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When Canada Won the War

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Years We Remember

These days, historians tend to reject “decisive moments” as earnestly as they dismiss “great men,” and with good reason. It takes a host of circumstances to make an event. The emergence of an affluent, middle-power, ethnically-diverse Canada did not begin or end half a century ago. Victory over Hitler seemed inevitable from early 1943, though almost half the war’s victims had yet to die. Glimpses of Canada’s social security system were visible in 1919. Mass-production industries dated from the 1920s or earlier. Yet, with all respect to new historiographical conventions, 1945 was a year that mattered to Canada.

It was the year Canada became the “helpful fixer” in the birth of the United Nations. Family allowances began on July 1st, three weeks after the Liberals won the election that confirmed their post-war hegemony. Unemployment Insurance, family allowances, the Veterans’ Charter, the National Housing Act, loan guarantees for exporters, accelerated depreciation and levels of taxation inconceivable prior to the war carried Canada into an affluence it had never before experienced or even imagined. Of course none of it could have happened without victory in 1945. In the worldwide war against dictatorship, Canada sacrificed 42,024 dead from the 1,090,762 men and women who wore its uniforms. Because its sailors, soldiers and flyers put them on the winning side, Canadians could decide their national future.
On May 3rd, 1945, General Harry Crerar's First Canadian Army got some long-awaited orders: hold off on further operations. The next day, Germans on his front surrendered. Before dawn on Monday, May 7th, the war with Germany was over. The news reached Canada as people were waking to face a working day. A wartime habit of planning for everything had led Ottawa to announce an official holiday, V-E Day – for Victory in Europe – the day after the shooting stopped but most people started celebrating before the official parades and ceremonies on May 8th.

One city, Halifax, would remember V-E Day for the worst riot in its history. A rampage on Monday night turned into looting and devastation on Tuesday. Servicemen and women led but towns people followed, gathering armloads of loot. By nightfall Halifax had suffered $5 million in damage. “Why?” a city optician scrawled on his wrecked premises. A Royal Commission would find answers. Apart from ordering businesses closed and arranging an official parade, Mayor Allan Butler and the civic authorities had done little to prepare for the enthusiasms of 65,000 citizens and less for the 55,000 sailors, soldiers and airmen who had been reluctant wartime guests. For doing even less for its members, the navy’s brass took most of the blame.

Yet riots, brief explosions of violent anger, were not new in Canada. Wartime resentments in an impoverished, overcrowded city principally lay behind the assault on the city sailors nicknamed “Slackers.” There was another reason as well. An old fortress city that thrived on war, Halifax merely survived in peacetime. Had sailors and citizens alike decided that V-E Day might be the last moment when the getting was good? For Halifax and for Canadians, was there as much to fear from peace as from war?
Canada in 1939

After the First World War, people cast a golden glow over the last peacetime summer of 1914. Few ever glorified 1939. Canada's 11.3 million people had united briefly to welcome their British King and Queen but they shared little else. Business had partially recovered from the Great Depression and any prairie farmer with the means to plant a crop would have a bumper harvest that fall but most people still felt hard times. Half a million people, one worker in seven, were unemployed. Although French and English Canadians had voted for William Lyon Mackenzie King's Liberals, they did little else together. Desperate to show some results after four years in power, King yielded in 1939 to the temptations of new-fangled Keynesian economics and budgeted for a "stimulative deficit." Federal revenues that year were $592 million; spending would be $680 million, boosting the national debt to $3271 million.

Canada in 1939 was a poor country, full of people who were generous to those they knew, mean-spirited to those they didn't, and harsh about the distinctions. Differences of race, religion and region mattered: people looked after their own. Universities made no secret of their quotas for Jews and, in British Columbia, for Asians. Like other ethnic and cultural groups, Black Canadians lived in their own neighbourhoods and scarcely dared look beyond the menial tasks traditionally assigned to them. Jews fleeing Hitler were stopped and sent back. "None is too many," wrote F. C. Blair, the federal official in charge of immigration. In Canada, people said, there were "too many spoons for the soup."

Six years later, was this the Canada anyone wanted? Could anyone promise them a better choice?
Planning for Peace

Early in the war, Mackenzie King had split his Cabinet between ministers who oversaw the war effort, those who planned for the future, and a few, like Finance Minister J.L. Ilsley and the Minister of Munitions and Supply, C.D. Howe, who did both. Planning for the new war’s veterans had begun almost as soon as war was declared. A Committee on Reconstruction, headed by McGill University principal Cyril James, followed in March 1941. Its task was awesome: to create “adequate employment opportunities for the returning soldiers, as well as for the men and women who will no longer be required in the munitions factories.” James’s research director, Leonard Marsh, responded with a blueprint for a post-war Canadian welfare state. Financed by revenues from a fully-employed work force and, in turn, helping full employment through education, job training and stimulation of purchasing power, Marsh offered Canada an escape from the business cycle nightmare of boom and bust. His report argued for a national health insurance, universal contributory pension plans for the elderly and “an unequivocal place in social security policy” for the needs of children. At the heart of Marsh’s policy were family allowances of up to $7.50 per child per month. The total bill for Marsh’s plans would be $900 million a year or 60 per cent more than all federal spending in 1939.

