

**THE PUBLIC CAREER OF STUART GARSON: THE MANITOBA YEARS**

By

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A Thesis  
Submitted to the Faculty of Graduate Studies  
in Partial Fulfilment of the Requirements  
for the Degree of

**MASTER OF ARTS**

Department of History  
The University of Manitoba  
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MARK ERIC VAJCNER

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## **ABSTRACT**

This political biography of Stuart Garson proposes to examine his career from his election to the Manitoba Legislature in 1927 to his departure from Manitoba politics in 1948 when he entered the federal cabinet as Minister of Justice. The major emphasis will be placed on the period from January 1943 to November 1948 when Garson served as the Premier of Manitoba.

Very little work in this area of Manitoba history has been done and virtually nothing has been written concerning Stuart Garson. This thesis will thus extend the boundaries of knowledge by providing a brief biography of a little known Premier and the situation in the province in his time.

The method used shall be to piece together a picture of the Manitoba government in the five years from 1943 to 1948 by use of archives, newspapers, and primary and secondary published material. The focus shall be on political history but the role of political thought, particularly in the area of federal-provincial relations, shall also be examined.

## ACKNOWLEDGEMENTS

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November 1993

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## INTRODUCTION

Stuart Sinclair Garson, the twelfth Premier (1) of the province of Manitoba, held office from January 1943 to November 1948. Virtually nothing has been written on his tenure in office. This is in part the result of the unavailability of documents such as the Garson Papers which, although deposited with the Provincial Archives of Manitoba, were until recently restricted. But an equally important reason for the lack of secondary materials has been the belief that little of major significance occurred during the five and a half years of the Garson administration.

The Second World War dominated the public agenda of the early 1940s and the conduct of the war effort was a national undertaking which focused attention on the federal level of government. In Manitoba, the provincial government followed a policy of financial austerity and strove to maintain the coalition established by Premier John Bracken in 1940. Thus when the Garson administration is dealt with at all in general surveys of provincial history, such as William L. Morton's Manitoba: A History or James A. Jackson's Centennial History of Manitoba, it is seen as a continuation of the policies and programmes of John Bracken.

This is clearly so in Jackson's case. He regarded Garson as a "careful steward" who was "firmly wedded" to the ideas of his predecessor (2). Morton also makes this case, although not with as much emphasis. To him Garson was "a typical Manitoban, Ontario-born and Manitoba-bred" and "intense and dry-minded" (3) just as Bracken had been. M.S. Donnelly in The Government of Manitoba views Garson in a similar manner. To him Garson's understanding of political institutions was identical to that of Bracken (4).

It would be an injustice to continue to judge Garson in the shadow of Bracken. While it is true that there was a great deal of continuity in policy from Bracken to Garson this was due to the fact that Garson played a vital role in initiating government policy after his appointment as Provincial Treasurer in 1936. Thus the continuity cannot be ascribed to a lesser administrator continuing the policies of a greater one, but should be viewed as the result of two equally influential men sharing similar views and beliefs.

Moreover, it was not simply a continuation. The Manitoba government under Stuart Garson developed its own detailed policy. Although perceived as conservative, this thesis will argue that the policies of Stuart Garson were in line with contemporary liberalism and the policies of the Liberal Party

at the national level. The conservative label, at least during the period under discussion, was the result of the fact that Manitoba's federal-provincial policy was not fully realized.

From his appointment as Provincial Treasurer in 1936, an office that he held until 1948, Stuart Garson consistently followed a policy of rapid retirement of the provincial debt (5). This policy was consistent with new Liberal Party policies that were based on Keynesian theory and advocated a cyclically balanced budget. During the 1940s Garson was regularly attacked by the C.C.F for not having expanded services and expenditures by putting the province's windfall wartime surpluses to use. Garson simply replied that "the high prosperity of recent years was the time to pay up debt" that had been incurred during the Great Depression and "to prepare for less favourable conditions" (6). This approach to finances was not due only to the experiences of the Great Depression but was also the result of the prairie agricultural psychology which presumed that there were always some bad years ahead.

Such a policy, although popular with the business and farming interests which formed the base of the government's electoral support, would in time result in a low level of provincial government services at a time when expenditure on social services was generally increasing. If such a policy were allowed to persist Manitoba would fall behind the other

provinces in education, health services, highways and municipal financing. The response of the Manitoba government was to lobby for the implementation of the Rowell-Sirois report on federal-provincial relations. Its recommendations would enable Manitoba both to reduce debt and maintain social services at the national standard (7).

Federal-provincial relations thus formed the most important element in the policy of the Garson administration. John Bracken and Stuart Garson had worked tirelessly in presenting Manitoba's case during the Rowell-Sirois hearings. This report was shelved at the beginning of the Second World War as being too divisive politically for wartime (8). Garson had bitterly deplored the rejection of the commission's report in 1940 and when he renewed the battle for Rowell-Sirois in 1943 he intended to obtain its implementation or a fair equivalent (9).

Ontario, British Columbia and Alberta stalled the process fearing that they would have to subsidize services in the poorer provinces or would lose part of their traditional autonomy to the federal government in its expanded role as redistribution agent. Furthermore the new financial arrangements proposed by Rowell-Sirois had been sought in order to prevent the fiscal collapse of provincial and municipal governments during depression. But when the war

ended in 1945 it was followed not by the anticipated depression but by an economic boom fuelled by the backlog of consumer demand and the large amount of personal savings built up during the war. The destruction of European productive capacity during the war left Canada in a favourable trading position as its industrial infrastructure was left intact (10). Rowell-Sirois no longer seemed essential and Garson and the Manitoba government had to settle for an extension of the wartime taxation agreements concluded with the federal government.

Without the implementation of Rowell-Sirois many of the progressive programmes which were alluded to at earlier times became an impossibility. The success of debt reduction but the failure of the federal-provincial policy thus produced the conditions that resulted in the conservative label. Stuart Garson left Manitoba for federal politics in 1948 without seeing the realization of his vision. But the proposals that he had fought for at federal-provincial conferences in the 1930s and 1940s were to become reality within twenty years of his departure from the Manitoba political scene.

## ENDNOTES

- 1 From 1870 to 1874 the head of the cabinet was known as Chief Minister and not Premier. Thus, strictly speaking, Garson is the tenth Premier of Manitoba.
- 2 James A. Jackson, Centennial History of Manitoba (Toronto: McClelland and Stewart Ltd., 1970), pp. 239-40.
- 3 William L. Morton, Manitoba: A History (Toronto: University of Toronto Press, 1957), pp. 449-50.
- 4 M.S. Donnelly, The Government of Manitoba (Toronto: University of Toronto Press, 1963), pp. 67 and 103.
- 5 Winnipeg Free Press, 15 November 1948.
- 6 Queen's University Archives, Grant Dexter Papers, Box 415, Dafoe to Dexter, 20 October 1945.
- 7 For detail on these recommendations see the Report of the Royal Commission on Dominion-Provincial Relations (Ottawa: Dominion of Canada, 1940), pp. 269-76.
- 8 John Kendle, John Bracken: A Political Biography (Toronto: University of Toronto Press, 1979), pp. 177-80.
- 9 Morton, p. 450.
- 10 E.E. Mahant and G.S. Mount, An Introduction to Canadian-American Relations (Toronto: Methuen Publications, 1984), pp. 180-84.

## I. THE EARLY YEARS

Stuart Sinclair Garson was born in St. Catharines, Ontario on 1 December 1898. He was the first of the two sons born to Margaret and William C. W. Garson. His mother, whose maiden name was Annable, was of United Empire Loyalist stock. His father had been born in Scotland.

William Garson arrived in Canada with his parents in 1857 when he was one year old. The family settled in St. Catharines where William's father Robert worked in the shipbuilding industry. William, an only child, was educated in St. Catharines and then became a contractor (1). In 1895 he married Margaret Annable and they had two sons, Stuart, and William Robert who was born in 1904. In 1901 William Garson moved his young family out west. On coming to Winnipeg he helped organize and promote the building stone industry in Manitoba. The towns of Tyndall and Garson, the latter of which was named in his honour, produce the famous white limestone from which the legislative building, among others in Winnipeg, is constructed (2).

A life long Liberal, William Garson served briefly as a member of the Ontario Legislature during the premiership of

Oliver Mowat. For several years he was a prominent figure in Winnipeg political circles and served on the city's newly organized Board of Control in 1906. Here he was closely identified with the establishment of Winnipeg's publicly owned hydro-electric system (3). William Garson was a fluent and eloquent public speaker who always delighted the audience with his style and wit. These qualities were inherited by his son Stuart, who also found pleasure in facing an opponent in debate.

In 1911, while supervising a construction project in Calgary, William Garson caught pneumonia and died. His company, unable to finish the project without its principal member, soon collapsed. Young Stuart then helped out financially by working first as a delivery boy, later as a harvester, and finally as a guide in the Lake of the Woods. In an effort to secure a summer job for Stuart, a Portage la Prairie contractor, most likely a friend of the late William Garson, wrote to Arthur Meighen, then the Conservative member of Parliament for Portage la Prairie, asking him to give Stuart a recently vacated government position. The only problem was that Stuart Garson was a Liberal. Of this the contractor confidently wrote that he would "straighten out these misconceptions", particularly as he felt that the young Stuart Garson would "be a force in future political issues" (4). This conclusion was drawn from the results of Stuart's

first public debate. Held at the Y.M.C.A., it concerned Canada's naval policy. Stuart, who was only sixteen years old at the time, was up against a much older and more experienced man. Nevertheless he carefully prepared his speech and rehearsed it before his mother and younger brother. Later, in telling them about his success, he said, "I entirely forgot my speech and hardly know what I said, but when I got on my feet I just talked. I must have talked to some purpose for I won out by an overwhelming majority" (5).

Rejected for military service due to a disability that was the result of an earlier battle with polio, Stuart Garson pursued his studies in Law. He graduated from the University of Manitoba and the Manitoba Law School with honours in 1918. After a year with a Winnipeg law office, Garson began to practise law at Eriksdale and Ashern in the Interlake region.

Later in his life, Stuart Garson would remember the nine years that he spent in Ashern as among the best times in his life (6). Here he made many lifelong friends and was able to pursue his love of the outdoors. As a small boy a neighbour had given him a copy of the Chester Reed Bird Guide and from then on Stuart Garson was an avid bird watcher (7). In addition to bird watching Garson also enjoyed skiing, badminton, and sailing. After coming to Winnipeg in 1928 he opened a second law office, still maintaining the practice in

the Interlake which his brother managed until his death in March 1942 (8).

Stuart Garson proved to be an excellent public speaker and was persuaded to enter politics by Premier John Bracken who had heard him speaking at a rural meeting. Elected to the legislature in 1927 as a Government member for the Interlake constituency of Fairford, Garson came rapidly to the fore both in debate on the floor of the legislature and as the chairman of several important committees. These included the Committee of Investigation into the closing of the Provincial Savings Office in 1932, the Metropolitan Mass Transportation Committee in 1933, and the Private Bills Committee from 1933 to 1936 (9).

In September 1936, Garson was appointed Provincial Treasurer succeeding Ewan A. McPherson and became the youngest minister in the Bracken cabinet. Despite the change in personalities, Bracken intimated that he expected the government to continue with the kind of administration that the times and conditions demanded. His government would be "venturing on no major experiments of an untried or unproven or unsound character" (10).

When Bracken had became Premier in 1922 he indicated that he intended to conduct the government in a pragmatic,

businesslike and non-partisan manner. As he said to the legislature early in 1923, "We are not here to play politics or to represent a single class, but to get down to the serious business of giving this province an efficient government" (11). Although this philosophy, which was widely known as "Brackenism", claimed to transcend both class and political cleavages, it was in reality the ideology of the prosperous business class in Winnipeg and the British-Ontarian farmers in the southwestern portion of the province. The primary concern of this group was to protect itself from taxation. Since these businessmen and farmers constituted the major part of Bracken's electoral support the government pursued rigorous thrift in its affairs (12).

The Great Depression reinforced the government's determination to reduce public expenditure. The depression was made worse on the prairies by one of the most prolonged dry spells in Canada's history. Although Manitoba was, with some exceptions, spared from widespread crop failure it did suffer severely from low agricultural prices. Neither the province nor the municipalities had enough surplus revenue to meet the sharply rising cost of relief. Thus between 1931 and 1933 the province was forced to impose increases in taxation which raised Manitoba's tax rates to the highest of any province in Canada (13). Nevertheless this achieved nothing more than to make up for previous declines in revenue and the vast portion

of relief had to be paid for by increased borrowing. By 1932 the credit of the province and its municipalities was exhausted and thereafter the federal government had either to guarantee loans made to the municipalities and the province or to lend the money itself.

To ensure federal aid the provincial government needed to achieve a near balance in its budget. In order to do this a two-percent wage tax was placed on all monthly incomes of over \$40 in 1932. Tax increases were contradictory to the platform on which the government had been elected and Bracken was able to hold onto his voters, who were mostly located in rural areas, because tax increases, such as the wage tax, were applicable almost solely in greater Winnipeg (14). Nevertheless the government's strength in the legislature began to decline and after the 1936 election Bracken's government was reduced to a minority (15).

As Provincial Treasurer Garson represented Manitoba on the various committees that met to discuss the financial crisis facing the provinces. Garson quickly became an expert on federal-provincial relations and emerged as one of the most powerful ministers in Cabinet. His crowning achievement as Treasurer was the role that he played in the preparation of Manitoba's brief to the Royal Commission on Dominion-Provincial Relations in 1937 and 1938. This brief was

hailed as a masterly treatment of Manitoba problems and was widely regarded as the best provincial brief presented to the commission.

The relationship between John Bracken and Stuart Garson and the degree to which the fiscal redistribution policies of this period originated with Garson rather than with Bracken will, as John Kindle argues in John Bracken: A Political Biography, probably never be fully known as both the Bracken and Garson Papers contain little on the relationship between the two men and even less on the methods of preparing the Manitoba brief. Nevertheless Bracken was in firm control of his cabinet and Garson was trusted with responsibility because he and the Premier held similar views on this matter.

Garson and the Treasury Department relied heavily on outside economic advisers in the preparation of the Manitoba brief. Jacob Viner, a well-known economist at the University of Chicago, was offered the job of research director but declined and served only in a consultative capacity (16). For the most part the preparation of the brief was entrusted to A.R. Upgren and Alvin Hansen, both from the University of Minnesota, and Hank Grant and Clive Davidson. Hank Grant was a professor of Agricultural Economy at the University of Manitoba and a close friend of Premier Bracken, and Clive Davidson was a statistician in Winnipeg (17).

