

J. L. Granatstein

THE "MAN OF SECRETS" IN CANADA, 1934

Lt.-Col. Sir Maurice Hankey (later Lord Hankey) was unquestionably the most influential British civil servant of this century. For more than thirty years from 1908 he was at the centre of events, present at all the major international and Imperial conferences, running the business of the British Cabinet, and bringing competence, organizational skills, and utmost discretion to the service of successive British administrations. As Secretary to the Committee of Imperial Defence the influence of this "man of secrets" was widespread throughout the Empire, too, and Hankey clearly played a major role in shaping British policy to the Dominions and dependencies.

Certainly this was true for British policy to Canada. Hankey was well aware that the senior Dominion was a sometimes cranky subordinate, and after the Statute of Westminster in particular he accepted the necessity of cajoling Canada into commitments. He was very good at this; for he had access to quantities and types of information that Canadian politicians did not, he was very skillful at doling out his secrets in measured amounts that met the needs of the situation, and he always seemed to know just how far to go. In addition, Hankey was a skilled observer, an expert at selecting the nuggets from the dross.

The reports that he wrote after a short visit to Canada at Christmastime, 1934, show this quality. Hankey had been commissioned by the British Government "to put the Prime Ministers of all the Dominions wise as to our own defence plans," Stephen Roskill wrote in his biography, *Hankey: Man of Secrets*, and when he got to Canada he had already visited South Africa, Australia and New Zealand. His message of "realism" and imperialism was by now practiced and precise, but in Ottawa there were relatively few avid listeners. The welcome was cordial, but to Hankey's surprise the tone was chill and he soon had doubts about Canada. Would she come into another war in Europe? With how much enthusiasm? Just how powerful were the influ-

ence-makers of the "slop"-talking Canadian Institute of International Affairs? What were the capabilities of the Canadian defence forces and how could cooperation with the Mother country be improved? What were Canadian views on Anglo-American-Japanese relations? These were the kinds of questions in which Hankey was interested in his short stay in Canada, and in his reports he provides an interesting look at the politics, policies and personalities of mid-Depression Canada as they appeared to a very influential Englishman. In particular Hankey is useful in his assessment of the motivations behind the Bennett Government's relief camp scheme and in his appraisal of General A. G. L. McNaughton, the Chief of the General Staff, whose task it was to implement the relief plan.

These two documents are to be found in the Cabinet records (CAB 63/81) at the Public Record Office, London.

SECRET

IMPRESSIONS OF CANADA, DECEMBER, 1934

By Sir Maurice Hankey

After the fervid Imperialism of Australia and New Zealand the calculating aloofness of Ottawa strikes a chilly note in more senses than one. Mr. Norman Archer, who was deputising for the British High Commissioner during an interregnum, had prepared me by cable, and by an admirable documented despatch (handed to me by the British Consul-General at San Francisco) for what I had to expect. Mr. Bennett had insisted that I must make one public appearance in order to remove the impression of mystery with which the British yellow press had overlaid my visit and which had not been wholly dispelled in Canada by the Prime Minister's replies to questions in Imperial Parliament. The *intelligenzia* of Ottawa had been disturbed by the speeches of Lord Lothian and Admiral Sir Roger Keyes, which had formed the subject of a private discussion at the Canadian Institute of International Affairs (of a highly unsatisfactory character, judging from the Rapporteur's summary) and there was some anxiety lest the Secretary to the Committee of Imperial Defence should again beat the big drum. I received strong hints from responsible quarters not to do so, and, before leaving New Zealand, I had agreed to speak on my tour to the three Southern Dominions, which was considered a sufficiently anodyne subject.

2. This suited my own ideas. I take the view that it is no part of the duty of a public servant to educate public opinion. That is the task of statesmen. I considered that I was entitled, indeed I was bound to lay the facts before

responsible Ministers, and, if they desired it, I did not feel debarred from talking to opposition leaders to such extent as I felt assured that my confidence would be respected. But from first to last I have declined to address public bodies, or semi-public bodies like the Institute of International Affairs or Round Table groups, and had not made any secret of my motives.