Did Marsh’s ideas have a hope? Crushed in the 1935 election and again in 1940, the Conservative party had chosen Manitoba’s Progressive premier, John Bracken, as its leader and added his party’s name to its own. Commentators joked about the “Pro and Con party.” Marsh’s report revived old Tory instincts. Dr. Charlotte Whitton, leading social worker and Tory, warned that Marsh’s ideas would destroy initiative and encourage the “erratic, irresponsible, bewildered of mind, and socially incapable” to have babies. Many Liberals seemed acutely uncomfortable. Mackenzie King, too, feared the moral decay that would follow “handouts.”
Finance Minister Ilsley opposed the extravagance. On the other hand, W.A. Mackintosh, the civil service's favoured economist, argued that family allowances would expand post-war purchasing power. In the short run, they might also short-circuit demands for higher wages. In *Homo the Sap*, written after learning that one of his brightest students had been killed in a bomber over Germany, Lorne Morgan, a University of Toronto economist, argued ironically that war might be preferable to a capitalist peace: at least young people found work, incomes and a purpose. The satiric essay immediately became an underground classic.

Predictably, the Co-operative Commonwealth Federation, Canada's socialists, welcomed Marsh's report (and recommended *Homo the Sap* to its members) but who took the CCF seriously? In August, 1943, the CCF bounced from nowhere to a few seats short of capturing Ontario in a provincial election. By October, national polls showed the CCF leading both Liberals and Tories, at 29 per cent. Mackenzie King read the signs. So did his young assistant, J.W. Pickersgill. Raised by a war widow on her government pension, Jack Pickersgill was a living refutation that public money sapped gumption. Moreover, he warned, voters would not reward the Liberals for winning the war. "They are going to vote for the party they think is most likely to do what is needed to provide the maximum employment and a measure of social insurance in the future." King was converted. Erstwhile allies against extravagance changed into "right-wingers" who favoured conscription, offended Quebec and sneered at "the common people" with whom King occasionally posed as a lifelong friend.

"People ... coming into their own"

When he opened the 1944 Parliamentary session on January 27th, the Governor General found himself reading: "The post-war object of our domestic policy is social security and human welfare. The establishment of a national
minimum of social security and human welfare should be advanced as rapidly as possible." After 20 years of discussion, Canada would have family allowances at rates ranging from $5 a month for a baby to $8 for a teenager up to 16. A Gallup poll found 57 per cent support across Canada for family allowances, 75 per cent from people in their twenties and 81 per cent support in Quebec. To King's delight, a handful of Tories, led by Whitton, denounced "baby bonuses" as a bribe to big French Canadian families. In fact, the government was ready with statistics proving that Quebec would pay 34 per cent of the cost and get back only 33 per cent in benefits. The real winners were the prairie provinces which paid 7 per cent and received 21 per cent.

The 1944 session did much more. The National Housing Act promised $1 billion in new homes with Ottawa contributing $275 million. An Industrial Development Bank received $75 million to help industry adapt to peace. An Export Development Corporation would offer $100 million in export insurance. Ottawa promised $225 million to protect farm and fish prices from a post-war slump. Barely noticed were a few words in a statement on Canada's economic future: the government, it declared, was committed to "high and stable levels of employment."

**Workers and Unions**

Excluded from influence in the earlier war, Canadian unions had forced themselves into government planning by a mixture of militancy, moderation and by exploiting links with the rising CCF. Wartime union membership rose from 359,000 in 1939 to 714,000 by war's end (still only 15.3 per cent of the total work force). In 1943, one unionist in three went on strike. Faced with the option of fighting for short-run gains or leveraging lasting reforms from the federal government, union leaders took the long view. Their reward in February 1944 was P.C. 1003, an order-in-council
that gave Canadian unions much of what American unions had gained eight years earlier with the Wagner Act: the right to organize and bargain collectively. A year later, after a long, bitter strike at Ford’s Windsor plant, Canada got its version of union security from Supreme Court Justice Ivan Rand. Under the Rand Formula, workers could stay out of the union if they paid the dues. Justice Rand’s decision provided the basis of union security for 90 per cent of Canadian union members by 1950.

The Veterans’ Charter

If children and workers mattered, returning veterans mattered more. In 1919, Canada had been more generous than the United States in its pension rates for the war-disabled and widows but able-bodied veterans had felt short-changed. Unveiled in the 1944 session, Canada’s $1.2 billion Veterans’ Charter surpassed the American GI Bill in generosity. Ex-servicemen and women could claim $100 for civilian clothing, $10,000 in life insurance without a medical and a gratuity of $7.50 for each 30 days of service, an extra 25 cents for each day outside the hemisphere, and seven days pay for each six months overseas for missed holidays. A private with three years’ service, two of them spent in England, could collect $512.

Some benefits were new. The Reinstatement in Civilian Employment Act guaranteed returning men or women their old job plus any promotion they would have had if they had stayed on the job. More valuable to many veterans was free university education or vocational training for as long as a veteran had served – or a rehabilitation credit equal to the amount of the gratuity, to be applied to buying a home or a business, for furniture or stock. The Veterans’ Land Act allowed up to $4500 in a loan for land and $1500 for stock and equipment, at only 3.5 per cent interest. That was better than the old Soldier Settlement Act and the money could be used for a market garden or even
a small lot. While worse paid than men while they were in uniform, ex-servicewomen would get the same benefits. To manage the programs, Ian Mackenzie became minister of a new Department of Veterans’ Affairs.

Politicians and officials took comfort from the opinion polls. In 1943, grumbling about meagre veterans’ benefits had been part of public discontent. By the end of 1944, most people seemed to think that Canada was giving its defenders a fair deal, though very few thought that the government was being too generous.

