received the Military Cross for heroism in the field. An outgoing, delightfully personable man and a highly effective, if unpolished, platform speaker, Manion had substantial and vocal support from rank and file delegates, particularly among the French-speaking who had apparently forgotten his wartime advocacy of conscription. His character and record, however, gave rise to opposition to his candidacy from certain powerful party figures.

"The Doctor is undoubtedly a very strong candidate," wrote Senator Arthur Meighen, one of those most strongly opposed to Manion, some months before the convention,

> . . . and there is no one I would feel more like working with and working for than Bob Manion, at any time. On the score of loyalty, courage and long service he is the best entitled. At the same time I have very serious question whether he can win, and have still graver questions as to how he could handle the job after he did win. With all his ability, he lacks a certain deftness of utterance—the capacity to formulate his pronouncements along definite and well-considered lines, to make them forcible and at the same time well fortified and defensible. This is very vital in a Leader.[2]

Meighen's assessment was undoubtedly partly correct. A certain rashness, a certain Celtic volubility, was one of Manion's predominant traits. Manion did not measure up to the standards of a Meighen or a Bennett, noted R. B. Hanson, once Bennett's Minister of Trade and Commerce but, he asked, who did?[3] Hanson also noted that one of the objections raised against Manion was his religion. The Conservative party had not had a Catholic as leader since 1894, and Manion himself had long believed that he could not be chosen "short of the absence of any other good (Protestant) candidate. The word in brackets is regrettable," he wrote to his son, "but very strongly felt by the majority in my opinion, an opinion formed more by deduction than direct evidence."[4] Manion's supposed lack of leadership ability and his religion were doubtless

[2]Public Archives of Canada (P.A.C.), Arthur Meighen Papers, M.G. 26, Meighen to H. R. Milner, April 14, 1938.

[3]R. B. Hanson Papers, Personal Correspondence, Hanson to H. R. Milner, May 9, 1938.

[4]P.A.C., R. J. Manion Papers, M.G. 27, Vol. 16, Manion to his son, James, Oct. 20, 1936.

important factors motivating those opposed to his selection, but even more important were his views on the issues of the day. As Minister of Railways and Canals, Manion had occupied one of the hottest seats in the government, and in the opinion of the Canadian Pacific Railway, he had been found wanting.

The railway question had bedevilled Canadian politics since Confederation. One of the greatest achievements of Sir John A. Macdonald's long career had been the construction of the Canadian Pacific Railway; his greatest humiliation had been the earlier Pacific scandal caused by the revelation that his party had accepted substantial campaign funds in the election of 1872 in return for the promise of the transcontinental charter. The Dominion had experienced a tremendous boom in railway construction in the last decades of the nineteenth and the first decades of the twentieth centuries, but the expansion had been shakily financed. The inevitable collapse could be postponed, but the railroads, particularly vital for Canada, could hardly be allowed to go out of business. Consequently the Canadian National Railways had been formed from a group of insolvent lines during and immediately after the Great War. The expansionist 1920's had seen heavy expenditures by both the C.N.R. and C.P.R., and the onset of the depression placed the two railways in difficulties. Revenues fell by more than one-quarter, and the annual deficit of the C.N.R. twice exceeded $60 millions. The burden of the C.N.R.'s losses fell on the government; the losses of the Canadian Pacific had to be borne by its shareholders. This was an unsatisfactory situation, and throughout the 1930's Sir Edward Beatty, the President of the C.P.R., had proposed that the management of the two roads be unified, a solution that would supposedly produce yearly economies of $75 millions, sufficient to wipe out the losses of the Canadian National and to ease the plight of the C.P.R.'s investors.[5] But the Bennett government had gone on record in 1933 as being opposed to the unification of the railways, and one of Bennett's campaign slogans in the 1935 election was "amalgamation never, competition ever."