3. It was not an easy task to talk for half an hour and say nothing without boring my audience, but I seem to have accomplished it, at any rate without conspicuous failure, at the Canadian Club of Ottawa on the day following my arrival (Saturday, 22nd December). My audience included the Prime Minister, Sir George Perley and other Cabinet Ministers in Ottawa, the Leader of the Opposition, the principal naval, military and air officers, numerous permanent officials, Sir Robert Borden and a great number of business men, to say nothing of the editors of the local press, a number of journalists, and a much wider audience on the radio broadcast. I concluded what I thought was rather a dull "travelogue" (from which, at Mr. Bennett's request, I reluctantly omitted the only spicy passage) with an attempt to describe the vast network of invisible and intangible ties, which bind the British Empire together as tightly as Gulliver was bound by invisible bonds which held him fast when he awoke in the land of the Lilliputians. This attempt at a peroration received something like an ovation, not only from my hearers inside and outside the hall and from the press, but personally from all the distinguished statesmen of both parties who had paid me the compliment of attending this Saturday luncheon.

4. Mr. Bennett's plan justified itself. I was no longer treated as a mystery man engaged on some deep-laid plot to snare Canada into British Welt-Politik. After my statement I was entirely relieved of the attention of the press, and was able to pursue my self-appointed task of collecting all the information I could about the Dominion with complete freedom. Once more, as in South Africa, Australia and New Zealand, I was treated with great confidence. I was given a dinner by Mr. Mackenzie King, had long talks with the Prime Minister, Sir Robert Borden, Sir George Perley, the Chiefs of Staff, the permanent Secretary to the Department of External Affairs, and many others. Finally, Mr. Bennett, laden with Canadian literature for our journey, insisted on seeing us off from Ottawa by a very early train, while Mr. Mackenzie King sent a long farewell telegram. So all ended well in spite of the rather anxious circumstances in which I entered Canada.

Political Conditions

5. The political situation in Canada is completely dominated by the fact

that it is an election year. The conservatives, who hold office, have done very badly at bye-elections [sic] and disastrously at Provincial Elections. The general, indeed the almost universal forecast, is that Mr. Mackenzie King will sweep the country. Even Cabinet Ministers admitted that they were almost sure to be driven from Office, and I was informed that several of them are trying to find a refuge either in the Senate or elsewhere. Nevertheless, Mr. Bennett himself and at least one of his most trusted personal advisers hold that all is not lost. The same view was expressed by a former M.P. with whom I conversed in the train. During the autumn there has been a remarkable recovery of trade which has caused some slight revulsion[?sic] of feeling in Mr. Bennett's favour, and if that continues it is held by a very small but very intelligent minority that he may recover his position. Time is thought to be in his favour, and from sundry hints let slip about an election "in the fall" it looks as if it will be postponed until the last possible moment. The last general election was at the end of July, but (though the result of the election was known early in August) the last return, from some remote constituency in Yukon, did not arrive until early October. Technically, therefore, it can be argued that the five-year period of Parliament expires, not in August when Mr. Bennett came into office in 1930, but in October, when the last election return was received. Some people hold that to postpone the election in this way beyond July would be to strain the constitution, but there seems a probability that, if it suits the party in Office, Mr. Bennett will not hesitate to adopt this course. Meanwhile, it must be expected that when Parliament meets on 17th January Mr. Mackenzie King will denounce Mr. Bennett for holding on to Office after clear evidence that the country has had enough of him, and will take every possible advantage of the rather defective rules of procedure to obstruct parliamentary business and to force an early general election. Mr. Bennett has selected the Chairman of the party machine (a post which in Canada is only filled at election times) and began his election campaign with the New Year, so he is ready for all emergencies. In any event, the election will not take place before 17th March as the salaries of M.P.s do not become due until then.

6. In Canada politics are, as elsewhere, rather complicated and it would be presumptuous to claim to penetrate their mysteries on the strength of spending Christmas week in the capital. Superficially, however, the parties appear to be in a rather topsy-turvy state at the present time. One would expect the conservatives and liberals to base themselves on principles corresponding to those of the same parties at home. In principle that may be the case, but in

practice it appears to be otherwise. The liberals, for example, rely largely on the vote of the French Canadians, who vote liberal in the "Laurier" tradition. But in practice the French Canadians are one of the most conservative peoples in the world, and will not allow their leader to do much in the way of social reform. Consequently, the conservatives have stolen the thunder of the liberals and have a reputation for "socialist" leanings and action. The labour party is at present very small in the Federal House of Commons, but may increase its representation. It seemed to be, therefore, that politics in Canada resembled the United States of America (where the platforms of the republican and democratic parties are scarcely distinguishable in principle) rather than the United Kingdom. Intelligent Canadians to whom I made this observation remarked drily that the same thing had happened at home and that, for their part, they could not see much difference between the programmes of our own parties!