The general terms of Manitoba's argument were worked out by mid-May 1937 and when the Royal Commission finally began its public hearings in Winnipeg in late November, Manitoba was the first to appear.

The Manitoba delegation presented an outline of the difficulties under which Manitoba and the other prairie provinces laboured. The cause of these difficulties was, in Manitoba's view, simple to ascertain. Federal monetary and tariff policy, along with ever expanding relief and social service costs on a narrow tax base, contributed to a debt that, while not much above the national average, was far beyond Manitoba's ability to pay (18). Garson, however, did not believe that the answer to these problems lay in an enlargement of the provincial field of taxation or in increased federal subsidies. Continued provincial financing of items such as relief would inevitably lead to the financial collapse of many of Canada's provinces just as had been the case during the Great Depression (19). Thus Garson argued that Ottawa should assume the administration and financing of relief payments and social security not only to maintain efficiency but also because "it would deal with a national problem by a national instrument upon a national scale, and could therefore be coordinated with national trade, monetary, and tariff policies" (20).

This "national" vision of the financial relationships involved in Confederation was the result of necessity. As the Treasurer of a small and not very wealthy province Garson would have to rely on federal subsidies to meet the expanding costs that all provinces faced. This clearly ruled out the possibility of Manitoba assuming a "provincialist" vision like that of Ontario or British Columbia. Yet Garson was not calling for increased or guaranteed subsidies as one might expect. What he was advocating was nothing less than the surrender of provincial powers to the federal government. Such actions are rare among provincial politicians who jealously guard their constitutional powers and is testimony to Garson's perceptive and carefully considered ideas on Confederation. These views would be maintained throughout his premiership from 1943 to 1948 and remain strong in his years in federal politics and beyond.

Whether these views were Garson's own or were developed by the government's economic advisors may never be fully known. There is surprisingly little archival material on the preparation of Manitoba's case. But in the end the origins may not be an important question. What is important and should be noted is Garson's lifelong commitment to Manitoba's arguments and the skill with which he presented them to the Royal Commission in 1937 and 1938.

Since 1922 Manitoba had been governed by the United Farmers of Manitoba and their successors, the Liberal-Progressives, on the basis that government was mainly a matter of careful and businesslike administration that ideally transcended both class and political cleavages. This philosophy led to the belief that the most efficient way of organizing the provincial government would be on a non-partisan basis. The goal of non-partisan government had long been a part of what William L. Morton had called the "bias" of prairie politics (21). Since the early years of the 20th century the West had been influenced by organizations such as the Non-Partisan League to which many farmers, frustrated with the near identical tariff policies of the Liberal and Conservative parties, had turned. In provincial affairs, particularly in Manitoba, both parties had been tainted either by scandal or waste. The Conservative government of Sir Rodmond P. Roblin had for years held power through the operation of a powerful and corrupt party machine. It fell in 1915 only after the revelation of widespread fraud and corruption in the construction of the new provincial legislative building (22). The Liberals, who had long argued for a higher public morality in politics, came to power after winning a sweeping electoral victory. Interpreting this as a mandate for reform the Liberals embarked on an impressive programme of progressive legislation that was to make Manitoba

the centre of reform activity in Canada (23). These reforms, however, resulted in a large provincial debt despite the Liberal pre-election promise of thrift.

The idea that the elimination of "parochial interests" and "partisan objectives" would provide for a government based on "sound, businesslike administration" paved the way for the election of the United Farmers in 1922. Although the new premier had a strong distaste for partisan motivations, it was not until the late autumn of 1940 that Premier Bracken came close to achieving the long standing goal of non-partisan government for Manitoba. His all-party government was established on the premise that the elimination of partisan politics would aid in the war effort. Accordingly, each party was to abandon partisan activities and, on this understanding, Bracken reorganized his cabinet to include representatives from all four major political parties on the basis of their strength in the legislature (24).

When the C.C.F entered the government in 1940 it had hoped that Bracken would break with the right-wing of the Liberal-Progressive Party and look more sympathetically on C.C.F proposals (25). Bracken however remained true to his party and the C.C.F quickly discovered that "non-partisanism" would exist in name only. Seymour J. Farmer, the provincial leader of the C.C.F and now also Minister of Labour, was

denied a free rein in his department. On many of the proposals for legislation which Farmer did manage to introduce, Bracken insisted on holding free votes in the legislature. However contradictory this seems, it allowed the members to vote along party lines and the C.C.F invariably lost (26).

Premier Bracken's "non-partisan" government was largely swept away by the events of December 1942. In that month Farmer resigned his cabinet position and led his party out of the Manitoba government. This action reduced the government to a coalition of essentially Liberal-Progressives and Conservatives. At the same time the withdrawal of the C.C.F added to the prestige of that party as Farmer and the two other C.C.F members of the legislature now became the official opposition (27).

Farmer's resignation from cabinet was in part triggered by Bracken's willingness to assume the leadership of the federal Conservative party (28). Premier Bracken was elected to the leadership of the federal Conservative party at its national convention in Winnipeg on 11 December 1942. He had agreed to be a candidate on the condition that the party would adopt a platform that would reflect the progressive character of the Port Hope conference. Errick Willis, provincial leader of the Conservative Party, had taken an active interest in the convention which confirmed Bracken as leader. Bracken, it was

believed, was now honour bound to do all that he could to aid his provincial counterpart (29). These developments led many to believe that the coalition had outlived its usefulness. Thomas A. Crerar, the federal Minister of Mines and Resources and the representative of Manitoba in the federal Cabinet, was one of the first to take this position.

The strains and stresses which I feel sure would be bound to result from a Coalition with the Conservatives alone would be exploited by the C.C.F provincially and would work definitely to their advantage, and the repercussions of this would be marked both in the Provincial and the Federal fields. (30)

Stuart Garson at this time was still the provincial treasurer but was the favoured candidate to succeed Bracken in the premiership. In his correspondence with Crerar, Garson was urged by the federal minister to abandon the coalition upon taking office.

The C.C.F have abandoned the truce, to which, indeed, they never at any time closely adhered. I think the same thing may be said of the Conservatives. There is no point in the Liberal-Progressives continuing to maintain the truce. (31)

Crerar reasoned that a government, formed on a straight Liberal-Progressive basis, would be able to survive in the legislature. Not only did it have a majority of the members, but none of the independent or Social Credit members would vote to defeat the government because, in so doing, they would

"plunge themselves into the icy and uncertain waters of an election" (32).

Garson was more careful in his assessment of the situation. He believed that the coalition had not yet outlived its usefulness because it was still popular in public opinion, and in any event, the Liberal-Progressives with their majority were in control of government policy. Garson's primary goal as leader would have to be the avoidance of any serious split in caucus (33). Such a split was more likely to result from an abandonment of the coalition idea than from its continuance.

As Garson wrote to Crerar after the decision in caucus:

I do not think that there would have been the slightest hope of carrying a unanimous Caucus out of the coalition; and of course a split upon this or any other issue would have been fatal to the Liberal-Progressive dominant position in the Legislature. (34)

This all important meeting of the Liberal-Progressive caucus occurred on the night of Monday 22 December 1942 at the St. Regis Hotel in Winnipeg. The caucus was to meet with Premier Bracken on the following morning; thus a preliminary caucus was held to decide on a new leader and on the fate of the coalition. Many of the members came directly from the train or bus station to this last minute caucus, and some arrived late (35). Stuart Garson was chosen as leader, as many had predicted, even though some members had indicated they

intended to support William Morton, the Minister of Municipal Affairs, for the leadership. Morton declined to run (36). On the issue of the coalition, the caucus discussed the matter at length, but finally decided to continue on with the Conservatives and Social Crediters in governing the province at least until the end of the next session of the legislature. A delegation from the youth section of the Manitoba Liberal Association waited for several hours to address the caucus. The delegation urged the Liberal-Progressives to pull out of the coalition at once warning, as Crerar had, of the growing strength of the C.C.F in Manitoba. Now that it was the official opposition it was certain to gain support at the expense of the government (37).

The Tuesday morning meeting with Bracken lasted less than an hour. This was followed later in the afternoon by a joint meeting of the combined Liberal-Progressive, Conservative and Social Credit parties. Forty-one of the fifty-five members of the legislature were present (38) and gave unanimous approval to the continuation of the coalition government and to the leadership of Stuart Garson (39). Bracken formally resigned as Premier in early January 1943. Stuart Sinclair Garson, inheriting a rural-based and rural-oriented government, was sworn in as the twelfth Premier of Manitoba on 14 January 1943.

## ENDNOTES

- 1 Frank H. Schofield, The Story of Manitoba Vol. 2 (Winnipeg: S.J. Clarke Publishing Co., 1913), p. 33.
- 2 Winnipeg Free Press, 23 December 1942. Hereafter referred to as FP.
- 3 Schofield, p. 33.
- 4 Legislative Library of Manitoba, Biography Collection: Stuart S. Garson, Synder to Meighen, 9 February 1915.
- 5 Ibid.
- 6 Provincial Archives of Manitoba (PAM), Stuart S. Garson Papers, P4945, Text of a speech to the Pioneer Dinner at Ashern, October 1967.
- 7 FP, 23 December 1942.
- 8 Ibid.
- 9 Legislative Library of Manitoba, Biography Collection: Stuart S. Garson.
- 10 FP, 22 September 1936.
- 11 John Kendle, John Bracken: A Political Biography (Toronto: University of Toronto Press, 1979), p. 40.
- 12 Thomas Peterson, "Ethnic and Class Politics in Manitoba," in Canadian Provincial Politics, ed. by Martin Robin (Scarborough: Prentice-Hall Inc., 1972), p. 88.
- 13 Royal Commission on Dominion-Provincial Relations (Ottawa: Dominion of Canada, 1940), p. 168.
- 14 James A. Jackson, Centennial History of Manitoba (Toronto: McClelland and Stewart Ltd., 1970), p. 226.
- 15 Ibid., p. 229.
- 16 Kendle, p. 157.
- 17 Ibid.

- 18 For a summary of the Manitoba brief see Kindle, pp. 158-60; or Manitoba's Case: A Submission presented to the Royal Commission on Dominion-Provincial Relations by the Government of Manitoba Part III (Winnipeg: Province of Manitoba, 1937), pp. 20-23.
- 19 Manitoba's Case Part V, pp. 13-16.
- 20 Ibid., pp. 69-73.
- 21 See William L. Morton, "The Bias of Prairie Politics," in Contexts of Canada's Past, ed. by A.B. McKillop (Toronto: Macmillan Co., 1980), pp. 149-60.
- 22 William L. Morton, Manitoba: A History (Toronto: University of Toronto Press, 1957), pp. 341-46.
- 23 Kindle, p. 27.
- 24 FP, 4 November 1940.
- 25 Nelson Wiseman, Social Democracy in Manitoba: A History of the CCF-NDP (Winnipeg: University of Manitoba Press, 1983), p. 32.
- 26 Ibid., p. 32.
- 27 PAM, Garson Papers, P2358, Crerar to Garson, 12 December 1942.
- 28 Farmer to Bracken, 9 December 1942. The text of which appears in FP, 10 December 1942.
- 29 PAM, Garson Papers, P2358, Crerar to Garson, 12 December 1942.
- 30 Ibid.
- 31 Ibid.
- 32 Ibid.
- 33 Ibid., Garson to Crerar, 21 December 1942. This letter, dictated only one day before the meeting of the Liberal-Progressive caucus, was never sent.
- 34 Ibid., Garson to Crerar, 31 December 1942.
- 35 Ibid.
- 36 FP, 22 December 1942.

37 Ibid.

38 The legislature had 57 seats but two vacancies, caused by death, had not yet been filled.

39 FP, 23 December 1942.

## **II. FISCAL POLICY AND FEDERAL-PROVINCIAL RELATIONS**

The scene in the blue reception room of the Lieutenant-Governor's suite was subdued on January 14th as the new Premier was sworn in before Lieutenant-Governor Roland F. McWilliams. In a clear and resolute voice Stuart Garson took the oath of allegiance as the new head of government to the King and then kissed the Bible as a token of the validity of his oath (1). Sworn in as Premier and as Minister of Dominion-Provincial Relations, he added these portfolios to those of Provincial Treasurer, Minister of Telephones, and Minister for Provincial Hydro which he already held.

Garson's oath of office was administered by P.A. Talbot, the clerk of the executive council, who was one of the four men who had originally invited John Bracken to head the United Farmer government almost twenty-one years earlier (2). The Lieutenant-Governor, who had twenty-five years earlier taught constitutional law to Stuart Garson at the Manitoba Law School, was the first to congratulate the new Premier after the brief ceremony.

John Bracken, who had personally delivered his resignation to the Lieutenant-Governor just an hour before,

was next to offer his congratulations to Manitoba's twelfth Premier. After all the dignitaries had offered their congratulations, Bracken immediately delivered his farewell speech. In December he had been elected to the leadership of the federal Conservative Party on the second ballot at a leadership convention in Winnipeg (3). Inheriting a splintered and shattered party Bracken had a difficult task before him. Nevertheless his record as Premier was respected and he had been for quite some time a figure of national prominence. Thus, any advice that he could offer would no doubt be taken to heart by the colleagues whom he now left behind.

The former Premier first called his successor's attention to adopting the practice of collecting provincial income tax in the year in which it was earned. The practice in Manitoba was then to collect amounts based on income from the previous year (4). Known as the "Rum'l Plan" after an American economist, this reform of tax collection, although important, was a matter for accountants. Far more significant for historians was Bracken's encouragement of the government to proceed with a province-wide programme of rural electrification.

While bringing electric power to every farm home in Manitoba would greatly aid a rural based government at the polls, electrification was also the result of a concern for

the economy in the post-war era. The greatest fear of Manitoba politicians and bureaucrats in the early 1940s was that after the economic stimulation of the Second World War was at an end Manitoba would return to the depression conditions of the 1930s. The sharp depression which had followed the First World War was still in their memories. Electrification would thus provide employment and stimulate the economy not only by the consumption of timber and of electric wiring but would also create a market for electrical appliances and allow for more efficient agricultural production (5).

Fear of renewed depression was to have a profound impact on Manitoba politics. A rigid financial orthodoxy had been introduced by the United Farmers of Manitoba and was continued by the Liberal-Progressives until the Conservatives came to power under Duff Roblin in 1958. The politicians of this generation were all influenced by the economic collapse of the depression and it dominated and formulated their thought on the role and powers of the provincial state. There was good reason for this as the great depression had brought Manitoba to the brink of disaster and financial default.