Making War in 1945

Reforms only mattered if veterans came home victorious. While people in central Canada spent New Year’s day digging themselves out of a memorable blizzard, Canadians in Brussels awoke to see Luftwaffe fighters screaming over their Belgian billets, strafing the streets. Black, greasy smoke shrouded nearby airfields as fuel dumps burned. Wrecked aircraft sprawled across runways and fields. Counting on New Year’s morning hangovers, the Germans had collected over 800 aircraft for a pre-dawn raid. The score: 128 Allied aircraft at a cost of 32 German planes. As a quick victory, it was sweet but as a bid to reverse the war’s outcome, it failed. Allied planes were replaced in days; the German losses, half of them victims of Canadian pilots, were gone forever.

While planners and politicians prepared for peace, some brutally hard fighting remained. For Canadian soldiers in North-West Europe, it would include their third major campaign since D-Day. Allied insistence that only unconditional surrender was acceptable from the enemy meant that Germany must be invaded. For General Crerar’s army, on the northern flank of the Allied advance, that meant smashing through the long-prepared Siegfried Line, held by General von Schlemme’s Parachute Army. American divisions stopped the German offensive in the Ardennes and hurled it back but a vital month had been lost.
Instead of tanks crunching across frozen ground, the Allied offensive would resume in February, after a thaw had turned the ground into a muddy morass, and the run-off added to the tons of water roaring across the land as German engineers demolished dikes and dams. Staff officers labelled the struggle across the inundated floodplain of the Rhine and the Waal as Operation VERITABLE. Soldiers remembered being cold, wet and hungry, and wondering who would die when victory was so close. Companies depleted to half- or quarter-strength struggled through places like Moyland Wood, Cleve and Calcar to their objectives. Next, Operation BLOCKBUSTER forced Canadians to attack the densely forested slopes of the Reichwald, Hochwald and Bamberger Wald, as German machine guns tore down the narrow pathways and shrapnel from airbursts left terrible wounds. Tanks flailed helplessly in the mud. If a panzerfaust rocket connected with one, the tank burst into a roaring oven for the crew. From February 8th to March 10th, Crerar’s Canadians lost 5655 dead and wounded. Others would die crossing the Rhine on March 23rd. Another operation, GOLDFLAKE, brought soldiers of the First Canadian Corps from Italy, rearmed them, and sent them to complete the liberation of the Netherlands. After the Rhine, the Canadians had fought their last great battle but death continued daily in hundreds of small battles with Germans and their Dutch collaborators. Most of the dead were volunteers but 55 conscripts died after Mackenzie King reluctantly allowed 26,000 of them to be ordered overseas at the end of 1944, and a few thousand reinforced frontline battalions. A handful of Canadians saw the concentration camps at Bergen-Belsen soon after its liberation. Such men never needed to be told why the war had been necessary.

For Canadian sailors and aircrew, the war and the dying dragged endlessly on. At sea, the struggle ranged from the cold, dangerous monotony of U-boat hunting and convoy escorts to sorties from the aircraft carrier Puncher and rare glimpses of the few remaining German surface warships. In 1943, Canada had been assigned its own sector of the
north-west Atlantic. Although it was hard to be vigilant so far from a beaten Germany, the ocean war remained dangerous. On April 16th, no one noticed for hours that the minesweeper *Esquimalt* was missing. Three weeks later, the V-E Day newspapers included the casualty lists: seven hours of drifting in icy waters had cost the lives of 44 of the 70 crew members. Flyers, too, continued to risk their lives in battle. By 1945, Canada had 47 squadrons overseas, a third of them with Bomber Command, others flying fighters in Italy and North-West Europe or transport planes in Burma. Thousands more Canadians provided a fifth of the flying strength of Britain's Royal Air Force. Less than a week before V-E Day, Canadian bombers took off to blast Hitler's mountain retreat at Berchtesgaden; others pounded German submarine and rocket installations. From both sorties, a few planes never returned. It was part of the grim routine.

And suddenly it was over. Much later, fighting men sometimes recalled feeling that their lives had been handed back to them. Others remembered that they would live to see wives, children and parents and a few wondered whether the old relationships had survived. More described an irresistible yearning to catch up on lost sleep.

The war with Japan continued. Canada's first serious fighting of the war had begun and ended at Hong Kong in December 1941, leaving 1600 Canadians in a terrible captivity. On V-E Day, American forces fought their way across Okinawa and the British pushed south through Burma. *HMCS Uganda*, manned by Canadians, was refitted in Australia to join the battle against kamikaze planes. To finish the Pacific War, Canada promised ships, bombers and a division of infantry – all of them volunteers. Weeks after *HMCS Uganda* reached Okinawa, the captain had to ask his crew whether they would serve. Hot, home-sick and fed up with the navy, most refused. On August 10th, the warship weighed anchor for home. Four days later, fighting ended in the Pacific. Canadians celebrated V-J Day on August 15th.
Repatriation

For Canadians overseas, victory signalled the move home. If everyone couldn’t get home at once – and no one needed to be told that German U-boats had devastated Allied shipping – the only fair way was first over, first back. General Crerar had another view: units should go home together. It would create pride and social cohesion in a turbulent post-war Canada. Back in Canada, wartime planners had devised elaborate schemes to bring home men with skills vital to getting the economy moving. Since these were usually the men with the shortest service, such schemes were bitterly unpopular with men overseas. In fact, repatriation followed a point system, allowing those with long service and those who were married to return in the early waves. Units were reconstituted with men from the same town.