Political Leaders

7. At the present time politics in the Canadian Parliament are dominated by the personalities of the leaders. Mr. Bennett appears to completely overshadow his colleagues to the extent that, as I was told, he actually introduces departmental Bills and fights them through the House. The real debating is said to be almost entirely between him and Mr. Mackenzie King, the remainder of the debate consisting largely of irrelevancies and personal abuse by private members. In the Senate Mr. Meighen dominates the situation, the only difference being that the leader of the opposition [Senator Raoul Dandurand] is a poor debater. According to Mr. Meighen's account, they are a very happy family in the Senate and act very independently as a revising chamber. He paid a high tribute to the co-operative spirit of the leader of the Opposition.

Financial Problems

8. Overhanging the political situation are two terrible financial problems, those of the National Railways and the insolvency of certain States [sic]. The losses incurred by the Canadian National Railway place a heavy burden on the taxpayer and yet the railway competes seriously with and to the great detriment of the Canadian Pacific. A little has been effected in the direction of co-ordination between the two, but apparently matters can only be put right by means of something like amalgamation, which no political party can afford to tackle single-handed. The problem of the States is equally serious. Several of them are bankrupt. The Dominion cannot allow them to default on their interest without undermining its own credit, and is lending the money

for them to pay the interest on their loans. In some cases, the States have defaulted on the *interest* on the loans from the Dominion Government. I gather that these matters are dealt with, not in the ordinary budget but by some extra-budgetary device, so that the apparent balance of the budget is misleading, and in a year or two a very formidable financial situation will arise, unless drastic measures are adopted.

9. The general public and the ordinary private member of parliament are said to be ill-informed on these matters (though I have seen them referred to in the correspondence columns of the press), but the business men of Toronto are disquieted and want a coalition Government to deal with them.

Coalition?

10. It seems unlikely that coalition will take place in present conditions. The personal antagonism between the leaders is too great. The overture, if made prior to the general election, would have to come from Mr. Bennett. He might personally be willing to lead a coalition, but he knows that Mr. Mackenzie King would reply that it was a mere dodge on his part to hold on to office when he knew he was discredited. It is equally unlikely that Mr. Mackenzie King would take the initiative if he wins the election, as he is reported to be very weak on the subject of finance and figures and to hold the view (scouted by big business) that the financial situation will correct itself automatically when trade revives. Moreover, it is difficult to imagine Mr. Bennett serving under the Liberal Leader.

11. In my address at the Canadian Club, being still ignorant of this situation, I made some perfectly innocent observations on the fusion of the two parties in South Africa led by General Hertzog and General Smuts respectively, which, as I pointed out, had been rendered possible, according to common report in the Union, by the Statute of Westminster. I noticed that this reference provoked smiles among my audience, and I was told afterwards that the dignitaries of Ministerial rank who sat on either side of me at the high table "looked down their noses"! It so happened, however, that, remembering Mr. Bennett's dislike of the Statute of Westminster, I had shown him the passage beforehand and he had passed it.

12. On the whole, then, coalition appears unlikely, though, after witnessing the miracle in South Africa, we need not despair, especially if the election should result in a more even balance of parties than is at present anticipated.

External Affairs

(External Affairs are dealt with in a letter to the Prime Minister describing my conversations with Mr. Bennett and others (appendix)).

Imperial Relations

13. I found the attitude of Canada towards the Empire particularly hard to diagnose. One would require many weeks in the country and to visit many provinces to provide a true picture. In Ottawa one gets a distorted impression, so far as I could judge. The best opinion, both British and Canadian, appeared to agree that the opinion of Canada as a whole is unformed.

14. To me, as Secretary to the Committee of Imperial Defence, the subject reduces itself in the last resort to the brutal question of whether Canada would come to our assistance in another war. To judge by the proceedings of the Toronto [British Commonwealth Relations] Conference last year, or of the Canadian Institute of International Affairs (which I studied on my journey across America) or of the Canadian League of Nations Union the answer to the question would seem extremely dubious. But my own belief, is that these bodies represent public opinion as much as, but no more than, the corresponding bodies at home. They draw to their ranks extremists of all kinds—"high-brows", isolationists, French Canadians, Irish disloyalists, with a sprinkling of sound people who for one reason or another—sometimes because they know too much—take no leading part. They do not get the real facts. I myself, for example, or anyone in a responsible position could not talk to them for

"They will so beset a man with questions, and draw him on, and pick it out of him, that, without an absurd silence, he must shew an inclination one way; or, if he do not, they will gather as much by his silence as by his speech".

These bodies, therefore, discuss the gravest matters without any real knowledge of the facts, which they only receive from extremists (on one side or the other) and partially informed persons. In my tour of the Dominions the only real "defeatists" I met were leading members of these bodies, and I felt the utmost sympathy with Mr. Bennett in a tirade he delivered to me against the Institute of International Affairs as a body that did nothing but harm and ought to be abolished.