On 29 October 1929 stock prices on the New York stock exchange collapsed and this was followed by similar crashes on major exchanges around the world. In Manitoba the direct effect of the market crash was not great as few Manitobans

were directly involved in the stock market (6). Nevertheless the contraction of international lending and a general monetary tightness resulted in an almost complete strangulation of international trade and a sharp decline in raw material prices (7). This greatly affected a staple-based export economy like that of Canada.

This situation was made worse on the prairies by one of the most prolonged dry spells in Canada's history. The drought began in 1929 and continued, almost uninterrupted, for ten years (8). The most extreme drought was confined to south-central Saskatchewan and to the adjoining corners of Manitoba and Alberta. This was the famous Palliser Triangle and while it suffered under the worst ravages of the "Dust Bowl" other areas in Manitoba and Alberta enjoyed fairly decent crops (9). This mattered little however because the price of wheat fell to only 34 cents per bushel by 1932. This was the lowest price for wheat recorded in nearly 300 years (10) and in these circumstances the average per capita income of Manitobans plunged from \$466 before the start of the depression to \$240 in 1933 (11). The conditions of low prices, drought, and high unemployment in towns and cities caused severe strains on Municipal and Provincial finances. The burden of relief in Manitoba was more severe than in any other province except Saskatchewan (12). From 80 to 90 percent of this was concentrated in metropolitan Winnipeg. The prosperity

of the city depended on the flow of trade between eastern Canada and the wheat-growing west. When this trade collapsed the economic support of nearly 40 percent of the population collapsed as well (13).

Neither the province nor the municipalities had enough surplus revenue to meet the sharply rising cost of relief. Between 1931 and 1933 the province imposed sharp increases in taxation which raised Manitoba's tax rates to the highest in the country (14). This achieved nothing more than to make up for previous declines in revenue and the vast portion of relief had to be paid for by increased borrowing. By 1932 the credit of the province and its municipalities was exhausted and a number of municipalities began to default on their debts. Thereafter the federal government had to guarantee loans made to either the municipalities or the province.

This was also the case in Saskatchewan and Alberta. In Manitoba this crisis forced Bracken and his Cabinet to focus on the basic economic and constitutional questions involved in federal-provincial financial relations.

These events were still fresh in everyone's mind in 1943. While the war economy was providing prosperity by creating demand for foodstuffs in Great Britain and wartime federal-provincial tax agreements were producing financial

windfalls for the province (15), these good times were not expected to last. Since the economic slowdown of the early 1920s, depression, not prosperity, had been more common in western Canada. Without doubt this played an important role in Bracken's recommendation of rural electrification at Premier Garson's inauguration.

Garson did not need to be prodded. He too had experienced the Great Depression and shared in Bracken's attitudes. Garson had played an important role, as was discussed in the last chapter, in preparing and presenting Manitoba's position before the federal government. Manitoba's presentation to the Rowell-Sirois commission was widely regarded as the best one made (16). Directing the province's finances after 1936 soon made Garson extremely sensitive to federal-provincial relations and this relationship would form the single most important element in the policy of the Manitoba government from 1943 to 1948.

The philosophy behind this policy was first articulated by Garson on 2 April 1937. On that day he brought down his first budget as Provincial Treasurer. The legislature listened attentively for over two hours and gave him a warm ovation as he finished (17). Garson delivered an exhaustive analysis of what the government believed to be the causes of Manitoba's financial crisis; an analysis that was to become the basis of

Manitoba's presentation to the Rowell-Sirois commission in the following year.

Calmly and coherently Garson submitted to the legislature that the disastrous economic conditions of the 1930s had served to reveal a fundamental weakness in the financial relationship between the federal and provincial governments. Tracing the effects which this weakness had on provincial finances, Garson concluded that the subsidies payable to the provinces under the terms of the Constitution Act of 1867 had reflected the limited powers which the provinces were at that time expected to exercise (18).

Before Confederation the chief revenues of the provinces had been customs and excise duties but these taxes were, after 1867, assumed by Ottawa and the remaining local revenues were, even in 1867, too small to support the then limited functions of the provincial governments. This led to the establishment of various provincial subsidies that were known as Dominion grants (19). When Manitoba entered Confederation in 1870 these subsidies were extended to it as well.

Over time these subsidies also became inadequate. The constitution and the Dominion grants were designed at a time when the dominant political philosophy was that of *laissez-faire* liberalism (20). According to this philosophy the less

that government interfered with private business the better it was for the welfare of the community. Thus the role of government was limited by this philosophy and the division of taxing powers between the federal and provincial levels of government reflected this prevailing attitude. The control of social services, such as unemployment relief, was not attributed to the federal government for the simple reason that such subjects were thought to be beyond its jurisdiction. This was an "evident assumption" on the part of the Fathers of Confederation that "the contracted boundaries of government which had been defined within the philosophy of *laissez-faire* were fixed and unalterable" (21).

This assumption was incorrect. The brief post-World War One depression in world markets and the stresses and strains of rapid industrial and urban growth combined to produce a high degree of unrest and dissatisfaction with the operation of Canada's political and economic systems. The establishment of the Progressive Party by western farmers and widespread labour unrest in the immediate post-war years provided evidence of this dissatisfaction. The traditional policies of *laissez-faire* were no longer acceptable to the unemployed industrial worker and to farmers facing ruinously low agricultural prices (22).

*Laissez-faire* liberalism slowly became tempered by a

progressive change in liberal ideology. The new ideas of "positive" liberalism, developed by such English liberals as L.T. Hobhouse, argued that individual liberty, rather than being best guaranteed by complete economic freedom, was in fact restricted by the lack of such basic needs as adequate food, housing, or medical care (23). So-called government "interference" in the economy to guarantee these basic needs was not interference at all but was in fact quite consistent with liberalism. Positive liberals still saw society in individualistic terms and only approved of collective action as a means of maximizing individual opportunity and initiative. Under such conditions government "interference" was not interference at all but served to create the equality of opportunity on which all liberal ideas were based.

The assumption of social welfare responsibilities such as old age pensions, unemployment insurance, and health insurance by the federal government was the most practical and efficient method of providing services in line with the new liberal philosophy. These services logically needed to be established and controlled by the political authority which could develop them in accordance with common national standards as well as have access, by taxation, to the profits of industry and commerce throughout the entire country.

It is evident that unless these services are assumed by the Dominion with its unrestricted taxing powers the

provinces with low taxable capacity will be compelled to maintain standards of government services inferior to those supplied by provinces which have been the chief beneficiaries of the fiscal policies of the Dominion during the past sixty years. (24)

Thus because of the structural nature of the problems facing Manitoba, Garson concluded that a solution would have to await the results of the Royal Commission that Ottawa was on the verge of appointing. Manitoba's stand before that commission, which the Treasury Department was then preparing, would be based on four principles which were to become the basis of Manitoba's federal-provincial policy until 1948. These four principles were:

1. That there must be a readjustment of the financial and economic bases of Confederation which will leave Manitoba with adequate revenues, without imposing taxes out of line with those imposed by the Dominion or other Provinces.
2. That in such readjustment the full financial responsibilities for certain social services which now fall under the constitutional jurisdiction of the Provinces should be placed upon the Dominion Government.
3. That in such readjustment the question of unemployment relief should be dealt with as a National problem.
4. That the Provincial and Municipal debt of Manitoba and the debt owed by many individuals in Manitoba should be reconstituted at a lower rate of interest, and in a manner which takes cognizance not only of the creditors' position but also of the prevailing economic conditions (25).

As a result of the most extensive examination of the Canadian federal system that had ever been made, the final

report of the Royal Commission on Dominion-Provincial Relations recommended the transfer of social policy powers to the federal government (26). One of the chief proponents of this view was another Manitoban, John W. Dafoe. Dafoe was chief editor of the Winnipeg Free Press and was appointed to the Royal Commission when it was established in 1937. There is however no record of any serious contact between Dafoe and the Manitoba delegation.

The final report was presented to Prime Minister William Lyon Mackenzie King in May 1940 by which time Canada was at war. A Dominion-Provincial Conference was called by the Prime Minister to discuss the report of the Royal Commission. This conference met in Ottawa in January 1941 but adjourned after only two days as the Premiers of Ontario, British Columbia, and Alberta refused to go into committees to discuss details (27). A constitutional amendment by which Ottawa assumed responsibility for unemployment insurance was adopted in late 1940 but the other recommendations of the commission's report, being deemed too divisive during the current emergency, would have to wait until the conclusion of the war.

In his first important speech in the legislature as Premier in February 1943, Garson indicated that he intended to lose no time in conferring with Ottawa on the question of a reorganization of federal-provincial financial

responsibilities (28) and in June he used an appearance before the Parliamentary Committee on Reconstruction to renew the battle for Rowell-Sirois. Garson urged the committee to convene a full federal-provincial conference with the object of drafting new constitutional and financial arrangements, based on Rowell-Sirois, which he felt would be essential to assure post-war prosperity (29). "As far as we in Manitoba can judge", Garson told the Parliamentary Committee

provincial post-war financial resources... will not support the provincial share of the post-war program. If we are sincere in our desire for an effective post-war program we must either increase the province's financial resources by federal adjustment grants, or we must transfer from the provinces to the Dominion a large part of what is the post-war program. (30)

Garson underlined Manitoba's problem by pointing out that the proposals already made for post-war social security in 1943, such as rural electrification and the proposed health plan, would cost the province an additional \$15.2 million at a time when the entire provincial budget was only \$17.2 million (31). He bluntly told the committee that the adoption of the post-war plans would leave Manitoba with an annual deficit of approximately \$7 million and that this was unacceptable (32). Garson was the first Premier to appear before the Committee on Reconstruction and his 27-page brief was coherent and well organized. His argument contended that the most important provision of any post-war reconstruction

programme would have to be full employment. It was only by reaching full employment that national income could be maintained at a level sufficient to support social security at the level that had been visualized by the federal Beveridge and Marsh reports (33). Garson firmly believed that only a national programme could deal effectively with the problems of employment; hence his support for Rowell-Sirois (34).

The Manitoba government was already engaged in extensive surveys of post-war possibilities and several special committees had been set up for this purpose. The government wished to have intelligent and accurate information at hand. It had done this with success during the preparation for and presentation to the Rowell-Sirois commission and now hoped to repeat this success. Hence representatives of the Manitoba government approached the government of Minnesota with a proposal that the universities of Manitoba and Minnesota conduct a study of the effects of various alternative post-war plans on the economies of the prairie provinces and the central northwest United States (35). Another commission on labour relations was asked by the government to study labour relations and collective bargaining. A collective bargaining bill had been submitted to the government by representatives of the provincial trades and labour congress and sponsored by the C.C.F. The intent of the legislation was to recognize the right of employees to organize and to bargain collectively

with their employers (36).

The most significant committee, measured by its impact on the quality of living in Manitoba, was the one appointed to investigate the prospects of rural electrification. The Manitoba Electrification Enquiry Commission, set up in June 1942 to study the problems and costs of rural electrification, tabled its final report during the 1943 session of the legislature. The Commission believed that electrification was financially feasible and that such a programme would be a boost to Manitoba's post-war economy. It suggested that half of the province's 58,000 farms be equipped with electrical power after the end of the war (37).

During the Premier's presentation before the Committee on Reconstruction in June 1943 a hostile committee member hounded Garson demanding to know if Manitoba was capable of pursuing the electrification proposal after the war. "That", the Premier replied with a grin, "depends on whether you pay attention to our brief!" (38). Although a flippant remark, it exemplified Manitoba's situation quite clearly. The proposals of the coalition government for post-war development were dependent on federal transfer payments. Furthermore initiatives such as rural electrification and the Manitoba Health Plan (39) were only commitments to act after the end of the Second World War. The war, at least in the eyes of the

government coalition, made major programmes impossible in the short term and virtually no important new initiatives were begun in the first two-and-a-half years of the Garson administration.

Garson had long called for a Dominion-Provincial Conference and one was finally held in August 1945. It was during this conference that the federal government finally introduced its so-called "Green Book" proposals for post-war reconstruction. Ottawa proposed that it alone should levy personal and corporate income taxes and collect all succession duties in return for an unconditional annual subsidy to the provinces (40). This subsidy would not fall below a guaranteed minimum and would rise with increases in per capita gross national product. The federal government also offered to assume nearly all responsibility for unemployment relief, to introduce an entirely federal old-age pension scheme, and give to the provinces a package of matching grants covering a wide variety of services from transportation and public works to vocational education, health services, and aid to the indigent, aged and physically handicapped (41). These proposals were developed and clarified by further meetings of a special Economic Committee, set up by the Conference and consisting of bureaucrats and technical advisors, during the fall of 1945.

Although Prime Minister Mackenzie King developed a profound distaste for the subject, he found himself more and more drawn into the details of the negotiations (42). Under his chairmanship, the Co-ordinating Committee established by the Dominion-Provincial Conference of August 1945 met in Ottawa in late-November 1945 and again at the end of January 1946 to continue discussion of the so-called "Green Book" proposals. But after six years of relatively high revenues the provinces could afford a much more independent posture than before. Thus, with the exception of Manitoba and Saskatchewan, all the provinces greeted the federal proposals with varying degrees of coolness (43).

Garson felt that the primary task before the Committee was to ensure that the provinces be placed in a position that would allow them to maintain their fiscal autonomy. Although he would have preferred an agreement more closely resembling Rowell-Sirois, if Manitoba were not to accept the federal proposals then its only alternatives were either the pre-war status quo, or the provincialist position being advanced by Ontario. Neither of these were acceptable and Manitoba was thus "prepared to conclude an agreement along the broad lines proposed by the Dominion" (44).

Although the Prime Minister had initially felt that "the spirit of the Conference was very good" and was hopeful that

an agreement could be reached (45), this hope soon collapsed. Quebec Premier Maurice Duplessis came out strongly against the federal plan of assuming control over succession duties and was quickly joined by George Drew of Ontario (46). The Premier of Nova Scotia, Angus L. Macdonald who was in favour of using the federal proposals as a framework for further discussion, made a series of suggestions to work through this impasse but neither Quebec nor Ontario would accept them (47). In the end the Conference adjourned until April 25th without resolving anything.

When the Co-ordinating Committee met again in April none of the positions had changed a whit. It was "as if we had just left the proceedings a few hours before" Mackenzie King lamented (48). Duplessis and Drew maintained their stand against federal control of succession duties and, since both were preparing for provincial elections, added attacks on the entire process of centralization. When Garson finally spoke several days later he "supported the Government proposals very strongly" and made out a good case for the federal assumption of succession duties (49).