Ex-prisoners of war, the wounded and servicewomen got top priority. Promises of early repatriation, 30 days leave in Canada and higher pay made it easier to get enough volunteers for the Pacific Force. Other servicemen waited their turn, mostly in England and the Netherlands. When the army’s newspaper, The Maple Leaf, publicised rumours about soldiers getting to Canada before their turn, General Guy Simonds fired the editor. Repeating lies, he naively insisted, was not part of press freedom.

Canada had committed a division of 25,000 troops and 11 air force squadrons to the occupation of Germany. Some men volunteered; others with short overseas service got no choice. Few enjoyed the experience, particularly after strict Allied orders against fraternization with Germans. General Crerar’s suggestion that Canada send a battalion of the Canadian Women’s Army Corps for “girl-power” at dances got no answer. By the end of 1945, Ottawa had made it clear that all its occupying forces would come home by spring.

Military commanders did their best to keep their bored, homesick subordinates busy. Some took courses through
a “khaki university;” others learned handicrafts from YMCA instructors; most spent their time and money with the soldier’s traditional time-filler, cards. A two-night riot in Aldershot, England, in July was the worst disorder: it cost Canadian taxpayers $41,541 in compensation and, to show that there were no hard feelings, the old garrison town gave the Canadians the freedom of the city. In September, Utrecht’s mayor blamed a brawl between Canadians, Dutch police and civilians on a familiar scapegoat, women.

Repatriation went faster than expected. As well as the ports of Halifax and Saint John, the St. Lawrence was open for small liners. Huge ships like the Mauretania and the Queen Mary delivered Canadians to New York. The navy sent the Prince Robert to rescue Canadian prisoners at Hong Kong though they returned only after intensive care and feeding at an American base in the Philippines. By the end of 1945, half the 346,080 Canadians in Europe had come home and 40,217 had returned from the Far East. Special ships brought 44,886 war brides and 21,358 children.

A Canada Transformed

In major towns across the country, welcoming committees decorated the streets and organized parades for returning heroes. Usually the throngs of relatives and friends overwhelmed the dignitaries. Wise politicians put away their speeches and let happiness take over. A six-year war had meant long absences. Parents had to understand that a gawky teenager had become a man. Couples who had shared little more than an embarkation-leave honeymoon found that a child was all they had in common. Children who had hoped for a war hero merely found a strange man moving in with Mum. Returning men and women found that home news mattered more than anything they could bear to say about the war. How could they share memories of the paralysing cold and terror in a bomber over Germany or the stink of a foc’sle messdeck in a corvette or the sound
of friends being roasted alive in a burning Sherman tank? Only other veterans understood: for some, their company was all that made homecoming bearable.

Even after years away, some veterans found that Canada looked unchanged. Except for barracks, bases and factories in the outskirts of towns, almost nothing had been built during the war years. While the auto industry turned out thousands of tanks, guns and trucks, civilians had nursed their pre-war cars on balding tires and 40 gallons a year of rationed gas. Even prices were almost recognizable: the cost of living rose only 18 per cent in the war years, with most of the rise in the early years, before the Wartime Prices and Trade Board, or WPTB, began managing every aspect of the consumer economy from skirt lengths to how to water the whisky. Veterans of wartime Europe were unimpressed by such wartime hardships as rationed butter, sugar, coffee and meat, a cigarette scarcity or the disappearance of silk stockings. Instead they marvelled at heaping plates of food, stores crowded with goods, even the pervasive glitter of electric lights. Most Canadians had done well out of the war. If streetscapes were shabby, with cracked pavement, peeling paint, and blowing newspapers, had it been all that different in 1939?

Yet Canada had been transformed. New factories on the fringes of cities employed almost twice as many workers as in 1939 at much more than twice the wages. Although most of them were still tooled for war production, as early as 1943 the government had begun cutting back orders and encouraging a switch to peace-time needs. With little for those vast new wages to buy, Canada should have experienced uncontrollable inflation. Instead, Ottawa imposed huge tax increases and compulsory savings. In 1939, a married taxpayer with a generous $10,000 income paid $946 in income tax; by 1945, taxes devoured $3346 and compulsory loans for the war effort took another $600. Corporations paid 18 per cent on their profits and an excess profit tax on any increases over the 1936-39 average.
Federal revenues, $592 million in 1939, nearly quintupled to $2687 million in 1945. Spending, not just for Canada’s war effort but to help allies like Britain to buy Canadian goods, soared even faster. In 1945, Ottawa spent $5246 million and the net federal debt reached $11,298 million, more than three times its pre-war level. And no one seemed to mind – for the excellent reason that, by every reasonable measure from investment to national income, Canada’s wealth had soared. Between 1939 and 1945, Canada’s gross national product doubled, the fastest growth ever. Though half the new growth had been spent on armed forces and allies, the new defence plants and their increasingly skilled workers would be the basis of rich post-war industries. As Lorne Morgan had argued, the war had given millions of Canadians their first steady job, their first solid savings and, for many of them, their first experience of trade union-based rights. Even the military gave young Canadians training, incomes, and self-respect. With the human mind’s capacity to discard bad memories, many would remember their years in uniform as some of the best in their lives. Rationing and steady incomes had helped almost all Canadians eat better and more wisely. The characteristic diseases of poverty and malnutrition faded. In 1939, tuberculosis, the traditional disease of poverty, had killed 10,000 Canadians; in 1945, the toll was halved. Turning a labour surplus into a desperate labour shortage forced employers to look harder. In 1939, 21 per cent of Royal Bank employees were women; by 1945, women filled 71 per cent of the bank’s jobs. Would it all end with peacetime? Royal Bank officials didn’t think so.
Cautious Commitment to Change

Canadians had been stereotyped as conservatives, wedded to monarchy, authority, law and order. Yet, more even than the British and Americans, Canadians wanted the wartime changes to stay. In October 1943, only 32 per cent of Britons and 52 per cent of Americans told pollsters they wanted their countries to be different from the way they were before the war; Canadians voted 75 per cent for change. In 1943, a lot of Canadians had been ready, in their own minds at least, to vote for the CCF to avoid the kind of post-war they feared. Thanks to Leonard Marsh, Jack Pickersgill and Mackenzie King, they did not have to do so. In June 1944, the CCF’s Tommy Douglas swept the Liberals from power in Saskatchewan. It was his party’s last major victory.