15. These "intellectuals" are apt to assume that the United Kingdom might engage in an "Imperialistic" war, in which case Canada would declare herself neutral and the Empire would be destroyed.* Or, alternatively, even assuming that the United Kingdom was forced by an aggression into war with Japan, or Germany, or both, they urge that Canada ought to stand out. If it is pointed out that Canadian ships and cargoes would be liable to be seized in harbour,

*Canada took no part in the Crimean War, but the Empire survived!

sunk at sight by torpedoes or otherwise, or captured, and that Canadian commerce would cease, they would reply that even this would be preferable to participation in another war. Foreign nations, and particularly the Japanese, they say, would hesitate to take action against Canadian nationals or interests in the hope of keeping them neutral. Their coasts, at any rate, they claim, would be secured from attack by the Monro [sic] doctrine. It is dangerous to remind these people that, when the responsibility for Halifax and Esquimaux was made over to Canada they undertook to maintain their defences and to allow the Royal Navy to use them as bases, or that they maintain outfits of gun armaments for mounting on board merchant ships designated as armed merchant cruisers. Their reply, not improbably, would be to urge the Canadian Government to escape from these entanglements as soon as they could.

16. I found it rather difficult to bring to realities such persons as I met who hold these views in whole or in part, as Canadians are so polite with strangers that they hesitate to disagree. Moreover, they are apt to represent extremist views as those held not so much by themselves as by others. The way I put the problem to one of them was, that if war came, it would probably follow a long period of negotiation at the League in which the Canadian representative would be acting with the British and other Dominions representatives in a desperate effort for peace. Only an aggression threatening vital interests, or involving our Treaty obligations (which are really the same thing) could draw us into war. The *casus foederis* would have to be overwhelming. In such circumstances, would not Canadian neutrality be impossible? The enemy Government would almost certainly be under military domination, and the chance of acquiring liners and depriving us of them would be too strong to be resisted. They would never tolerate the presence in their capital of a Canadian diplomatic representative, who would be regarded as a spy. Canada would be exposed to a succession of incidents and perhaps insults, which would exasperate public opinion. Those intangible bonds of Empire, of which I had spoken in my address to the Canadian Club, would suddenly reveal their strength. Recruiting offices would be besieged with applicants to join the ranks. The Prime Minister, the Defence Minister, and other Ministers would be bombarded with telegrams and letters from the ordinary citizen, who knows and cares nothing about the Institute of International Affairs, asking "what about it?" The men of action would become assertive and, whether in fact they constituted a majority of the population or not, would be sufficiently numerous to stampede the country. I was reminded on one occasion that in 1914, when Sir William [sic] Laurier was arguing that Canada ought not to

come into the war, and the Government had taken no decision, they were nevertheless discussing whether it was to be one division or two, and that the military forces had begun mobilisation on August 2nd, days before a decision had been taken to co-operate.¹

17. Both Mr. Meighen and General McNaughton, in each case after reflection, expressed a deliberate, considered view that, if our cause was just, if every effort to maintain peace had been exhausted, and it was clear to the world that war had been forced upon us, Canada would come along. But some Canadians hold that either participation or even non-participation in a war alongside the United Kingdom would split the country to the point of civil war. In this connection they point to the number of French Canadians (already three millions out of ten, and increasing), of Ukrainians, Russians, Germans and other unabsorbed aliens, and of ill-disposed persons of American or even British origin, especially on the prairies, all of whom are instinctively opposed to co-operation and sensitive to any suggestion of the kind. Some of the "isolationists", I am told, carry their theories to the point of advocating a split from the League of Nations, lest they should be involved in sanctions.

18. The mass of Canadians, however, I suspect, do not think very much of these matters. It is probably undesirable that they should. Most people say that opinion is unformed. Before the war we used to hear a certain amount of talk of the same kind as one hears to-day in Ottawa though not so virulent. For my part, I am convinced that Mr. Meighen and General McNaughton are right, and that in the only circumstances in which this country could be caught into a war Canada would respond exactly as she did in 1914. The scorching words from the central panel on the south side of the Memorial Chamber would be used to blister the disloyalists and isolationists:—

"To you from failing hands we throw the torch,
Be yours to hold it high.
If ye break faith with us who die
We shall not sleep
Though poppies grow in Flander's fields."

19. Nevertheless, the sentiment in Canada, so far as I could judge, is definitely opposed to any increased expenditure on military preparedness. The wide-spread pacifism, the political situation and especially the need of politicians to bid for the French vote and the votes of the various alien communities, the threatened financial embarrassments and the economic difficulties of the times unite to make it impossible—except in the very unlikely event of a coalition that was convinced of the need.