"It has been said that an agreement will jeopardize provincial rights... because the provinces will be transferring certain rights of taxation to the Dominion Government." But in reality, according to Garson, such a

result was impossible. The constitution "in the clearest possible language" had given the federal government rights of taxation which were so unlimited that "it is quite impossible for the provinces by agreement or otherwise to increase or diminish them" (50). Under the proposed agreement the provinces would withdraw from the use of their rights to impose certain taxes for a period of only three years. In exchange Ottawa would pay the provinces nearly \$200 million annually and this payment would thus serve "as an affirmation rather than a denial of these provincial rights of taxation" (51).

In his statement Garson focused on what he saw as the two main defects which had entered the Canadian federal system since 1867. The first was the excessive disparity between the financial capacities of the provinces. This disparity left Canadians in certain provinces receiving much poorer provincial services and paying much higher provincial taxes (52). The second defect was what Garson called the "business-destroying, depression creating tax structure of Canada" (53). The Constitution Act 1867, then known as the British North America Act, granted the provinces the right to legislate with regard to social services. But while the provinces were granted social policy powers the constitution granted the bulk of the tax powers to the federal government. Ottawa was given, and still has today, authority over "The

raising of Money by any Mode or System of Taxation" (54). Although this system worked fairly well in the late 19th century, when governments delivered relatively few social services, it resulted in fiscal crisis during the depression.

Ontario advocated the transfer of tax fields to the provinces as the answer to these two problems. Its basic argument was that the more that "local matters", such as social services, were dealt with at the local level the more efficient the delivery of these services would be (55). Garson took clear aim at this argument in April 1946. It was natural for Ontario to want control of more tax fields since Ontario's industrial and natural resource sectors produced great wealth. But the majority of provinces lacked adequate taxable resources and to them tax powers were valueless (56).

It was this lack of adequate taxable resources which had caused provincial financial problems during the Great Depression and forced the appointment of the Rowell-Sirois Commission in 1937. This whole chain of events had culminated in the 1945-46 Dominion-Provincial Conference. To now simply say that the answer was to transfer tax fields to the provinces must have set Garson's blood to boil. Such a course of action would have gone against everything that Garson had been saying and doing since his first provincial budget speech in April 1937. And while Ontario argued that surrender of tax

fields for a fixed amount of cash would put the provinces in a financial "straight-jacket", Garson quickly retorted that

We in Manitoba are in a straight-jacket now, and the extent of our freedom of action is indicated by the amount of money we had to borrow for relief purposes... Almost as a mendicant, we had to come to borrow for relief purposes during the depression, after we had imposed taxes and economies which have no parallel in this country. (57)

"The primary objective", Garson declared, "is the welfare of Canadians" and the most effective manner to meet this objective was by federal government action. Ottawa alone would be able to meet the costs of the war and to achieve the advantageous international trade and monetary arrangements upon which prosperity depended (58). At the same time only the federal government had the power to "control effectively the internal volume of purchasing power and could stabilize fluctuations in business activity for the purpose of obtaining a high level of employment" (59). It was imperative that Canada have an efficient and effective tax system to meet these goals. Any transfer of tax fields to the provinces would dismember and needlessly complicate the tax system and thus fly in the face of the original objectives.

"In today's world we may be sure that we shall encounter severe economic difficulties", Garson said in his concluding remarks:

... citizens will have to be told by a majority of the provinces that it is impossible for these provinces to act, because they have the power but not the money. When these citizens go to the Dominion Government, they will have to be told that it cannot act, because it has the money but not the power. They will have to be told, as they have been told many times before, that in our federal system there is no governmental authority to which they can turn for relief and for action in some vital matters which affect the public welfare. (60)

Garson's views were similar to those of the federal government and the views of the federal government had so drastically changed since the late 1930s that, after eight years of discussion and delay, it now seemed as if there would finally be a meaningful reorganization of federal-provincial financial arrangements. Initially Prime Minister Mackenzie King had adhered to the policy that economic well-being was dependent on balanced budgets and reductions in taxation (61). But the continued ill health of the economy in the years immediately preceding the Second World War brought strong pressure on the government to do something more. In its final report tabled in 1938 the National Employment Commission, established in 1936 to bring order into the administration of relief, recommended a radical departure from orthodox fiscal policy. While in the past government had tried to balance its budget with the sole concern being how to pay for the services it provided, the National Employment Commission now recommended that government concern itself with total expenditures, both public and private, which would maintain a

stable economy (62). This theory became a part of the federal government's recovery programme in 1938 and although Mackenzie King thought of it as a temporary response to an emergency, it constituted a tacit recognition of Keynesian policy and a significant extension of federal economic intervention (63). Federal bureaucrats at both the Bank of Canada and the Department of Finance quickly adopted these new policies and the temporary response that Mackenzie King conceded in 1938 became a permanent government policy by 1945.

Despite the fact that many key federal bureaucrats were behind the "Green Book" proposals and despite Garson's best efforts to counter Ontario and Quebec arguments against federal assumption of tax fields, when the meeting of the Co-ordinating Committee broke up on 3 May 1946 no agreement had been reached. No effort was made to set a date for further meetings. Mackenzie King had hoped for agreement to provide the basis for the up coming federal budget (64), but now the federal government would have to proceed on its own. The war-time tax agreements were due to expire at the end of 1946. As no comprehensive agreement could be reached the federal government would now renegotiate these tax agreements on a province by province basis. Manitoba had held high hopes for the success of the Dominion-Provincial Conference process up until the very end (65), but now the best that Premier Garson could do was to secure a new five-year tax-rental agreement

with Ottawa which kept the province out of the income, corporation, and inheritance tax fields in return for an annual payment of about \$13.5 million (66).

Garson's experience of, and contribution to, the development of federal-provincial relations in Canada during his years as Provincial Treasurer and Premier are noteworthy. As a member of the National Finance Committee in 1936 Garson played an important role in the process that lead to the appointment of the Rowell-Sirois commission. Then, beginning with the presentation of the Manitoba brief in 1937 until his departure from provincial politics eleven years later, he played a chief role as one of the foremost proponents of the centralized vision of Confederation. He saw the federal government as being best able to meet the individual needs of Canadians. Whether in the field of social welfare or providing policies that would encourage employment, in the post-war world, Canadians would turn to Ottawa to meet these tasks. In this way Garson belonged to a small group, of whom few were politicians and fewer still were Premiers.

## ENDNOTES

- 1 Winnipeg Free Press, 15 January 1943. Hereafter referred to as FP.
- 2 Ibid.
- 3 See Chapter One and also John Kindle, John Bracken: A Political Biography (Toronto: University of Toronto Press, 1979), pp. 192-94.
- 4 FP, 15 January 1943.
- 5 A Farm Electrification Programme: Report of the Manitoba Electrification Enquiry Commission (Winnipeg: King's Printer 1943), pp. 55-63.
- 6 James A. Jackson, Centennial History of Manitoba (Toronto: McClelland and Stewart Ltd., 1970), p. 222.
- 7 Royal Commission on Dominion-Provincial Relations (Ottawa: Kings Printer, 1940), p. 140. Hereafter referred to as the Rowell-Sirois Report.
- 8 Kindle, p. 106.
- 9 James H. Gray, The Winter Years: Depression on the Prairies (Toronto: MacMillan Co., 1966), p. 2.
- 10 Kindle, p. 106.
- 11 Rowell-Sirois Report, p. 150.
- 12 Ibid., p. 168.
- 13 Ibid., p. 168.
- 14 Ibid., p. 168.
- 15 FP, 15 November 1948.
- 16 Kindle, pp. 159-60.
- 17 Winnipeg Tribune, 3 April 1937.
- 18 Province of Manitoba, 1937 Budget Speech (Winnipeg: King's Printer for Manitoba, 1937), p. 15.

- 19 Ibid., pp. 19-21.
- 20 Ibid., p. 21. Garson here quotes Norman Rogers a Professor of Economics at Queen's University who was elected to Parliament in 1935 and entered the Liberal cabinet of Mackenzie King. Today economists contend that rather than being a classic *laissez-faire* economy, Canada, with a small population and small *bourgeoisie*, has always been dependent on state intervention in the economy.
- 21 Ibid., p. 22. Again Garson quotes Norman Rogers.
- 22 William Christian and Colin Campbell, Political Parties and Ideologies in Canada (Toronto: McGraw-Hill Ryerson Ltd., 1974), p. 54.
- 23 Ibid., p. 54.
- 24 1937 Budget Speech, p. 24.
- 25 Ibid., p. 39.
- 26 Rowell-Sirois Report, pp. 269-76.
- 27 For details on the January 1941 Dominion-Provincial Conference see Kindle, pp. 177-80.
- 28 FP, 15 February 1943.
- 29 Globe and Mail, 3 June 1943.
- 30 Stuart Garson, Submission to the Special Committee on Reconstruction and Re-establishment, 2 June 1943.
- 31 FP, 2 June 1943.
- 32 Globe and Mail, 3 June 1943.
- 33 The Beveridge and Marsh Reports recommended a universal system of family allowances and health care along with contributory social insurance. They are the basis of the modern social security system established in the 1960s.
- 34 Garson, Opt. Cit.
- 35 FP, 2 February 1943.
- 36 Ibid., 3 February 1943.
- 37 A Farm Electrification Programme, p. 107.

- 38 Globe and Mail, 3 June 1943.
- 39 The Manitoba Health Plan was introduced in the 1945 session of the legislature to cover the costs of diagnostic services.
- 40 Pickersgill, Jack W. and Forster, D.F. The Mackenzie King Record Vol 3. (Toronto: University of Toronto Press, 1970), p. 124.
- 41 Ibid., p. 124.
- 42 Ibid., p. 124.
- 43 Ibid., p. 124.
- 44 National Archives of Canada (NAC), Dominion-Provincial Conferences, RG 47-6 Vol. 68, Notes taken by Premier Garson, 28 January to 1 February 1946.
- 45 Transcripts of the Mackenzie King Diaries (Toronto: University of Toronto Press, 1980), 29 January 1946.
- 46 Ibid., 31 January 1946.
- 47 Ibid.
- 48 Ibid., 25 April 1946.
- 49 Ibid., 29 April 1946.
- 50 NAC, Dominion-Provincial Conferences, RG 47-6 Vol. 70, Speech of Premier Garson to the Co-ordinating Committee, 29 and 30 April 1946.
- 51 Ibid.
- 52 Ibid.
- 53 Ibid.
- 54 Constitution Act 1867, Section 91, Clause 3.
- 55 1945 Dominion-Provincial Conference: Submissions by the Government and Province of Ontario (Toronto: King's Printer, 1946), p. 15.
- 56 NAC, Dominion-Provincial Conferences, RG 47-6 Vol. 70, Speech of Premier Garson to the Co-ordinating Committee, 29 and 30 April 1946.

- 57 Ibid.
- 58 Ibid.
- 59 Ibid.
- 60 Ibid.
- 61 H. Blair Neatby, William Lyon Mackenzie King: The Prism of Unity (Toronto: University of Toronto Press, 1976), p. 250.
- 62 Ibid., pp. 254-55.
- 63 Ibid., p. 257.
- 64 NAC, Dominion-Provincial Conferences, RG 47-6 Vol. 70, Statement by the Prime Minister, 29 April 1946.
- 65 Provincial Archives of Manitoba (PAM), Stuart S. Garson Papers, P2358, Garson to John S. Sinnott, 2 July 1946.
- 66 Jackson, p. 239.

### **III. PROVINCIAL AFFAIRS**

The Manitoba government introduced very little new legislation between 1943 and 1945 preoccupying itself with post-war planning and financial matters. The reduction of the provincial debt was greatly aided by the growth in revenue that accompanied the financial arrangements that had been concluded with the federal government in 1942 and 1943, and by inflation in the immediate post-war years. While little new legislation was introduced during these years it would be erroneous to say that nothing was accomplished. The war years were spent in planning responses to the growing demand for expanded social and government services and capital improvements such as the construction of new schools and new highways.

The definitive statement of Manitoba's post-war plans was submitted to the federal government after the August 1945 Dominion-Provincial Conference. It was at this Conference that the federal government presented its proposals for a national post-war development programme. When the Conference adjourned in mid-August the Premiers went back to their provinces and began to prepare responses to the federal proposals. Premier

Garson quickly submitted a statement outlining Manitoba's programme. "In the whole field of post-war planning we, of the Manitoba Government, have prepared plans which are designed to form a part of a closely integrated national plan for Canada" (1). This had been Manitoba's policy since the outset and the plans that were outlined in this statement were the culmination of a process that had begun in the early 1940s.

The single most important element of Manitoba's post-war programme was that of rural electrification. Premier John Bracken had created the Manitoba Electrification Enquiry Commission on 11 June 1942 and appointed Dr. Emerson Schmidt, of the University of Minnesota, as its chairman. The Terms of Reference that Bracken provided to Dr. Schmidt set the primary goal of electrification as being "to meet and if possible avoid, after the present war, the depression, unemployment and distress such as followed the last Great War" (2). Electrification was thus intended to solve two problems at once by providing "employment and at the same time, if possible, a betterment of living and working conditions among our people" (3). Manitoba's rural hydro-electric system dated from 1919 when the province established the Manitoba Power Commission to distribute electric power throughout the parts of the province not served by the City of Winnipeg Hydro Electric System and the Winnipeg Electric Company (4). The operations of these two systems were largely confined to the

densely populated urban areas in and surrounding Winnipeg; thus the Power Commission was faced with the task of extending service to almost all of the province. This task was actively pursued and by the beginning of the Second World War the Power Commission's rural distribution system had grown from its initial area of supply in a small zone immediately west of Winnipeg to over 3,360 km of power lines serving over 19,000 customers. Most of the larger communities were connected into the power grid with Dauphin, Neepawa, Swan River, Deloraine, Rivers, Roblin, and Emerson being the principal exceptions (5).

Despite this, however, there were still many towns and villages that did not receive electricity and only 1,109 of Manitoba's 58,686 farms were connected (6). This amounted to less than two percent of Manitoba farms, a rate far below that of other provinces and of the United States.

The Enquiry Commission began its work in the middle of June 1942 and delivered its report in mid-1943 by which time Stuart Garson was Premier. The Commission concluded that the electrification of all of Manitoba's farms was "entirely feasible and practical" and suggested that the programme commence immediately after the war with a minimum of 1,000 farms to be connected in the first year alone and to bring power to every community with more than 20 people within five

years (7).

In order to proceed immediately after the war it was necessary to secure labour and materials beforehand. This would be difficult with the chronic shortages of the war years and federal approval to stockpile material was first necessary.