Manion's assessment of the railway situation, characteristically propounded with more vigour than tact, was that Beatty "desired to unload the C.P.R. on the people of Canada before it came crashing down

[5]Canada, Parliament, Senate, *Debates*, Report of Special Committee on the Railway Situation, May 11, 1939, pp. 354–8. The Committee pointed out that the C.N.R. deficit was not incurred because of operating losses, but pertained "entirely to interest charges due public investors and relate for the most part to former privately-owned lines which the government took over and continued in operation in the national interest." Beatty's life has been unsatisfactorily treated in D. H. Miller-Barstow, *Beatty of the C.P.R.* (Toronto, 1951). See also Roger Graham, *Arthur Meighen.* III. *No Surrender* (Toronto, 1965), 38–43.

around his ears," and he favoured a policy of "cooperation" between the two great railway corporations. Unification, he insisted, "would mean complete monopoly in the hands of one company of Canadian railway transportation. It would mean the building of huge voting power under one management. . . ."[6] In view of the sums involved (the operating revenue of the C.N.R. approximated $250 millions in 1929) and of the tight little circle of interlocking directorates that made up the Canadian "corporate élite," feelings on this issue ran high.[7]

The extent of the role played by the Canadian Pacific in the pre-convention leadership manœuvrings is difficult to determine. Certainly Manion believed that Sir Edward Beatty was doing everything in his power to block his selection,[8] and there can be no doubt that at least one aspirant for the leadership carried on extensive conversations with Beatty in the hope of winning his support.[9] As this prospective candidate was H. H. Stevens, who had broken with the party in 1935 because of his radical attitude to business, it seems evident that Beatty was exploring every possible alternative to Manion. There can be very little doubt that the C.P.R. president hoped to discover a friendlier candidate.

Whether they were in league with Beatty and the C.P.R. or not, many others were looking for a candidate able to stop Manion. In April 1938 Arthur Meighen proposed the name of Sidney Smith.[10] President of the University of Manitoba, the 41-year-old Smith was able and friendly but a novice who had never been involved in anything more than faculty politics. Despite this large drawback, an informal campaign sprang up[11] to garner support for Smith (who was willing to accept a unanimous

[6]Manion Papers, Vol. 45, Memorandum of meeting with Meighen, May 8, 1939; Progressive Conservative Party Files, Manion File, "Press Release of Hon. R. J. Manion's Speech, Smith Falls [*sic*], Ontario, July 24, 1939," p. 3. Manion expressed similar views in his autobiography, *Life is an Adventure* (Toronto, 1936), pp. 350–1.

[7]The C.P.R., it should be noted, was also a contributor of some importance to the campaign coffers of the Conservative party. For the election of 1930, for example, it had contributed at least $50,000 and was the largest corporate contributor. Manion Papers, Vol. 11, List of contributors as of September 2, 1930.

[8]*Ibid.*, Vol. 16, Manion to his son, March 26 and June 19, 1938.

[9]P.A.C., H. H. Stevens Papers, M.G. 27, Vol. 150, Warren Cook to Stevens, May 6, 1938; Stevens to Cook, May 11 and June 24, 1938; Stevens to D. F. Glass, May 12 and May 21, 1938; Glass to Stevens, June 14 and June 28, 1938.

[10]Meighen Papers, Meighen to H. R. Milner, April 14, 1938. Meighen, perhaps, did not originate the Smith campaign. Manion wrote his son in March that he had been approached by a prominent senator and asked to go to Manitoba to sound out a university professor of whom he had never heard for the leadership (Manion Papers, Vol. 16, Manion to his son, March 26, 1938).

[11]Hanson Papers, Personal Correspondence, H. R. Milner to Hanson, April 29, 1938; J. T. Hackett to Hanson, May 14, 1938; Hanson to George Black, M.P., June 3, 1938; Meighen Papers, Henry Borden to Meighen, May 4 and June 6, 1938; Stevens Papers, Vol. 154, Stevens to F. E. Dorchester, June 3, 1938.