20. Although convinced that Canada needs waking up to the facts of the world situation, I am inclined to think, though reluctantly, that realistic speeches like those of Lord Lothian and Sir Roger Keyes, do more harm than good. They make many Canadians feel that they are being exploited, and they arouse the active opposition of the "defeatists", whom, as I have explained earlier, those who have the knowledge, hesitate to controvert. At the moment, the only thing that can be done is to keep responsible Ministers and officials informed of the situation and to trust them to do their best to educate their people in their own way. Perhaps, however, I should mention a suggestion from an exceptionally well informed British quarter that a Committee should be set up at home to explore confidentially the best method of combatting the anti-Imperial tendencies and the apathy that undoubtedly exists in Canada today.

21. In any event, however, I feel that in our foreign policy, we have to keep a very close eye on the avoidance of anything calculated to play into the hands of the numerous anti-Imperialists, aliens and "highbrows" in Canada, if we hope for their aid in Imperial Defence.

(Signed) M. P. A. HANKEY

R.M.S. Duchess of Bedford
New Year's Day, 1935

SECRET

IMPRESSIONS OF CANADIAN DEFENCE POLICY—
DECEMBER, 1934

By Sir Maurice Hankey

The Canadian naval and military authorities do not take into account the possibility of war with the United States of America. They frankly admit that, in such an eventuality, they would be swamped in no time, especially since the advent of the air arm.

1. They also scout the idea of overseas invasion by Japan or anyone else owing to the magnitude of the operation and the time required to organise it: tacitly, also, owing to the Monro [sic] doctrine. Even a sea-borne raid they deem extremely unlikely owing to the distance to be covered by the raider and the absence of any objective that would influence the result of the war. "It would be a positive advantage to Great Britain if Japan sent forces to attack our coasts" said General McNaughton, "since they would be drawing forces away from the decisive theatre without gaining any compensating advantage".

2. The contingency, however, is taken into account of Canada having to preserve her neutrality in a war between the United States and Japan, as either belligerent, but especially the latter, it is thought, might attempt to use Canadian waters for fuelling and temporary base purposes, whether for naval or air forces.

3. The Canadian naval authorities would, I gather, like to provide for this service, as well as partially for defence against raid by cruiser or merchant cruiser or submarine by means of a squadron or two of destroyers in the Pacific. The Chief of the General Staff scouts the idea of this owing to the cost of naval forces and argues that he can provide all that is required by means of air forces, capable of being moved from east to west or *vice versa* along a chain of airdromes, which are being provided, nominally for civilian purposes, right across the Continent under a scheme of unemployment relief, which General McNaughton himself administers. (see below)

4. In Canada, notwithstanding a Ministry of Defence, the Naval and Military Authorities work entirely in separate compartments. They do not pretend to work together, and I shall not be surprised if, within the next year or two, the Chief of the General Staff (who already controls the Air Force) seeks to encroach on to the domain of his naval colleague.²

5. At the present time, for reasons that will appear later, General McNaughton does not wish to spend money on modernising his coast defences, which are quite out of date. He has his plan for Esquimalt, which he showed me, but, taking the view he does about the probable immunity of the Canadian coasts, he puts coast defence in a low order of priority, is willing to rely mainly on air defence, and intends to spend what money he can get on other services. At present he has no intention of asking for funds to bring Halifax up to date, and he would rather not be pressed for a reply to our inquiry as to whether the Canadian Government wish the Joint Committee of the Home and Oversea Defence Committees to advise on Canadian Coast Defences.

6. Apart from the defence of the Pacific coast against raids and the enforcement of neutrality, for which he is content to rely mainly on air defences, supplemented by a system of observation posts with radio communication, the aims of the Chief of the General Staff are set forth in the following extract from an address he delivered before the Military Engineers' Association, Ottawa, on the 8th April, 1929:—

“The other type of war in which it is conceivable we might be engaged in certain eventualities is in support of our associated nations in the British Commonwealth, or of the League of Nations, if that were decided upon. The prob-

lems which arise in this connection are relatively simple of solution provided our organisation for defence is on a satisfactory basis, and in consequence we are not faced with the task of maintaining in peace any Expeditionary Force".

From memoranda prepared for a Cabinet Committee, which I was privileged to read, it was clear that the Canadian Expeditionary Forces, both land and air, were to be organised on a militia basis, with the aid, of course, of the relatively small permanent forces. In the whole of the organisation, which is sketched below to the best of my understanding, this conception is kept steadily in view.