By the time King called an election for June 11th, 1945, he could offer a “New Social Order for Canada.” The CCF could do little more than say “me too.” Business-funded propaganda accused them of being nationalist, socialist and, thanks to some of its leaders, Jewish too. By May 1945, the CCF had fallen to 19 per cent in the polls. As for the Progressive Conservatives, their social policies had failed to win a seat in Saskatchewan. Again, old instincts prevailed. King’s announcement that only volunteers would fight the Japanese armed the Tory charge that the Liberals were appeasing Quebec. If elected, Tories would send conscripts to the Pacific. Confident that he could sweep Ontario for the Tories, Premier George Drew arranged for his minority government to be defeated and set his election date for June 4th, a week earlier than the federal contest. His momentum, Drew believed, would sweep his federal Tory counterparts to power.

Drew won a smashing victory in Ontario, burying the provincial Liberals and almost annihilating his erstwhile CCF opposition. But in the federal election Canadians voted for King, the Liberals and their New Social Order.
King's victory was no sweep, 125 Liberals to 67 Tories, 28 CCF and 18 seats for Social Credit, almost all of the latter from Alberta. King's margin depended on Quebec's forgiveness for belatedly sending conscripts to Europe. A new Bloc Populaire had raged against Liberal betrayal but it won only two seats. Service voters narrowly favoured the Liberals over the CCF, 35 to 32 per cent, and only 26 per cent supported the pro-conscription Tories. Like the rest of the country, men and women in uniform were thinking of the future, not the past.

Social Justice and Politics

A major Liberal weapon in the 1945 election campaign had been the new baby bonuses. "I did not like the idea of spending public money immediately before an election," King shrewdly explained, "... people were likely to be more grateful for what they were about to receive." While tiny Prince Edward Island served as a laboratory for the family allowance systems, voters elsewhere could read advertisements about how to apply and reflect on the not-so-subtle message about what might happen if the Liberals lost. By early July, family allowance cheques were on their way to Canadian mothers except in Quebec, where Premier Maurice Duplessis of the Union Nationale insisted that nothing must be allowed to undermine the father as head of the family. In the North, where there were no banks to cash the cheques or stores to spend the money, RCMP officers distributed milk and processed food to Inuit families, unwittingly helping to undermine their traditional way of life.

Ottawa had planned a far bigger change for 1945. Most experts agreed: Canada's constitution had made the Depression worse. Ottawa had the taxing powers; provinces had gone bankrupt meeting their responsibilities, and citizens had suffered. Appointed by King in 1937, the Rowell-Sirois Commission on Dominion-Provincial
Relations had an answer by February 1940: give Ottawa full responsibility for unemployment and welfare burdens and the fiscal powers to match. Provinces would get grants to maintain services at the national average. In 1941, three of the richer provinces – Ontario, Alberta and British Columbia – had angrily refused. Instead, Ottawa took over collection of income and corporation taxes and paid provinces the equivalent of what they would have received. Protests were stifled: there was a war on. And hadn’t it gone well? Ottawa thought so.

Safely re-elected, King summoned a Dominion-Provincial Conference on Reconstruction in August and presented premiers with a modified Rowell-Sirois plan. George Drew had his revenge. He and Quebec’s Maurice Duplessis organized the opposition: they must have time to study the proposals. Alberta, British Columbia, even Nova Scotia agreed. When King and the premiers met again in April 1946, Ottawa’s plan was dead. Ottawa reverted to complex “tax rental” arrangements: Ontario and Quebec refused to play.

The Post-war Housing Crisis

In 1945, the biggest, angriest national problem was housing. Earlier generations of Canadians might have wondered why housing would be any government’s business. Between them, the depression and the war had virtually frozen housing development. Six years of war had changed expectations. If veterans and their new families had to crowd into a room or two, cook their meals on a hotplate and share a bathroom and a nasty landlady with the family down the hall, governments would now be blamed. In time, the National Housing Act would do as much as anything to make Canadians into middle-class homeowners. Vast subdivisions of standard Central Mortgage and Housing Corporation homes only seemed to appear overnight: in fact they took three or four years to build. Meanwhile, it was chiefly
veterans and new families who suffered. Overcrowding, warned the experts, contributed directly to drinking, divorce and a favourite scourge of the 1940s, juvenile delinquency.

Veterans had other problems. Those who had rushed through their final medical with a cheerful "no problems" soon discovered lots of them. Despite helpful Canadian Legion branches and the DVA’s free “veterans’ advocates,” fighting for a pension and free care could become a lifetime preoccupation. Others found it hard to adjust. DVA placement officers filed reports of veterans who drifted from job to job and who drank too much. Bad soldiers made bad veterans and few of the bemedalled heroes pestering passers-by for a nickel for a cup of coffee had done much for their country. DVA officials noted that ex-servicewomen had been quicker to adapt than the men. By 1946, 16,000 of them were married and 20,000 had jobs.