The high capitalization that was required to extend the transmission of low cost electricity to farms and small communities made this an enterprise of little appeal to private business. Construction costs per user were high while the cost to the consumer needed to be reasonable if a sufficient number of farmers were to be induced to sign onto the system (8). To accomplish this meant that the relatively high capital costs of the project needed to be offset by a low rate of interest and it was with the idea of securing this necessary low rate of interest that Manitoba now turned to the federal government.

In the United States this requirement was met by encouraging the establishment of local co-operatives and by the federal government setting up a special authority known as the Rural Electrification Administration, or R.E.A. The R.E.A offered advice, management assistance and very low cost loans to the rural co-operatives, quickly making rural

electrification one of the most successful of the many New Deal agencies established in the 1930s (9). Manitoba was thus asking the Canadian federal government to "help replicate this success in Canada" (10) by making similar low interest loans and expert assistance available to provincial power commissions like that of Manitoba.

Initially the federal government refused to establish specific grants for the purpose of rural electrification as it did for many other projects but Manitoba was determined to go ahead as planned. While the debates over federal-provincial finances raged on in Ottawa in late 1945 and 1946, Manitoba went ahead with rural electrification.

In the spring of 1945 the Manitoba Power Commission launched the rural electrification project with plans for connecting 1,000 farms and 42 towns and villages to its established power grid. It soon became apparent that sufficient line material was not available and by the end of 1945 only 674 new farms were connected (11). These farms were within specially selected areas where they were intended to act as showcases and entice other farmers to sign on for electrification.

Very few Manitoba farmers had ever seen electrical power at work on a farm and while many indicated a desire for

electric service they were hesitant to sign contracts or make deposits (12). The end of the war meant that other pressing needs such as farm equipment, new cars or trucks, or improvements to buildings could now be filled and the Power Commission concluded that the "Hydro service will probably have this competition to meet in the case of approximately 50% of the farmers" (13).

Furthermore it was initially hoped that farm women would play an important role in convincing their husbands of the need for electricity (14). The installation of electric power would revolutionize the lives of farm women by removing much of the drudgery in their every day lives. Water pumping equipment would make possible the installation of modern indoor bathrooms and provide plenty of running water for the kitchen and laundry. Electric lighting, refrigeration, and labour-saving electrical appliances were also expected to "contribute immeasurably to the enjoyment and comfort of rural life" (15). But it was found that very few women attended the meetings on farm electrification. Women were not in the habit of attending meetings called by the municipal authorities and, while they were invited and undoubtedly were interested, few if any attended (16) and eventually separate meetings with the various womens' institutions and clubs were arranged.

Despite these early setbacks electrification was popular

and great enthusiasm was displayed by municipal authorities to have their districts sign up. During bad weather some used tractors to cover their districts and in one area, where the roads were particularly bad, authorities took to riding horses (17). During the winter of 1944-45 the government introduced what became a very popular course at the Brandon Technical School to familiarize farmers with the use of electricity and the maintenance of electrical appliances.

Construction proceeded slowly in 1945 and 1946. Experienced workers were difficult to find and the Manitoba Power Commission had to initiate a training programme. Difficulty was also experienced in obtaining unskilled labour in the areas where line construction was underway thus necessitating the importation of labourers from all parts of the province and in paying their room and board (18). The situation with regard to labour improved in 1946 as most men had been released from service in the army, but the logistics of housing and feeding the work crews still continued. Bunkhouses were built and trailers were also used to provide the necessary lodgings (19).

During the summer suitable men were selected for training as foremen and special courses were also set up to train men for line work. Within two months the first junior linemen graduated from these courses (20). But it was also necessary

to train other workers important to the operation. They included stakers, timekeepers, truck drivers, and digging machine operators to name just a few.

In order to keep from exceeding the cost estimates that the Manitoba Electrification Enquiry Commission set in 1942 full use of mechanization was essential (21). Here too the project encountered difficulties. The shortage of transportation and digging machinery was an expensive handicap since it was impossible to begin or continue work without a sufficient number of trucks and tractors. To rent these machines was difficult, and even where it was possible to do so, the rental charges were high. Furthermore many of the trucks that were rented for the project in these early years were in poor condition and provided unreliable service (22).

Despite these problems work began immediately after the end of the war, as was planned, and proceeded quickly once the initial problems were overcome. By the end of 1945 a total of 1,300 km of line were constructed connecting 674 new farms and 318 farms along existing lines onto the system (23). This almost doubled the number of farms served with electric power. In 1946 another 1,700 farms were added and in 1947 a further 3,600 were connected. By the time that Garson resigned the premiership in November 1948, almost one quarter of the job was done as the total number of farms connected stood at over

12,000 (24).

While rural electrification ranks as one of the most distinctive and successful achievements of this era in Manitoba history, there were also other important beginnings made during the Garson administration. These initiatives, although not as spectacular as the strides made in rural electrification, are also worth discussing.

The definitive statement of Manitoba's post-war plans, submitted to the federal government in an August 20th memorandum, included more than just the programme of rural electrification. Pending the conclusion of an agreement between the federal and provincial authorities over the whole field of federal-provincial finances, the Manitoba government sought federal grants in order to lay the foundation for the implementation of a complete public health care scheme. This request included per capita grants and grants for the construction of new hospitals (25).

Manitoba's hospitals for the mentally ill were, by the end of the war, "completely inadequate". There was serious over-crowding in all the institutions and long waiting lists for admittance. The Manitoba Health Plan, as the province's proposals were known, called for the establishment of new mental hospitals in Portage la Prairie and in Selkirk (26).

The Manitoba Health Plan also included proposals for the construction of new general hospitals and the establishment of limited hospitalization insurance in Manitoba. The outline for hospital construction was contained in the report of the welfare supervision board in 1944. It concluded that Manitoba in the immediate post-war years would require:

1. Five new hospitals with a minimum 30 bed capacity.
2. The replacement of eleven old hospitals.
3. Modification of nineteen hospitals, varying in size from 30 to 500 beds.
4. And finally, Manitoba would ultimately require 78 medical nursing units of from 6 to 12 beds. (27)

In another area, the lack of maintenance equipment, materials, and labour resulted in the deterioration of many of Manitoba's highways during the Second World War. The conditions of the provincial roadways were so run down that during wet seasons they became virtually impassable (28). With the inevitable increase in traffic that was bound to follow the relaxation of wartime restrictions on gasoline and motor vehicles, an early start needed to be made to reconstruct many of the province's roads. Proposed plans called for the paving of 173 km of highway at a cost of \$2,120,000, resurfacing of a wide variety of secondary roads for \$580,000, as well as the reconstruction of a number of bridges, all built in the 1920s,

that were too narrow to carry modern vehicles (29).

The Trans-Canada highway was also in disrepair. Certain portions of the highway, such as the 20 km section running from Headingly into Winnipeg were in immediate need of reconstruction (30). This section of the highway carried nearly all of the motor traffic from Western Canada to Winnipeg and eastward as well as traffic from northern Manitoba into Winnipeg. This section, originally constructed in 1913, was only 16 feet wide and thus, for this reason alone, was exceedingly dangerous (31). Constructed on a concrete base and finished with asphalt the highway had deteriorated to such an extent that during the spring break-up "vehicles have actually been getting stuck on this main highway" (32). The major portion of its length was below prairie level and was continually becoming blocked with snow during the winter and flooded in heavy rains. With the end of the war, Garson wrote to Mackenzie King, we "can no longer justify delaying in the reconstruction of this section" (33).

Natural resource development also constituted an important part of the programme submitted to the federal government. The most important natural resource projects proposed by the Garson administration were the Interlake, Porcupine Forest, Ducklake Forest, and Whiteshell forestry projects. The primary concern was with conservation and the

plans included the construction of roads to serve as fireguards, use of aerial photography to produce accurate maps as well as soil and aerial surveys to determine boundaries between arable and forest land (34). As a result of the above surveys to determine which lands could be profitably farmed, the government proposed the relocation of some 541 farmsteads from non-arable to agricultural lands within the same district. This was known as the South East Agricultural Rehabilitation Project and included townships 1 to 6 (35).

The total estimated expenditure on forestry work was planned at \$969,000. It included the construction of air fields at Grace Lake and The Pas, and of pickerel fish hatcheries at Lake Winnipegos, Lake Winnipeg, and Cedar Lake as well (36).

While rural electrification, the health and hospitalization programme and the construction of new roads and bridges constituted the main portion of Manitoba's post-war programme, many lesser public works were also included in the submission to the federal government. These included the construction of buildings and schools required in the "advancement of agriculture", the construction of various public schools, and a new building for the Faculty of Engineering at the University of Manitoba. Subterranean water supplies in the western part of the province, as well as

funding of municipal sewer and waterworks projects were also proposed (37).

All these projects were included in the memoranda that Premier Garson submitted to the federal government on 20 August 1945. These were the projects that the provincial government deemed as being of the "highest priority" and it desired to "integrate its programs of public development" with those of the federal government (38). Prime Minister Mackenzie King passed this memorandum on to C.D. Howe, the Minister of Reconstruction. Howe brought the matter before the appropriate committee of cabinet. The committee then turned the proposals down.

The committee agreed that the immediate period after the war was bound to produce several areas of dislocation in Canada as a result of war orders. It was not the intention of the federal government to "regard this initial transition stage as one meriting any intensive national development of public works". As finance minister Ilsley wrote to Garson, "At this stage the Dominion Government is devoting its main attention to policies other than public works as a means of assisting the transition and of creating the environment that will allow private initiatives to maximize the development opportunities" (39).

With regard to the specific points in Manitoba's plan, federal investment was only to be made available in a limited amount. Rural electrification would not be included among the projects open to direct assistance largely because "the provinces are each at different stages of farm electrification" (40). Some health grants were being considered. These, however, did not include the per capita grants that had been requested by the province. With regard to highway construction, assistance was limited to "transportation facilities of national importance" (41). These included the Trans-Canada highway, international connections, and approaches to national parks (42).

Despite this refusal on the part of the federal government to aid the province in its various public works projects the Manitoba government did proceed in certain areas. The two most obvious were in the field of rural electrification and debt reduction. We have already seen the progress that was achieved in the rural electrification programme. Now we need to turn briefly to that of debt reduction.

The conclusion of the Second World War was followed by an inflationary aftermath. The first effect of this inflation was to make Manitoba's revenues more buoyant than its costs (43).

This fact, plus continuing stringent economy on the part of the government, resulted in revenue surpluses which were applied toward the reduction of the public debt. In his last budget speech, delivered on 9 April 1948, Garson outlined the size of this surplus. For the fiscal year of 1946-47 the Public Accounts showed that the revenues of the provincial government were \$24 million while its expenditure was slightly under \$20 million (44).

During this same fiscal year the Public Debt of Manitoba was reduced by \$372,950 (45). Subsequent to 31 March 1947 a further reduction of over \$16 million was made in the Public Debt (46) so that by the time of Garson's resignation in November 1948, the total debt of the province stood at \$92.4 million. This was down from the peak \$130 million debt that the province owed in 1940. In a period of slightly less than eight years the debt was reduced by 28%.

This was a tremendous accomplishment. The success of debt reduction rested on three events. First, there was the inflationary push after the end of the war. This in effect devalued the real worth of the debt. Also the inflation-expanded revenues were immediately put to use in reducing the debt but since expenses were quick to catch up, as they almost invariably do in these situations, this benefit was short lived. A more long lasting benefit to the provincial

government was the conclusion of a tax-rental agreement with the federal government.

As a result of the dissent of Ontario and Quebec during the Dominion-Provincial Conferences of 1945-46, no general agreement had been reached on the reorganization of federal-provincial finances (47). In his budget speech of 27 June 1946, the federal Finance minister, J.L. Ilsley, made a new offer to the provinces to make individual agreements with the federal government regarding the reallocation of "treasury and tax matters" (48). The two other fields that had been covered in the original proposals, namely social services and public investment, were not included.

Initially seven of Canada's nine provinces agreed that the federal government should, in return for exclusive authority in the fields of corporation and personal income taxes and succession duties, pay to the provinces fixed sums of money. This plan was in essence an extension of the Wartime Tax Suspension Agreements, which had been signed by all nine provinces for the duration of the war.

In November 1946 Premier Garson signed this new tax agreement. In return for the continued provincial absence from the income, corporate, and succession tax areas Manitoba received a minimum annual payment of \$13.5 million (49). This

figure was to increase with population and national income. The agreement resulted in an increase of \$5.5 million in yearly provincial revenue. When to this agreement the federal government added the cancellation of one-half of the province's debt for relief still due to the federal government, it was clear, according to W.L. Morton that

the Garson government had won a large measure of success in its long battle for a tolerable financial position for Manitoba in Confederation. The premature province of 1870 might at last be able to support the dignity of provincehood. (50)

The 1946 tax agreement precipitated a fundamental shift in the financial position of Manitoba. While Manitoba had been at the brink of default in the 1930s, by the early 1950s it would have one of the highest credit ratings in Canada (51). This agreement, along with new federal grants and the thrift of the provincial government, played a substantial role in this amazing turnaround.

These new revenues were quickly shared with the municipalities. On 14 February 1947 the government announced its intention to turn over roughly 50% of the benefits to the municipalities (52). Of the \$2.7 million apportioned to the municipalities \$1.9 million was devoted to education and distributed on the basis of a scheme first proposed in 1924 by the Murray Commission (53). The difference between the taxes

raised by municipalities and \$1,400 a year for each school room in each district was to be met by the provincial grant. The effect was to make the provincial grant serve as an equalization device for schools across the province. Wealthy districts received small grants, if they received them at all, and poorer districts received comparatively larger ones.

In the same way the new revenues and special federal grants to the provinces made possible the establishment of Manitoba's hospitalization scheme designed to make the latest treatment and most up-to-date medical care available to all parts of Manitoba. Slowly, in its practical and pragmatic way, the government of Manitoba was building a social welfare system.

The experience of the Great Depression imposed a fiscal orthodoxy on both the provincial government and the electorate. Nothing revealed this attitude more than the action of the government to apply the financial gains of the new tax-rental agreement toward the retirement of debt. Thus while public services and programmes were begun, as listed above, the rate and scale of debt reduction severely reduced the amount of money available for public services (54).

The continuance of this stringent economizing, which was at its height during the war, was the primary criticism of the

C.C.F. The haste to retire a debt that was dwindling in the steady inflation of the post-war years was seriously questioned by C.C.F leaders. In their eyes it would have been far more prudent to invest the revenue windfalls in public works and social services. During the late 1930s and 1940s Winnipeg Mayor John Queen, a labour leader and socialist, continually lobbied for slum clearance and the construction of public housing in its place to serve both as a make-work project and to provide low-rental housing for Winnipeg's poor. Plans and ideas of this nature were continually rejected, first by Bracken, and then by Garson. When the C.C.F put forward a proposal similar to that of Queen in 1946, Premier Garson dismissed it as being beyond provincial responsibility (55). Aid would in the end be provided by the federal government under the terms of the National Housing Act. This initiative provided assistance for the construction and repair of low-rental housing and the provincial government quickly introduced legislation to take part in this scheme.