Naval Co-operation

7. The apathy in defence matters in Canada reaches its maximum in regard to naval matters. The Canadian Navy, with two modern and two ancient destroyers (four in all—two on the Atlantic and two on the Pacific coast) is an almost negligible quantity, in which I could not discover any trace of public interest. Commodore Nellis [sic], who is Chief of the Naval Staff, a Canadian officer, told me he saw some signs of awakening public interest and so did the officer commanding at Halifax, but my own enquiries did not support this. Most people whom I consulted were both ignorant of the facts and apathetic if not mildly hostile. The late Minister of Defence [Hon. D. M. Sutherland] took no interest in the Navy. More is expected of his successor [Hon. Grote Stirling], just appointed, who is said to be the son of a British naval officer, but I gather that he will not exercise much influence. It is significant that the only passage which Mr. Bennett asked me to excise from my address to the Canadian Club was a very moderately worded commentary on certain experiences at Raratonga Island (which I had described in a kind of parable on sea power) where I emphasized the need for co-operation between the different units of the Empire, first in keeping the peace in order to maintain its trade, but in the last resort in its protection against an aggressor! In the matter of naval co-operation, then, I should judge Canada to be the most backward of the Dominions at the present time. They would like to replace their two out of date destroyers by less ancient ones if they could drive a satisfactory bargain with the Admiralty, but they realise that in present circumstances this may not be convenient to the [Royal] Navy.

Military and Air Co-operation

8. For military and air co-operation the prospects, though not too good, are much better than in the case of the Navy, and this is due to the influence of one man—Major-General A. G. L. McNaughton, Chief of the General Staff.

9. *General McNaughton* is one of the most remarkable men in Canada

to-day. Still well on the right side of fifty he has just entered on a second term of five years as Chief of the General Staff. He is widely recognised as a scientist of considerable attainments and, though a poor man, has refused attractive offers outside the Service in order to continue his work for the State. That work is spread over a field far wider than the Canadian land and air forces. For example, General McNaughton has taken under his personal control a vast system of relief works from one end of the Dominion to the other. It is necessary to have some knowledge of this scheme in order to understand the present military and air policy of the Dominion.

The Unemployment Relief Scheme Under the Ministry of Defence

10. The Unemployment Relief Scheme of the Ministry of National Defence is carried out under the Relief Act, 1932. As at 31st March, 1933, the sum of \$292,884,034 had been disbursed to the Department for expenditure under the following description:—

“For relief works on the intermediate landing fields of Trans-Canada Airway, and preservation of citadel and fortification walls at historic sites”.

The amount must be very much larger to-day. The Department has been allowed to extend its relief activities to cover not only the construction of civil aerodromes, but military aerodromes, roads, mobilisation centres, buildings for many purposes—all at the lowest cost price. Ancillary activities include forestry, quarrying, stone-dressing, ferro-concrete, etc., several of which I myself saw being carried out by relief labour.

11. Unemployment in the great cities of Canada is carefully watched. The moment it begins to get too large for local effort to cope with, the moment the Bolshevist agitators begin to get the upper hand, recruiting begins for the relief scheme of the Department of Defence. As married men are found to provide less dangerous material for Bolshevism than single men, it is to the bachelors that recruiting is almost confined. The object is to get hold of these men, to draw them away from subversive influences, to recondition them, place them in permanent employment if possible, and save them from becoming Bolshevist or unemployable. Recruiting is entirely voluntary. The men can walk out when they like. They are housed and fed on a scale that is adequate and no more. They receive free tobacco and a very small wage with the right to purchase from a canteen at cost price. Their clothes are, nominally, lent to them, but they are supposed to return them when they leave to take up regular employment. As a matter of fact, I gather that a good many of these clothes are repurchased by the State at a very low price from second-hand clothes

shops. Hitherto about one man in five has been placed in employment. The men engaged on relief include (as well as mere labourers), managers, architects, sanitary, water and electrical engineers, foremen and experts of all kinds, who are glad to get any job in these bad times. I met one cheerful man running the erection of a huge Government building of ferro-concrete under difficult winter conditions, who had been on the point of suicide when he was offered this job. There are no drills or other signs of military control, though the whole business is run from the Defence Department. The men I saw were for the most part *not* quite young men, some being middle aged. If they give trouble they are dismissed at once.

12. Naturally these vast and varied relief works, stretching right across the Dominion occasion all kinds of difficulties with contractors and unions. But General McNaughton, who has an almost uncanny flair for forestalling difficulties, seems to have conciliated and carried with him the elements most likely to make difficulties.³

13. The works are for the most part rather ostentatiously civilian in character. But in some cases they have a military potentiality. For example, the huge system of civilian aerodromes, with standardised buildings and equipment, is being constructed from one end of the Dominion to the other, and is already 75 per cent. complete. These aerodromes, as explained later, have a definite part to play in the Dominion's strategical plans.