Most veterans, men and women, settled down. A former company commander returned to pounding a beat as a Winnipeg policeman. An air-gunner, sole survivor of his bomber crew, went back to teaching school. A flood of ex-servicemen tried their luck as “Vets’ Cleaners” or driving a “Veterans’ Taxi.” Though thousands of wartime marriages ended in divorce, the majority survived.

War brides faced their own painful adjustment. Few were prepared for the plentiful food or the vast distances of their husband’s homeland, or for the hardships and loneliness of a remote prairie farm or the cultural barrenness of even a major Canadian city. In a society where marriage remained a common ambition, war brides were often seen as interlopers who had “stolen” a Canadian woman’s man. Reporter Mavis Gallant found that the saddest cases were often English women who had married Quebec soldiers, and who found impossible barriers of language, religion, and culture. French Canadian Catholic chaplains who had discouraged marriage may have been kinder than they seemed.
The greatest achievement of the Veterans' Charter probably was free education. Universities and trade schools were soon bursting with some of the best students their professors ever remembered. Economists noted that thousands of veterans delayed entering the labour market until they could join it with higher skills and qualifications while "rehab grants" gave a flood of business for freshly-converted wartime industries.

"Orderly Decontrol"

If most Canadians were nervous about their post-war prospects, the Minister of Reconstruction, C.D. Howe, was utterly confident. No minister had grown more in power and prestige. An American-born engineer who was trained at the Massachusetts Institute of Technology, Howe had made his fortune building grain elevators. In 1940, as Minister of Munitions and Supply, business denounced him and being torpedoed by the Germans on his first wartime trip to England probably saved his career. Howe's skilful use of power and the profit motive helped him build Canada's amazing industrial mobilization. Given similar tax and price incentives in post-war reconstruction, he predicted that Canadians would soon be complaining about shortages of labour, goods and capital. Howe's officials spoke of "orderly decontrol." Fuel rationing ended in May 1945—and wartime speed limits of 40 miles an hour were lifted soon after. Gold mining resumed in June, new drugs like penicillin became available for civilians in August. By year's end, newsprint was "decontrolled" and fat New Year's editions of Canadian newspapers announced the end of tire rationing.

Howe's wartime policies had created a fleet of Crown corporations, producing everything from radar sets to synthetic rubber. Most were shut or sold. Park Steamship's fleet of cargo ships passed into foreign hands. No loss, Howe
insisted: Canada’s high-wage crews could never compete in a gluttoned post-war shipping market. Aviation was different. Howe had launched Trans-Canada Airlines in 1937 and in 1944 he offered the new International Civil Aviation Organization a home in Montreal. He sold Canadair at Cartierville near Montreal to its executives to build a Rolls Royce-powered version of the DC-4 called the North Star. A. V. Roe bought Victory Aircraft at Malton and started work on the world’s first jet-powered passenger plane. Meanwhile, quick sales, fast write-offs and tax breaks got thousands of factories “reconverted” to meet 15 years of pent-up civilian demand.

Foreign Exchange Crises

Howe’s wartime production miracle had depended utterly on a key deal. In the summer of 1940, Howe had grasped that the British needed everything Canada could produce. Yet much that Canada produced needed elaborate American-made components. Since the British had run out of U.S. dollars, so would Canada. Most production would collapse. U.S. President Franklin Roosevelt had offered Britain lend-lease, a buy-now, pay later plan that gave Britain the tools to fight and a future of horrendous debt. For Canada, that was still unthinkable. The solution came in April 1941, at Roosevelt’s Hyde Park estate on the banks of the Hudson River: the president promised that Americans would buy as much war material in Canada as Canadians bought from them.

Peace ended lend-lease, the Hyde Park agreement and most other wartime deals. Britain, almost equal to the United States as a pre-war consumer of Canadian exports, had no dollars. Washington came up with a $3.75 billion loan at two per cent interest; Ottawa loaned $1.25 billion at the same rate and forgave Britain’s wartime loans. Quebec nationalists raged that Canada was ruining herself for the
English: the truth was that Quebec produced many of the farm products the British could now buy.

By 1947, Canada had its own foreign exchange problems. People with money to spend were as eager for American goods, from juke boxes to orange juice, as they were for the cars, refrigerators and pressure cookers their own factories were struggling to deliver. Once again Canada faced a crippling trade deficit with its neighbour, this time driven by consumers not the defence of democracy. The solutions were similar. While import quotas and an American loan eased the crisis momentarily, Washington allowed Canada to be a source for the huge amounts of Marshall Plan aid sent to speed European recovery. By 1950, Marshall Plan purchases were worth a billion dollars to Canada.

Canada-U.S. Free Trade?

The European war had driven the two North American economies together. By 1948, discreet but serious negotiations led by economist and civil servant John Deutsch, prepared the way for Canada-U.S. free trade. On the verge of laying down the prime ministership, Mackenzie King stopped the initiative with a single blunt warning. If his colleagues proceeded, he would come out of retirement to campaign against it. The old man had his way. A free trade agreement with the United States would wait another 40 years. And who needed it? Howe had been right. Canada's gross national product, an astounding $11.8 billion in 1945, was $18.4 billion in 1950.