Most of the legislation that was introduced by the government from 1943 to 1948 consisted of amendments to existing statutes. This was especially true during the war years. But this does not mean that no legislative accomplishments occurred during Garson's five years in office. The rapidly changing nature of Manitoba society during this period necessitated the many amendments that were made in

Manitoba's schools, civil service, laws and professional and financial institutions.

A modern and professional bureaucracy is essential to the operation of a modern government. The need to abolish patronage and make appointments to the civil service on the basis of merit led to the reorganization of the Civil Service Commission in 1948. It began the process of introducing hiring practices based on merit. Legislation was also introduced providing public funds for the establishment and maintenance of public libraries. Standards were introduced into various professions to protect both workers, such as in the construction industry, and consumers by establishing new regulations for such things as credit unions and insurance.

Although the province had had an organized body of nurses since 1913 new training, examination and licensing procedures were introduced in 1945 (56). Scholarships were created to encourage young Manitobans to enter medical and veterinary studies and the Manitoba Health Plan was introduced in 1945 as the Health Services Act (57). The lifting of wartime restrictions on the sale of gasoline was expected to cause a boom in the use of motor vehicles and major amendments to the Highway Traffic Act regarding liability and insurance were introduced to deal with the inevitable rise in traffic accidents.

One of the more significant pieces of legislation was the Wartime Labour Relations Act of 1944. It extended the impact of the famous federal Privy Council Order 1003 to Manitoba. This order recognized the right of unions to collective bargaining and this recognition was further entrenched by the Labour Relations Act of 1947 (58).

Despite all this the exact legacy of Stuart Garson as Premier is difficult to pinpoint. There are no great physical relics such as the Winnipeg floodway or northern hydro-electric power projects to attest to his influence as there are for later Premiers. The great work of rural electrification began before Garson's tenure and was not completed until after his departure for Ottawa; and his federal-provincial relations policy was not fully successful as Rowell-Sirois was never formally adopted. That leaves as his legacy the policy of debt reduction and this has resulted in a conservative label for his government.

But the Premier was neither a conservative nor a reactionary. He placed his faith in liberalism. The liberal tradition alone provided the best means to meet the challenges of the rapidly changing 20th century world. "To a Liberal," Garson once said, "the reactionary repression of man's struggle to improve himself under changing conditions is just

as objectionable as the revolutionary's refusal to hold fast to that which is good" (59).

Liberal moderation in contrast to "the doctrinaire views of conservatives and socialists" was essential if Canada was to meet successfully the sweeping social changes that had accompanied the shift from agrarian to industrial society (60). This same moderation was also vital in provincial affairs if major programmes and policies such as rural electrification were to be successful.

Although very pragmatic, Garson was not a cold and calculating realist who sought power for its own sake. He was committed to maintaining the dominance of the Liberal-Progressives because he saw in them the best hope for the future.

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#### **IV. THE COALITION, 1943 TO 1948**

While the United Farmers of Manitoba and Premier John Bracken had held a philosophical belief in non-partisan government, to Stuart Garson the central utility of the all-party coalition appears to have been as a tactical device to maintain the dominance of the Liberal-Progressive party in the Legislature. If non-partisan government ever in fact truly existed, the withdrawal of the C.C.F in late 1942 ended the experiment even before Garson became Premier. After that there was both a "government" and an "opposition" and partisan politics resumed as before. Garson never lamented this state of affairs and while in public he maintained the facade of non-partisanship, in private he saw the coalition as a matter of tactics and strategy. "I don't know for the life of me how the coalition ever came to be formed," Garson once told Prime Minister Mackenzie King, "we had a majority. We were getting along. Then suddenly it occurred" (1). But once it did occur, Garson saw its value. An example of his utilitarian belief in non-partisanship is revealed in the position taken by Garson during the 1943 by-elections.

By the middle of 1943 the electoral district of Killarney had been without a member in the legislature for almost two

years and three more electoral districts, including John Bracken's former seat of The Pas, were also vacant. The 1943 by-elections are important because they were the first electoral test of the Garson government and also the first election since the withdrawal of the C.C.F from the coalition. The central question within the Liberal-Progressive party was whether or not the coalition arrangement would be maintained. Many of the same arguments that had been advanced in December 1942 were now again being cited. As the arrangement stood, if a seat represented by a Conservative member, as Killarney had been, became vacant the Liberal-Progressives and Social Crediters were committed to stand aside. The same was true in a Liberal-Progressive or Social Credit seat; the party which held the constituency had the sole right among the parties of the coalition to contest it (2). This resulted in an unusually large number of members being elected by acclamation as the smaller parties did not have the funds to field a full slate of candidates.

Several members of the Liberal-Progressive party, however, were urging Garson to abandon the arrangement, and the coalition with it, by supporting the nomination of a Liberal-Progressive candidate in Killarney even if the Conservative candidate declared his support for the government. Garson dismissed these overtures after a very pragmatic analysis of the utility of the coalition

arrangement.

We cannot go back on an arrangement of this sort as long as it exists. It is certainly not in our interest to do so because since the majority of the members of the House are Liberal-Progressive this arrangement would seem to be distinctly to our advantage." (3)

In other words the continuation of the coalition was the best method of preserving a Liberal-Progressive majority in the legislature because the only opposition would come from the C.C.F and thus the existing distribution of seats would continue. The Liberal-Progressive, Conservative, and Social Credit party associations in Killarney nominated and supported a single candidate, Abram W. Harrison, who easily defeated his C.C.F opponent by a vote of 1,377 to 988 (4). As a result of the election in the northern constituency of The Pas, which had been represented by the former Premier John Bracken for 20 years, the C.C.F increased its membership in the legislature to four. This was partly due to the fact that the "old-line" parties were unable to nominate a common candidate and thus split their vote (5).

Strictly speaking, there was a coalition candidate contesting the election in The Pas. There were, however, also non-coalition or independent members of the major parties that contested the election. Such a situation occurred from time to time in a number of electoral districts throughout the years

but the party organizations always remained true to their commitments with regard to the coalition and their official candidates stood aside as was required.

The contrasting results in Killarney and The Pas showed the value of the coalition as an electoral tool and guaranteed the continued existence of the arrangement at least until after the next provincial election.

By-elections are quite commonly regarded as barometers for measuring the general mood of the electorate prior to a general election. Therefore both the government and the C.C.F tested what would become their provincial election platforms during the 1943 by-elections. The C.C.F attacked the coalition government on its record of social services and social spending. It urged the government to adopt a social service system based on the one that existed in New Zealand (6). The Labour party government of New Zealand had, in 1938, introduced a comprehensive social security act which increased the rates of the country's various pensions and placed them on a universal basis irrespective of income received or property owned. At the same time the act initiated an extensive system of health and medical benefits. The coalition government and Premier Garson attacked this C.C.F policy position with a vengeance. The New Zealand social security system had resulted in substantial tax increases in that country. If a single

Canadian province attempted to establish such a system and required additional taxation which would be at the risk of "driving business to more favourably situated provinces, in which the rates of taxation were lower" (7). While New Zealand was a unitary state, Manitoba as a province in a federal state did not have the financial base nor the constitutional power to create sufficient taxation to support such an extensive social security system.

The post-war programme that the coalition articulated was the same one that Premier Garson had proposed to the Parliamentary Committee on Reconstruction earlier that year. Garson had urged the committee to convene a full Dominion-Provincial Conference with the object of drafting new constitutional and financial arrangements, based on Rowell-Sirois, which the Manitoba government believed to be essential for the assurance of post-war prosperity. The logic of this argument contended that the most important provision of any post-war reconstruction programme would have to be full employment. It was only by reaching full employment that the national income could be maintained at a level sufficient to support a comprehensive social security package of the kind that the C.C.F had visualized (8).

It may be argued that the policies developed during the by-election campaigns by both the government and the C.C.F

opposition differed greatly in method but little in goals. Both sides were in agreement on the issues of post-war employment and the need for some sort of social welfare system, the difference was one of degree and method. While the C.C.F developed a proposal that called for the nationalization of the banking industry to finance social spending (9), the government coalition insisted that a comprehensive social security programme could only be developed by the federal government. It asked the voters to "appraise the issues on a basis of logic and intelligence" (10) and the reality of the situation was that the types of programmes and policies which were being proposed were beyond the constitutional or financial jurisdiction of the province. By stating that the role of the province was not in initiating the programs but in applying pressure on the federal government to establish them, the government appeared to be side stepping the issue. This was in marked contrast to the bold proposals of the C.C.F. Even if these proposals were impossible to implement they were attractive to voters who feared the return of depression conditions after the end of the war. Thus in Brandon, the constituency where the argument over social policy was most intense, the coalition candidate went down to defeat despite the deluge of facts and figures repudiating C.C.F claims.

The final results of the 1943 by-elections were indecisive in that two government candidates and two C.C.F

candidates were elected to the legislature. But while the by-elections were indecisive the general election almost two years later was an outstanding triumph for the government coalition. On 15 October 1945 Premier Garson led the Manitoba government coalition to its second popular mandate since its formation in 1940. The Premier and all of his cabinet were returned. Garson was personally re-elected by a majority of 825 votes. This was the largest margin of victory that he had ever received; so large that his C.C.F opponent lost his \$200 election deposit (11).

The final results confirmed a reduced but still overwhelming majority for the coalition of Liberal-Progressives, Conservatives, and Social Crediters. With 55.7 per cent of the popular vote the government captured 43 seats of which 7 were won by acclamation, the C.C.F won 10, and two seats were won by independents (12). The magnitude of the victory became increasingly apparent as the returns from the outlaying country polls came in and the potential C.C.F threat in the agricultural constituencies of northwestern Manitoba failed to materialize. Only a handful of seats were in any doubt as a result of close races and the C.C.F lost its hold on Gimli and on Brandon which Dr. Dwight Johnson had won in the 1943 by-elections. The C.C.F, as the only serious opposition to the coalition, had expected to return to the legislature with a substantially increased representation.

With 39 candidates in the field, the C.C.F was hoping for 15 to 20 seats but, with the exception of Winnipeg, it lost almost as much ground as it gained (13). Even the intervention of Saskatchewan Premier Thomas C. Douglas did little to aid the C.C.F in Manitoba. The final results of the election were as follows:

	SEATS	%	VOTES	%
Liberal-Progressive	26	47.3	74,054	33.9
Conservative	15	27.3	38,964	17.8
Other Coalition	2	3.6	8,857	4.0
C.C.F	10	18.2	73,853	33.7
Other Opposition	2	3.6	23,302	10.6

The overwhelming victory of the coalition was in part the result of a lopsided electoral system. The coalition with almost 56 percent of the popular vote won 78 percent of the seats. The Liberal-Progressives alone captured 26 seats with 74,054 votes, while the C.C.F, with 73,853 votes, returned only 10 members (14). Most of the C.C.F vote was concentrated within the Greater Winnipeg area. Here, in marked contrast to the general provincial trend, 3 of the 4 candidates elected on the first count of Winnipeg's complicated proportional electoral system were opposition candidates and S.J. Farmer scored a personal triumph as he came in first among the twenty candidates that ran in Winnipeg (15).

Since the 1920s Winnipeg had been organized as a single

ten-member seat. Instead of marking their ballots with a simple "X" Winnipeg voters were asked to number their choices in order of precedence on the ballot (16). This system created confusion among voters which often worked to the advantage of the coalition. Furthermore, with only ten seats, Winnipeg was grossly under-represented in the legislature. While roughly one half of the population of Manitoba was concentrated within the greater Winnipeg area, it elected less than one quarter of the members of the legislature (17). The last redistribution in 1920 had established a ratio which made each rural voter the equivalent of two urban voters. With anti-coalition strength concentrated largely in Winnipeg, this system assured the over-representation of precisely that segment of voters on which the coalition depended.

The Liberal-Progressives and the coalition maintained the support of these rural voters by emphasizing rural electrification, a programme of public health services, and improvement of the rural education system as well as the reduction of provincial debt. But the government was careful to point out that the ultimate extent of Manitoba's progress was dependent on the solution of persistent federal-provincial fiscal problems. Garson committed himself to work for a more equitable allocation of federal and provincial taxing powers (18). Finally the simple, almost unpolitical, style of the government campaign also appealed to rural voters. The

government did not issue promise after promise but sought support, as Garson said, "solely on the basis of its substantial achievements of the past" and did not "deck out" its campaign "with the tinsel of emotional or class appeal" (19). This electoral strategy, which in Manitoba was a class appeal, had formed the basis of most of the government's electoral campaigns since 1922. On the other side of the equation ties with Labour organizations hurt the C.C.F in an agricultural province like Manitoba. The heavy vote for S.J. Farmer was in part due to union organizations, particularly the powerful meat packing unions in Winnipeg's three meat packing plants. Lewis St. George Stubbs, an Independent member of the Legislature from Winnipeg, concluded after seeing the election results that Manitoba farmers "certainly wouldn't support a party so closely bound up with labour unions now threatening for a packing house strike" which would hit livestock producers harder than the packinghouse owners (20).

The coalition agreement held up well in the 1945 election. The Liberal-Progressive and Conservative Party associations in Killarney had managed to nominate a single candidate in 1943, but this time they went their separate ways. Abram Harrison, who had run for the coalition in 1943 now ran for the Conservatives and defeated his Liberal-Progressive opponent by almost a hundred votes (21). The Conservatives and Liberal-Progressives broke ranks in

Morden-Rhineland as well and here too the Conservatives prevailed.

In Rupert's Land, St. Boniface, and Springfield the coalition was challenged by so-called "Independent" Liberal-Progressives, or candidates without the official support of the party. The split in votes resulted in the C.C.F winning both St. Boniface and Springfield. This was more the case in Springfield however as St. Boniface with its industrial base saw a large worker turn-out for the C.C.F (22). These cases were the only exceptions to the coalition arrangement and in the rest of the province's constituencies the coalition held firm. The role of Social Credit was small in 1945. The party ran only two candidates, Norman Turnbull in Hamiota and Stanley Fox in Gilbert Plains, and these seats were uncontested by the Liberal-Progressives and Conservatives.