14. In addition to the construction of these civil aerodromes, a good deal of work for military purposes is in hand, including the huge aerodrome of 900 acres at Trenton on Lake Ontario, military mobilisation depots at various places, and military buildings such as the new geographical survey building which I visited. All these works, including such matters as water supply and drainage and lighting, and radio-beam stations for guiding aircraft, are being erected at an absolute minimum of cost to the State. A great feature is made of the costing and accounting of every item in every relief scheme in order to provide against any possibility of misappropriation of funds. In all these matters General McNaughton is given a very free hand, which will be his so long as he can avoid making political difficulties, which, to an outsider, would seem to beset him on every side.

15. By undertaking this enormous contribution to unemployment relief, General McNaughton has won the confidence of the Government and especially of Mr. Bennett to an unprecedented degree. The fact is, that, thanks to the experience of the war, and especially to British Staff College training, the

General Staff in Canada is a kind of star of efficiency in a constellation of less efficient Government Departments.

Military Policy

16. General McNaughton is a clever opportunist. Administering the office of Chief of the General Staff at a time when the country was in no mood for military expenditure, he has adapted his policy to the circumstances of the day.

17. So far as the militia forces are concerned he found a situation similar to that which confronts the Government of the Australian Commonwealth to-day; for, after the war, in Canada, as in Australia, the military establishment was cast on too ambitious a scale, with the result that the money available has to be spread too widely. The butter is not sufficient to cover the bread. He decided, therefore, that the number of infantry divisions must be reduced from 11 to 6 (with corresponding cuts in mounted divisions). He therefore proposed that at the Disarmament Conference [of 1932] this reduction should be announced.⁴ By this step the Government could take the credit for a large reduction in establishments, and the army would be the more efficient for the reduction. This was approved by a Cabinet Committee, and is being acted on, though I have no clear impression as to how far it has gone.

18. It is easier to get money for unemployment relief than for purely military expenditure in Canada to-day. Consequently the Defence authorities have elected to take advantage of a golden opportunity to get the buildings and establishments they will eventually require:— an embarkation and mobilisation establishment at Val Cartier, near Quebec, as well as an arsenal where it is intended to manufacture ammunition up to 6-inch calibre, and guns up to the 4-inch anti-aircraft gun; in addition, mobilisation establishments in the Middle West and Far West, and a network of roads in British Columbia, the value of which for military purposes I failed to elucidate. Much of the expenditure at the present time is literally invisible, consisting of water, drainage and electric light and power lay-outs for establishments to be built later as the relief scheme proceeds.

19. The Canadian Military Authorities are really engaged on a long-range project to provide the means necessary for equipping and training the militia forces for some more or less distant emergency. At the present time, if the Government decided to co-operate in some military operation they could put in the field only a mixed brigade within three months. This time limit might be reduced to six weeks, though, as in other Dominions, the more that is put into a first échelon of this kind, the slower is the completion of the second and later échelons, owing to the withdrawal of instructors. Within six months

a division would be complete. At present, I gathered, the outlook for expeditionary forces does not exceed a corps.⁵ It is hoped in the near future to be able to complete mobilisation stores; to complete the mechanisation of artillery; and the Department has an arrangement with the Universities for registering the best engineering graduates.

Air Policy

20. General McNaughton, though a soldier by profession, is very air-minded—almost as much so as the South African Chief of the General Staff. Although, as already indicated, he scouts the idea of an overseas invasion, or even a raid on Canada as extremely unlikely, he proposes to rely mainly on air forces to deal with any such contingency, or for enforcing Canadian neutrality in the event of war between the United States and Japan. The civilian aerodromes included in his unemployment relief scheme, which are to be standardised in all respects, would be available for this purpose.

21. The Canadian Air Force is to consist of 21 squadrons, mainly on a militia basis, corresponding to our Territorials. He claims that the human material is of so good a class, and the whole country is so air-minded, that there would be no difficulty in bringing them up to a high standard within a few weeks of mobilisation.

22. General McNaughton and Air Commodore Croil, who has just returned from the Imperial Defence College, his principal adviser on air questions, claim that, in the Great War Canada sent a great number of men to the R.N.A.S. and the R.F.L. and that at the end of the war a very high proportion of the pilots (60 per cent. I think was claimed) were Canadians. The inscription in the Memorial Chamber contains the following passage:—

"Air Services

From the C.E.F. in the field 3,960 went to the Royal Naval Air Service, Royal Flying Corps and Royal Air Force, in England 1,398 other Canadians joined. In Canada 10,010 cadets and 7,453 mechanics were recruited directly into the British Air services. 4,280 of the former proceeded overseas".