More than a hard dollar and undamaged industries brought Canada and the United States together in 1945. At Ogdensburg in August 1940, Mackenzie King and Roosevelt had committed the two neighbours to a shared defence of North America. The agreement of unequals brought thousands of Americans to Canada in the ensuing years to build landing strips and hangars on the aircraft
staging routes to England and Russia as well as a hugely expensive dirt road north from Edmonton through Whitehorse to Fairbanks, Alaska. The Permanent Joint Board on Defence did not dissolve on V-J Day. Instead, in the new superpower confrontation between the United States and the Union of Soviet Socialist Republics, Canada would be a buffer zone as vulnerable as Poland or Belgium had ever been.

Canada, Gouzenko and the World

For Canada, the Cold War started on September 5th, 1945 when Igor Gouzenko, a cipher clerk at the Soviet Embassy in Ottawa, defected with documents identifying Soviet spy networks in Canada. A revered wartime ally had treated Canada like an enemy. Mackenzie King would have preferred not to know about him. Most shocking was the realization that people within the civil service had shown a higher allegiance to Communism than to Canada or even the British Empire.

Later, as Soviet agents took over eastern Europe and as Moscow tried to forge a security ring around Soviet frontiers, planners in Ottawa felt the first serious military threat to North America in a century. In any Soviet-American war, Canada could not opt out. The country, warned General Maurice Pope, would have to do rather more than it considered necessary or the United States would intervene in Canada’s domestic affairs to satisfy its own more acute sense of security. There could be no return to the pre-war days when a tiny defence budget paid for semi-trained reserves and a few thousand regulars. Although defence chiefs sputtered at the gutting of their elaborate plans, post-1945 Canada would still have 50,000 full-time defenders and 200,000 in reserve.

For two centuries, Canada’s raison d’être was not to be part of the United States. Could its sovereignty survive as an outwork of Fortress America? In 1944, King had angrily
denounced a Toronto speech by Lord Halifax, proposing that Canada throw in her lot with Britain to counter the super-powers. Ill-planned and arrogant, Halifax's bid was imperial diplomacy at its worst on behalf of a Britain whose weakness was now transparent.

Alliance Diplomacy

Canada's wartime diplomacy had been modest, consistent and shrewd. Grand strategy was left to the great powers; issues of long-term economic significance were not. When it came to the production of food and raw materials, the provision of relief supplies to liberated nations, even the regulation of civil aviation, Canada insisted that it filled the functions of a major power and won much of what it wanted. In the League of Nations, Canada had been unctuous and ineffective: the new United Nations would give it a second chance.

When the great powers met at Dumbarton Oaks in 1944, they designed a UN that would keep lesser countries in their place. Canadian officials kept their fury under control. Their chance would come at the UN's founding conference at San Francisco in the spring of 1945. Behind the scenes, Canadian diplomat Lester Pearson and his able colleagues organized smaller countries to seek a stronger voice in the General Assembly and other UN bodies while manoeuvring to ensure that no major power got so angry that it walked out. Canada's representatives did more than argue; as "helpful fixers," they left their mark. If the structure of the UN, with its great power veto and Cold War politics, proved terribly flawed, Canada never allowed its friends to forget that the world would be worse off without the organization.

The UN was not enough. By 1948, Canada had become a leading proponent of a common system of defence for the Atlantic democracies. It was, claimed prominent Canadian diplomat Norman Robertson, a "providential
solution” for a country that feared Soviet aggression in Europe, wanted to engage the United States in a European alliance and, in turn, needed more than its own wisdom to curb American enthusiasms. A country that had once shunned commitments and condemned collective security had come a long way in a decade. And if many Canadians had all their old fears about alliances, history changes faster than people notice.

**Prophesying Futures**

In *Chatelaine’s* New Year issue for 1945, Professor Griffiths Taylor foresaw a Canada of 40 million people by 2045, with most of them clustered around Calgary because of its coal. Other prophets, with a shorter horizon, assured Canadians that frozen fruits and vegetables would soon be available. Maclean’s promised television, “a clear, bright picture on the screen.” Already Burnaby, a Vancouver suburb, boasting of Canada’s first “auto theatre,” with space for 6000 cars.

Some things were hard to change. Two-thirds of women thought men should have the preference in post-war jobs. A government careers guide for women stressed “Dressing People” or “Feeding Folk” but offered little hope for women in dentistry, law or optometry. Journalist Lotta Dempsey found that young women had trouble planning careers because they did not know what men would want. “That’s okay by us,” a teenager told her, “because we all hope to marry in our early twenties, and have from two to four children each (no Only Child for us).”

Superficially, Canadians were no fonder of racial, religious or cultural diversity than they had been in 1939. A Toronto neighbourhood objected to a Finnish church. Jehovah’s Witnesses, banned by Ottawa early in the war, were persecuted by Quebec law and attacked by angry crowds in Valleyfield. University of Manitoba students ranked
“the Jewish problem” ahead of the Japanese but behind the French Canadians. Was there movement underneath? When the Château Frontenac refused to serve a black couple, the pair got redress under Quebec law. A court dismissed the hotel’s claim that serving blacks offended other customers. In Ontario, Mr. Justice J. Keiller McKay declared that anti-Jewish real estate covenants were “offensive to the public policy.” In 1945, Ontario and Saskatchewan adopted human rights codes that banned many old forms of discrimination in hiring and accommodation.