The Manitoba Progressive coalition had survived the transition of government from Bracken to Garson, the 1943 by-elections, and the 1945 provincial election. It was now to face its most serious test. In June 1946 the Manitoba Progressive Conservative party held its first convention in almost eight years. This convention was held in the majestic surroundings of the Royal Alexandra Hotel. The delegates at the opening session of the two day convention heard Errick

Willis, the provincial party leader, ask for continued support for the coalition. He argued that it was important to keep a united front until after the storms of the federal-provincial conferences had been weathered and a satisfactory new constitutional agreement made. "If we should withdraw from the coalition and the conference should fail," Willis warned the delegates, "certainly we should have to bear criticism for withdrawal at such a critical period" (23). As evidence of the coalition's popularity Willis cited the election results of 1945. Not one Liberal-Progressive or Conservative who had opposed the coalition was elected (24). Willis cited this as an indication of confidence in the coalition form of government.

However rumours had been circulating for several weeks that a move to withdraw the Conservative party from the coalition was gaining momentum. The convention was seen as the climax to this drive. Premier Garson himself believed that an attempt would be made to withdraw. In a letter to Ralph Maybank, a Manitoba Liberal Member of Parliament, the Premier wrote that he felt "that some attempt will be made to have the Conservatives withdraw from the Coalition, but I would doubt that it will get very far" (25). This doubt was based on the fact that there was impressive support within Conservative party circles for the continuation of the coalition. This included the national director and national president of the

party and, it was assumed, also the national leader John Bracken. In addition leading provincial party members like Errick Willis and James McLenaghan, the Attorney General, indicated their intention to remain in the Garson cabinet.

Notwithstanding this support for the coalition, dissatisfaction among the younger members of the Conservative Party was rising. These malcontents had three main grievances. First there was resentment over what had been perceived as the failure of the Premier to support national party leader John Bracken adequately in the federal election of 11 June 1945. Although Garson regarded this accusation as "nothing if not comical" (26) the fact was that he had always held Liberal tendencies since the days of his youth. Being elected as a Progressive in 1927 did not go against his beliefs as the Progressives were, in the words of Mackenzie King, little more than "Liberals in a hurry". The financial prudence that he showed as Treasurer also was not a betrayal of his beliefs as at this time the idea of a balanced budget was not restricted to conservative thinking. The Premier was in fact now moving to support the economic management policies of the federal Liberal party. In a letter to John S. Sinnott, M.P for Springfield, in regard to federal-provincial fiscal relations, he observed that

It begins to look now as if our prospects for getting a settlement of this sort were fairly good, thanks to the

wisdom and fairness of the Dominion Government in the face of the sectionalism of certain provinces. (27)

Heading this "sectionalism" were the Premiers of Ontario and Quebec. It was Garson's open criticism of Ontario Premier George Drew, a Progressive Conservative, that formed the second grievance of the young Conservatives. Premier Garson had declared Drew to be the person most responsible for the breakdown of the last Dominion-Provincial conference (28). This did not sit well with the malcontents. Finally there was dissatisfaction with the leadership of Errick Willis. This arose out of the belief that the Progressive Conservative party was increasingly sacrificing its identity by remaining in the coalition. All of these considerations combined to form a fairly substantial anti-coalition movement. The question was whether or not this movement was strong enough to control the convention and thus undermine the coalition government of Premier Stuart Garson.

On the morning of Thursday 13 June 1946 the malcontents attempted their coup. A resolution to conduct a leadership vote was presented to the convention. The motion, moved by an urban delegate from Winnipeg, was immediately declared out of order. The executive had no intention of holding a leadership vote; this was, after all, a policy and not a leadership convention (29). After much wrangling on points of order and proper procedure it was agreed to hold a vote of confidence in

the leadership of Errick Willis. The vote was set for late in the afternoon. This essentially ended the coup. The dissidents had intended to topple Willis and install a new leader in one swift move. By setting the vote of confidence for late on the final day of the convention the party executive ensured that, even if Willis lost, any new leader would be chosen at a later date. This would give the coalitionists time to organize and thus greatly reduce the chances of the anti-coalition movement in electing a sympathetic leader. This bit of extra insurance was not needed. Willis was sustained by a 2 to 1 margin (30). The dissolution of the coalition had been averted and, during the remainder of Stuart Garson's premiership, was not to be seriously challenged again.

## ENDNOTES

- 1 Provincial Archives of Manitoba (PAM), Ralph Maybank Papers, MG 14 B35, Diary, 27 January 1948.
- 2 PAM, Stuart S. Garson Papers, P2357, Garson to A.E. Foster, 30 April 1943.
- 3 Ibid.
- 4 Winnipeg Free Press, 23 June 1943. Hereafter referred to as FP.
- 5 This analysis of the results in The Pas was that of Stanley Knowles, then M.P. for Winnipeg North Centre, as quoted in FP, 18 August 1943.
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- 7 Ibid., Speech Materials Used by Premier Garson in the Brandon By-Election, November 1943.
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- 10 Portage la Prairie Daily Graphic, 19 October 1943.
- 11 FP, 16 October 1945.
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- 15 FP, 16 October 1945.
- 16 Thomas Peterson, "Ethnic and Class Politics in Manitoba" in Canadian Provincial Politics, ed. by Martin Robin (Scarborough: Prentice-Hall, 1972), p. 84; and Lloyd Stinson, Political Warriors: Recollections of a Social

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17 James A. Jackson, Centennial History of Manitoba (Toronto: McClelland and Stewart Ltd., 1970), pp. 244-45.

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21 Report of the Chief Electoral Officer and Summary of Results (Winnipeg: Province of Manitoba, 1988), pp. 262-63.

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23 FP, 12 June 1946.

24 Ibid.

25 PAM, Garson Papers, P2358, Garson to Ralph Maybank, 12 June 1946.

26 Ibid.

27 Ibid., Garson to John S. Sinnott, 2 July 1946.

28 Ottawa Evening Journal, 8 June 1946.

29 FP, 14 June 1946.

30 Ibid.

## V. OTTAWA BOUND: STUART GARSON'S ENTRY INTO FEDERAL POLITICS

While the Conservative convention wrangled over the continuance of the government coalition, rumours and speculation arose as to whether Stuart Garson intended to resign the premiership to enter the federal Cabinet. In the past Garson had consistently refused offers to join the federal Cabinet, ostensibly due to the unfinished business of the Dominion-Provincial Conferences. But, as a number of political insiders were aware, his real fear was that the transition of power in Manitoba could quite easily be mishandled causing political damage to both himself and to the Liberal-Progressive Party (1).

Premier John Bracken had left Manitoba in 1943 and this episode left many people with a bad taste in their mouths. The responsibility for the establishment of the government coalition rested almost exclusively with him as it was his tact and diplomacy that had achieved the herculean task of not only convincing his own party to share power but of persuading both Conservative and C.C.F leaders to sit around the same cabinet table. Once it was established, Bracken was able to sell the coalition all across Manitoba under the battle cry of "Keep party politics out of Provincial Government!" (2). This

cry awoke the dormant ideals of the non-partisan movements that had swept the province in the 1910s and 1920s and they once again took hold of the people to Bracken's advantage. Then suddenly Bracken jumped out.

Garson, like other liberal-minded political actors, believed that the manner of Bracken's departure did him a tremendous amount of harm (3). It was widely perceived that Bracken, the champion of non-partisanship who had talked and talked of "no politics", had effortlessly changed his mind and his course the first moment that it suited his convenience. Furthermore Bracken left behind him the unfinished task of renegotiating the financial basis of Confederation. If Garson were now to do the same and leave behind him the uncompleted work of the Dominion-Provincial Conference the credibility of the coalition and of the party would be further damaged. Fate alone had been the saviour of the Liberal-Progressives in 1943 in that when Bracken made the decision to go to Ottawa he left behind him two competent potential successors, Garson and Municipal Affairs minister William Morton (4). Now Garson felt that there was no such successor. Federal-provincial relations were still the key issue and they had been his realm alone. An heir, well versed in the mannerisms of federal-provincial diplomacy, had not been groomed and the only potential successor, Douglas Campbell, the Minister of Agriculture, was, in Garson's eyes, not the right man for this job (5). Thus if

the Premier were to depart suddenly from the provincial scene as Bracken had done five years earlier, the coalition might fall to pieces and this would cause political damage (6).

Nevertheless Garson's ability in arguing the case for acceptance of federal government proposals at the Dominion-Provincial Conference of April 1946 seemed to make him a logical choice for the federal Cabinet (7). This conference had resulted in a stubborn stand by some of the premiers, notably George Drew of Ontario and Maurice Duplessis of Quebec, against the federal offer. The Minister of Finance James L. Ilsley, had followed a hard line policy with regard to the negotiations in which he declared that either the entire federal package be adopted as is or he would permit the negotiations to collapse (8).

Ilsley was part of a minority in cabinet which held this extreme view and toward the end of the conference seemed to be doubting his own position. As Mackenzie King noted in his diary, Ilsley was increasingly in "poor health, always depressed" and near "physical exhaustion" (9). The majority of cabinet would have preferred to implement the federal proposals in some form and this situation led to reports that Garson might enter cabinet and take over the finance portfolio. As the Winnipeg Free Press speculated

It would be possible by employing Mr. Garson's well known persuasive and financial ability to renew the Dominion-Provincial proposals in such a way that it would make it virtually impossible for the Duplessis element in Quebec and Drew to refuse the offer without creating an election issue. (10)

Mackenzie King however had no intention of offering finance to Garson. Later, in a lengthy conversation with Grant Dexter, Ottawa correspondent for the Winnipeg Free Press, King let it be known that if Ilsley ever was to retire Douglas Abbott would more than likely be named Minister of Finance. The Prime Minister mentioned that he still wished Garson to enter cabinet indicating that he needed a Minister of Defense who "would tell the generals what to do" (11). It was apparent that Mackenzie King had in mind the idea of putting a man like Garson into that position but Garson wouldn't have anything to do with such a appointment. "Garson would simply be crucified in trying to fill any such position," Maybank wrote to Dexter after being informed of Dexter's meeting with the Prime Minister, "I don't suppose Garson has even the knowledge of the army that Norman Rogers had and the army had crucified Rogers steadily", before his death in an airplane crash in June 1940 (12).

Garson himself spoke of Finance as being a "job that would kill" both "politically" and "physically" as well. It is thus possible that Garson would not have taken the finance portfolio if the Prime Minister had offered it to him.

Garson's interest seems to have been in Thomas Crerar's former job at Mines and Resources (13), but it is doubtful that the Premier would have accepted this position either. In a conversation with Dexter in Winnipeg, Garson told the reporter, in confidence, that although the portfolio of Mines and Resources was "quite interesting" to him, he was not going to act in the manner that Bracken had acted in late 1942. In Garson's eyes Bracken had "betrayed a trust by leaving Manitoba" when he did (14).

The rumours and speculation of June 1946 were not the first time that Garson was considered as possible cabinet material. Prime Minister Mackenzie King had, as early as October 1942, made attempts to persuade Garson to run for a federal seat. He and his political aide, Jack Pickersgill, had considered Garson as being the "best man" to carry Selkirk constituency for the Liberal Party (15). When by late 1944 senior federal Liberals began to doubt Thomas Crerar's ability to be re-elected, Garson's name was again considered. Mackenzie King shared in the doubts over Crerar's ability to win: "Crerar will have to be dropped", King confided in his diary, "he has his set of friends but they belong to a past generation" (16). Crerar had, however, already decided not to run again and was soon to so indicate to Mackenzie King, expecting his promised Senate seat.

Crerar had first entered politics in 1917 and had been appointed Minister of Agriculture in the "Union Government" of Sir Robert L. Borden. He resigned two years later because of disagreements over tariff policy and became one of the leading forces in the newly formed Progressive Party serving as its leader in 1921 and 1922. Crerar resigned as leader in 1922. He kept his seat until 1925 and did not run in that year's election returning instead to his business interests only to reappear in politics seven years later. In 1935 he became Minister of Mines and Resources a position that he held until his appointment to the Senate in 1945 (17).

The doubt about Crerar's ability to win re-election and his subsequent retirement intensified the search for a new senior Manitoba Liberal. Ralph Maybank, W.G. Weir, and J.A. Glen, who eventually succeeded Crerar at Mines and Resources, were all popular MPs but the provincial Liberal association regarded Garson as "head and shoulders over all others" (18). He however was not inclined to leave Manitoba.

Nevertheless the Prime Minister and the Premier had a number of conversations over Garson's entry into cabinet. Garson always insisted that he first needed to achieve the long sought after financial reforms proposed by the Royal Commission on Dominion-Provincial Relations (19). Furthermore, until the very end, Garson was not at all sure about the

wisdom of leaving Manitoba and transferring to federal politics (20). He believed that the coalition might not survive his departure. He was in no hurry to break up the coalition which had as recently as October 1945 proven its worth at the polls. If he were to leave and the coalition were to collapse then, Garson warned King, the effects might harm the Liberals in Manitoba during the next federal election (21). There was also the practical problem of finding a safe seat for Garson to run in. King felt sure that J.A. Glen's seat of Marquette could be made available at any time. King went on to sweeten the pot by adding that he believed that Garson's chances for a leading position in the Liberal Party later on would be greatly advanced were he in Ottawa from an early day (22). But Garson still did not accept. In all probability, King felt, Garson would not consider coming to Ottawa before a year or two and might not do so even then. Recent by-election results did not lend any encouragement to anyone considering entrance into federal politics as a Liberal.

When Mackenzie King announced his intention to retire in 1948 Louis St. Laurent, James G. Gardiner, and Charles "Chubby" Power announced their intention to contest the leadership. In early July 1948 the executive of the national Liberal Party in Manitoba met to consider which candidate, if any, should receive their "official" support. One of the

executive members, C. Rhodes Smith, the Minister of Labour, was present for the first time in a long while. It was believed that he was there to convey the idea that Garson was interested in the national leadership (23). The matter was discussed at length with the principal concern being that if Garson was to run, he would take away from the Western support of Louis St. Laurent. This could aid Gardiner in his bid for the leadership and such a result was absolutely the last thing that the Liberal Party in Manitoba wanted.

Thus after much discussion it was finally agreed that the executive should send a representative to see Garson and determine exactly what his intentions were (24). Irving Keith was chosen as representative. Keith made several attempts to get in touch with the Premier but, despite the fact that Garson knew exactly what Keith's mission was, he neglected, for reasons unknown, to make an appointment to see him. Then on July 5th came the big announcement, one that did not emanate from Garson himself (25), that the Premier was in the running for the federal leadership (26).