Both the Chief of the General Staff and his Air Force colleague insisted that in a future emergency Canada would not be prepared to send individual airmen for the Royal Air Force. Canadian sentiment would insist on complete squadrons.⁶ They admitted that Canada would not be likely to possess squadrons armed with the latest machines, but, as machines can be provided more rapidly than trained men, they urged that the Royal Air Force, if pressed for men, should be prepared to hand over complete squadrons to be manned

by Canadians, unless they could provide machines for these additional squadrons.

23. They both expressed the hope that the Air Ministry would allow them to purchase at a low price their discarded machines for training purposes, which would be of great benefit to them. An interesting side-light was that they are allowed to import old aeroplanes free of duty, *though they have to pay the full customs duty on all new war material purchased in England.*

24. They hope, in course of time, to build aircraft and engines at the new arsenal, for which provision is being made, and later to work up a scheme for their production in war in Canada through their Principal Supply Officers organisation.

25. As will be seen from the above, the Chief of the General Staff has kept the Canadian Air Service under his own control. He admits that there is a movement in favour of a separate Chief of the Air Staff. But he is aiming at a joint General Staff in which the Canadian Air Force will be adequately represented. He is giving district commands to a few Air Force officers, and hinted that his successor might be an Air Force officer. He is such a dominating and influential personality, so air-minded, and is doing so much for the Canadian Air Force, that I should be surprised to see any change in the near future.

26. While I was in Ottawa the Chief of the General Staff received a letter from the Chief of our Air Staff, agreeing to a quarterly letter, as in the case of the Chief of the Imperial General Staff, which gave him great satisfaction.

Higher Organisation

27. I was not asked to advise in any way on Canadian Defence Organisation, and in the short time available I had no opportunity to go into it. I had a perfectly clear impression that the whole business of defence is, for practical purposes, "a one man show". No Minister in the Canadian Cabinet counts for much except Mr. Bennett, who told me that, a short time ago, he had given a confidential talk to some of the senior officers. But the Prime Minister is too busy to concern himself with details. He is content to leave it in the hands of the Chief of the General Staff, working under the direction of the Minister of Defence.

28. The Chief of the General Staff said that, until he has got his arsenal in operation, he cannot do much on Principal Supply Officers lines. He was grateful for process specifications he had received from the War Office, but did not think he could do much good with Canadian manufacturers until he was making war material himself and could arrange for people from the

various works to come and learn how it was done. Later on, however, he intends to take this matter up and he is confident that Canada could make a great contribution.

29. I was advised that, in the present political situation, it would be wiser not to mention the question of Canadian representation on the Committee of Imperial Defence either to Mr. Bennett or Mr. Mackenzie King. Sir George Perley, who actually represented Canada on the Committee of Imperial Defence in 1914, thought that after the election something might be done. But I can see that the subject is full of difficulties for Canadian statesmen. Much would depend on the personality of the High Commissioner. It is really a question of seizing the right psychological moment, as we did with the other Dominions. For Canada that moment has not yet arrived.

(Signed) M. P. A. HANKEY

R.M.S. "Duchess of Bedford"

New Year's Day, 1935

NOTES

1. The incident never took place and the reader can only wonder at the source from which Hankey got it.
2. In 1933, in fact, McNaughton had already come close to singlehandedly sinking the RCN by persuading the Bennett government to make budget cuts in the defence appropriations primarily from the RCN's share of the pie. See James Eayrs, *In Defence of Canada*, vol. 1, *From the Great War to the Great Depression* (Toronto, 1964), 266, 274ff.
3. This is hardly true since the relief camp scheme, if not McNaughton, came under severe public criticism. See J. Swettenham, *McNaughton*, vol. 1, 1887-1939 (Toronto, 1968), 285; Eayrs, I, 178ff.
4. In fact this was not done. See Swettenham, I, 264-8.
5. Defence Scheme No. 3 of 1932 actually envisaged a larger force than this. See C. P. Stacey, *Six Years of War*, vol. 1 of *The Official History of the Canadian Army in the Second World War* (Ottawa, 1955), 30-1.
6. Eventually this was the case in the Second World War but only after enormous difficulty. See Norman Ward, ed., *A Party Politician, The Memoirs of Chubby Power* (Toronto, 1966), Chapter xvi.