Japanese-Canadian Repatriation

Would that grudging tolerance extend to the 22,000 Japanese-Canadians, mainly second-generation, Ottawa had removed from their British Columbia homes in 1942? In 1945, Canadians wanted them sent to Japan and Ottawa was willing. “I am absolutely opposed to Japs coming here,” announced Ontario’s Labour Minister, Charles Daly. His suggestion was the Aleutians. Campaigning for re-election in Vancouver, Veterans’ Affairs Minister Ian Mackenzie was blunt: “If the Japs are in, I’m out.”

Yet in 1945 there was a Co-ordinating Committee on Japanese Canadians working against their mass deportation. At the 1945 meeting of the Canadian Legion’s Ontario Command, an Ojibway from Cape Croker got the floor: “When it comes down to brass tacks, everybody here is a foreigner except me.” The Legion, he added, had no business with racial prejudice. Ottawa denied that it was displaying prejudice; it was merely following the wishes of 6844 Japanese-Canadians who had applied for repatriation. Since three-quarters of them were Canadian-born or naturalized, surely they had been tricked or coerced. The Supreme Court rejected an appeal against repatriation but with enough reservations to take it to the Judicial Committee of the Privy Council in 1946. Again the Japanese Canadians lost their costly bid to stay. Their lawyer, Andrew
Brewin, took comfort: they had won time, not a judgement. What had been wildly popular in the spring of 1945 looked utterly repellent by the end of 1946. The government quietly dropped its repatriation plans. Sadly, for 3947 of the Japanese-Canadians already moved to Japan, the change came too late.

Benefits of War ... and Costs

A handful of Canadians, among them war artists Aba Bayefsky and Alex Colville, had seen the outcome of racism at Bergen-Belsen. No one alive in 1945 could easily ignore the fate of those whom Canada had turned away in 1939. Yet what made change easier was a sense that civilized life could not be lived in a ruthless competitive jungle. In war, some had fought and died for their fellow Canadians; others had pledged their time and money; almost all had mattered to each other. Canada was richer in 1945 than in 1939 and it would be richer still by 1950. Those riches could be expressed as national income, gross national product or a soaring birthrate. They could also be seen in a new acceptance of differences, a fresh enthusiasm for learning, a greater ability to enjoy life.

For some Canadians, of course, the war made almost everything worse. Who can ever assess the loss? Someone who failed to return might have found a cure for cancer, written a great symphony or led us all to a better life. Children grew up without fathers; others would never be born. Those who had suffered because of wartime hysteria, like the Japanese Canadians, would have to piece together their lives and dreams. Is there any measure of the psychological agony of those who served and of those who waited?

During the Second World War, men and women, not frozen statistics, paid a terrible price for a better Canada. Canadians must not forget those who paid in full for all we gained. It makes those gains even more worth defending.
Suggestions for Further Readings


Biographers (or auto-biographers) have now dealt with most of the prominent political figures of the period: James G. Gardiner and C.G. Power (by Norman Ward), C.D. Howe (by Robert Bothwell and William Kilbourn), Louis St-Laurent (by Dale Thomson), Brooke Claxton (by David Bercuson), Arthur Meighen (by Roger Graham), Lester Pearson (by John English), Maurice Duplessis (by Conrad Black), Norman Robertson (by J.L. Granatstein), and Paul Martin, Jack Pickersgill, Hugh Keenleyside, Escott Reid and Charles Ritchie (by themselves). In The Ottawa Men: The Civil Service Mandarins, 1935-1957 (Toronto: Oxford, 1982), J.L. Granatstein argues that the collective lives of 1940s senior civil servants made a big difference to Canada. These and other “lifes and times” are probably
the best way to understand how different Canada – and certainly Ottawa – was half a century ago.


Perhaps the main influence in modern historiography has been inclusiveness. Women’s role in the war and the

A big historiographical gap is the study of the mobilization and demobilization of Canadian industry. Few Canadians (or their wartime allies) appreciate the extent of Canada’s industrial expansion during the war. One overview is Michael Bliss’s Northern Enterprise: Five Centuries of Canadian Business (Toronto: McClelland & Stewart, 1987). Perhaps for reasons of ideology, Bliss tends to dismiss government involvement and leadership. Robert Bothwell and William Kilbourn in C.D. Howe (Toronto: McClelland & Stewart, 1979)


There is a large and growing literature on Canada's wartime armed forces, particularly as veterans themselves reached the age of reminiscence and younger historians yielded to the temptation of a second, more critical and sometimes more righteous view.

The three volumes of the Canadian Army's Second World War history (Ottawa: Queen's Printer, 1955-1960) are a model of official history: balanced, thorough, judicious, critical – and prompt: Colonel C.P. Stacey and his
colleagues had completed their work by 1960. Stacey’s *Six Years of War* covers the home front, Hong Kong and the Dieppe raid and *The Victory Campaign* studies operations in North-West Europe from D-Day to victory. G.W.L. Nicholson, *The Canadians in Italy, 1943-1945*, dealt with Canada’s involvement in the Mediterranean theatre. Colonel Stacey also completed *Arms, Men and Governments: The War Policies of Canada, 1939-1945* (Ottawa: Queen’s Printer, 1970), a masterly overview of its subject.

A little publicized battle is underway over the competence of Canadian generals in the Second World War. Opened by British and American historians, with their dismissive reference to the Canadian Army's efforts, the criticisms were given a basis by Lt. Col. John English in *The Canadian Army and the Normandy Campaign: A Study of Failure in High Command* (New York: Praeger Publishers, 1991) and, more sympathetically by J.L. Granatstein, in a collective biography, *The Generals: The Canadian Army's Senior Commanders in the Second World War* (Don Mills: Stoddart Publishing, 1993).