This announcement was made by the Winnipeg Free Press after performing a survey of prominent provincial Liberals. The Free Press reported that Garson would definitely be nominated by the Manitoba delegation and that he was "almost certain" to get the unanimous support of the provincial

delegates at the Liberal Party's national convention to be held in Ottawa in early August. "His acknowledged position as a senior spokesman for western Liberals" the Free Press argued

will draw strong support from all three prairie provinces... and barring nomination of a prominent Ontario candidate, such as C.D. Howe, he will draw a substantial following in Ontario as well. (27)

This may have been a little bit too optimistic. In the Dominion-Provincial Conferences, which had come to an end just two years ago, Garson had constantly stood against the position of Ontario. While this was an attack on the Conservative government of that province, Premier Drew, whatever his political stripe, was defending the self-interest of his province. That Ontario should now "substantially" support a candidate that had so recently worked against its perceived interests seems doubtful.

Nevertheless in the early days of the race to succeed Mackenzie King, Garson seemed to be a strong contender for a third place finish. At this time about ten possibilities were being openly discussed. Far at the head of the pack were St. Laurent and Gardiner, followed by C.D. Howe who consistently denied he had any intention of running (28). Following these three were Garson; Paul Martin, the Minister of National Health and Welfare; Brooke Claxton, the Minister of National Defense; and Charles "Chubby" Power (29). Far behind these men

were the remote possibilities of J.L. Ilsley, the former Minister of Finance; Premier Angus MacDonald of Nova Scotia; and the under-secretary at External Affairs, Lester B. Pearson. With this plethora of candidates speculation in Winnipeg and in Ottawa developed that if Garson had a strong western backing he might, in the event of a deadlock between the two front runners, "stand more than an outside chance of winning the race" (30).

Several days after these articles appeared in the newspapers another meeting of the Manitoba Liberal-Progressive Association executive took place. Prior to this meeting the president of the executive spoke with Garson and ascertained that the Premier might be willing to be nominated for the leadership if there was a sufficient indication of support from western delegates. But at the same time Garson hoped to see Gardiner defeated and St. Laurent elected. Thus by running now Garson sought to position himself advantageously for the next time around. This interpretation of events was provided by Winnipeg South M.P. Ralph Maybank. St. Laurent was sixty-six and it was thought that if elected he would not continue as leader for more than one term (31). Then another convention would be called and a younger man chosen. Garson, Maybank believed, had his eye on this future convention.

If Maybank's interpretation is correct, and we may never

know as the Garson Papers contain nothing on this episode, then the president of the provincial Liberal executive, G.A. Rowe, did not grasp Garson's intentions and reported to the executive that of the three goals that he and the Premier had discussed; that of defeating Gardiner, electing St. Laurent, or Garson running himself, Rowe had left the meeting with the Premier unsure as to which Garson favoured. Irving Keith, who had been originally appointed to discuss this with Garson, could only report of his inability even to make contact with the Premier (32).

In the light of these circumstances the executive took the position that there was no candidate that they, as an executive, could support. The executive released a press statement immediately after its meeting declaring that

Contrary to expectations raised by certain recent newspaper articles, there was no decision made supporting any contender for the Liberal leadership... Liberals who for the past few days had speculated on Premier Garson's candidature reiterated that he would in all likelihood receive almost unanimous support from Manitoba delegates if he allows his name to stand. (33)

This effectively ended any attempt by Garson to run for the leadership. Maybank later recalled the attitude of the executive after the meeting:

At the conclusion of the formal session all members of the executive remained and had a round table discussion about Garson and the others. Practically every person

was outspoken in saying that they did not see any reason for supporting Garson. He seemed to have decided to hold himself aloof from the Liberals and they took the position that he was sitting on the fence. Practically everyone expressed himself in favour of St. Laurent or else acquiesced by silence in what was said. Nobody spoke in favour of Gardiner. Rhodes Smith never spoke up to try to get the members present to see the Garson position in a better light. (34)

Maybank seems to feel that this whole episode was the result of miscalculations and misintentions. Had things turned out differently Garson may actually have run. In retrospect, however, this does not appear reasonable. If Garson had any serious intention of seeking the leadership he certainly would not have neglected to inform his own executive thus alienating a body whose support would be critical. Later it became known that Rhodes Smith was responsible for the publicity that appeared in the newspapers (35). It may be that Garson had considered seeking the leadership in the very early days of the race and may have, for all we know, initially encouraged Smith's zealousness. By the time the articles appeared it was clear that the scenarios drawn by the Winnipeg Free Press and the Ottawa Evening Journal of a strong third place finish were not very likely to happen. "Informed opinion", as the Ottawa Citizen called it (36), knew that St. Laurent, with the support of the party establishment and many delegates, was far and away in the lead. As a senior Liberal and Premier of Manitoba, Garson doubtless had access to the most informed of "informed opinion" and felt that a weak third place finish, or

even worse, was not desirable. Thus when he failed to inform the party executive of his intent to run for the leadership it was because he had no intention of doing so.

In August 1948 Louis St. Laurent was elected leader of the Liberal Party at the national convention on the first ballot. James Gardiner captured only 323 votes to St. Laurent's 848 and Charles "Chubby" Power received 56 votes (37). On November 15th Mackenzie King resigned and Louis St. Laurent became Prime Minister. On the same day Stuart Garson finally joined the federal Cabinet and became Canada's 33rd Minister of Justice and Attorney General.

The decision by Garson to enter federal politics had been made shortly after the convention although the public was not informed until a few days before his resignation as Premier. On 18 September 1948 Jack Pickersgill met with the Premier in Winnipeg. Garson indicated at that time that he needed to be satisfied on two points before he would finally consent to entering Cabinet. First, he needed to be sure that there would not be any fundamental change in the position of the federal government on Dominion-Provincial relations under St. Laurent (38). Pickersgill readily agreed that this was the case although, as Garson knew quite well, there would have to be changes to the details of the 1945 programme if it were to be successful. The second matter of government policy on which

Garson felt he needed to have an understanding was the attitude respecting freight rate questions (39). The intention of the federal government to appoint a Royal Commission on Transportation served as the reassurance that Garson needed in this matter. Aside from these two points the obvious necessity was to make the best possible arrangements for a suitable succession in Manitoba both in the premiership and in his own provincial constituency. But Garson assured Pickersgill that these local issues would present no insurmountable difficulties (40).

With regard to a federal constituency, Garson and Pickersgill discussed Marquette and Macdonald as the only two possibilities (41). To Pickersgill's surprise, Garson showed a preference for running in Marquette. If Garson were to be elected in Marquette he would naturally be expected to stay there as long as he could secure re-election. Whereas if he was elected in Macdonald, a constituency which was scheduled to disappear due to redistribution, he would then be free to seek election in the new constituency of Norquay which would include his present provincial constituency and, Pickersgill believed, would be a safe seat for a long time to come (42).

Other seats were suggested by other prominent Liberals. Howard Winkler, for example, suggested to St. Laurent that Garson could carry Brandon for the Liberals and in so doing

would steal support from the Conservatives. Winkler believed that many in rural Manitoba were supporting the Conservatives for no other reason than that John Bracken was leader of that party (43). Garson was the only Liberal in Manitoba with the respect and prestige to sway the Bracken vote. This possibility was considered and then put aside, for among other reasons, because there would have been a certain embarrassment for Garson in accepting the nomination in a constituency in which Bracken was a prospective candidate (44).

Nevertheless once a seat had been decided on, in this case Marquette, there was still the issue of persuading the sitting Liberal to stand aside and make way for Garson. J.A. Glen, the Minister of Mines and Resources, had long represented this constituency. Pickersgill, whom St. Laurent appointed to negotiate the matter, felt that the only consolation that Glen was apt to accept was a senatorship. This in his opinion was "too high a price" and he wrote the Prime Minister-designate that "it would be much better politically to try to make some arrangement with Weir" (45). W.G. Weir was the Liberal member for Macdonald and Pickersgill's conversation with him seemed favourable.

I got the impression-- though he did not say so-- that even the prospect of a Senatorship in the not too distant future might be sufficient. There is certainly no one in Manitoba, except Davis, with higher claims to recognition and that, I believe is the view of all the Members. I am making enquiries about the possibility of

a vacancy arising in the near future in the Board of Grain Commissioners. Mr. Weir would be admirably fitted for such an appointment if one were likely to be available soon, and it would help to solve other problems. (46)

Although Pickersgill would have preferred an agreement with Weir, he had been sent to Manitoba to induce Glen to give up his seat. Pickersgill was to return to Ottawa empty handed but he did believe that he had at least left Glen with a clear understanding that an appointment to the Senate was not feasible (47). Operating on this assumption Gordon Fogo, the President of the National Liberal Federation, contacted Glen by long-distance telephone in early October 1948. He assured Glen that he felt sure the government would be disposed to do something for him with regard to an appointment if the state of Glen's health, which at this time was already quite poor, was to warrant it (48). Fogo had no authority to make any kind of commitment to Glen and no implied commitment was made. Nevertheless Glen, in no condition to travel to Ottawa, promptly mailed off his resignation (49) believing that Fogo had in "our necessarily guarded talk over the telephone" implied that St. Laurent had authorized Fogo to offer him a promise of a Senatorship (50).

Disturbed by the letter that accompanied Glen's resignation Fogo immediately wrote back to Glen that it was impossible for the Manitoba vacancy to be filled by him. "The

vacancy must be filled by a Roman Catholic" Fogo wrote, "What I did say and now must repeat is that the government would naturally feel that they would like to do something for you". By this Fogo meant appointment to a commission or a government board (51). Glen tried in vain to acquire the appointment to the Senate by arguing that he had demonstrated his "sincere desire to be co-operative" by not hesitating "for a moment in meeting the wishes of the Prime Minister with respect to the matter of my resignation" (52) but this did not work. Fogo returned Glen's resignation (53).

This exchange had taken the better part of October. Pickersgill, when he had originally talked with Garson in September, had hoped that it would be possible to advance matters to the point of issuing writs and announcing the by-election on October 26th (54). Two by-elections were to be held on October 25th; assuming that these were won "the announcement on the following day of another by-election would give an impression of steady advance" (55). This date would allow the election itself to be held in early December but if the writs could not be issued until after the new administration was formed the by-election would need to be delayed possibly into the new year (56). Such a course of action could have resulted in difficulties. It would only prove feasible if "some suitable form of announcement could be made" by the Prime Minister

inviting Mr. Garson to become associated with you politically. If a suitable form of words could be found, everyone would understand what it really meant and at the same time constitutional improprieties would be avoided. (57)

The government now began to communicate with W.G. Weir, who was on holiday in England and France, through the High Commissioner in London. Ottawa was in a difficult situation in that it was necessary to issue writs for a by-election within a matter of days if St. Laurent and Garson were to avoid the "constitutional improprieties" that Pickersgill foresaw. Weir was offered positions on either the Farm Loan Board, the Grain Commission, or the Tariff Board (58). Thus on November 2nd Weir, who was in Paris, made plans to return to London and from there to travel to Canada on the first available plane so that the matter could be dealt with personally (59). This was not needed however. Later that same day and the next telegrams arrived advising Weir that a "satisfactory alternative" had been found and there was no longer a need to return (60). Glen had thought it over and apparently decided to accept whatever was being offered.

At the same time that arrangements regarding a constituency for Garson were being made, discussions on providing a suitable succession to the premiership were also going forward. The issue of Garson's successor was quite

important. The succession had always in the past been cited by Garson as a reason preventing him from entering federal politics. Now that he was on his way it was important that it be handled properly. Members of the provincial Liberal party association regarded it as being most important that Garson announce his retirement in advance and ask the provincial Liberal association to call a convention to select the new leader (61). He should not himself indicate a successor but that one should be properly and democratically selected. When Bracken left in 1943 the party caucus chose the successor and then Bracken advised the Lieutenant-Governor to ask Garson to form a government. The Liberal Association was then confronted with an accomplished fact. They had the alternative of electing Garson leader at the next annual meeting, or causing a great deal of trouble by refusing to ratify him (62).

The situation in 1948 was quite different. Mackenzie King announced his retirement and asked the national Liberal association to call a leadership convention. The Conservatives had followed the same method in Winnipeg in December 1942 when they chose Bracken as national leader. Anything less would now be considered in a "very poor light" by the provincial Liberal association (63). Irving Keith rationalized that since Garson, as a future M.P, would have to work with and for the Liberal association, it would be a serious mistake for him to begin his new course by ignoring the party organization.

Secondly, since Garson's successor was by no means certain, none of the serious contenders would have been willing to accept the approval of one man alone or of only the Liberal members in the Legislature. A clear victory among the entire party organization would much enhance the authority and credibility of the potential successor. In addition the new leader would need the full backing and support of Liberals in every section of the province, and would want their active good-will as well (64).

From Garson's point of view there appeared to be no reason, other than the constraints of time, to "stick his neck out" and show a preference for one potential successor over another. As Irving Keith noted in a letter to St. Laurent, "he has nothing to gain by doing this, and would only antagonize the friends and supporters of others" (65). But in the end the constraints of time would be decisive. Although Garson's entry into federal politics had been planned for years, indeed as far back as 1942, when the actual event occurred it happened in a hurried and haphazard fashion. The search for a seat was one example, the choosing of a successor was another. Garson did not object to choosing the new provincial leader by convention. The difficulty was, as he told Keith in a long conversation, "circumstances will have to guide the action to be taken keeping general policies in mind and applying them

wherever possible" (66). In other words, Keith's convention plans were not feasible due to the time constraints.

In the end, the next Premier was chosen in exactly the same manner as the last one had been, although with a little more drama. Garson announced his intention to resign to the joint caucus of the coalition on the morning of Friday November 8th. Members broke up into separate party caucuses immediately after to discuss the leadership (67). The Liberal-Progressives put forward the name of Douglas Campbell, the Minister of Agriculture, as their choice after eliminating Rhodes Smith, the Minister of Labour, William Morton, Minister of Municipal Affairs, and J.S. McDiarmid Minister of Mines and Resources (68).

The Conservatives were at first reluctant to accept Campbell but later agreed to work with him if their leader, Errick F. Willis, were appointed deputy Premier and an additional Conservative added to cabinet. This the Liberal-Progressives flatly rejected and meetings continued past midnight Friday and resumed Saturday morning (69). Saturday afternoon Garson was hurriedly called back from Ashern, where he had gone to announce his resignation as an M.L.A, to help break the impasse. "We thought for awhile that the whole thing was over and the coalition would break up" a senior Conservative later remarked (70).

After meeting all day, the members continued in separate caucus Saturday night until finally, at 11:35 p.m., the Liberal caucus decided to give in to the Conservative demands (71). Shortly after midnight the caucuses met in joint session, the vote was taken, and Campbell's election announced. This was the last time that a Manitoba Premier was chosen in this manner.

Garson returned to Ashern to say his goodbyes. From there he proceeded on to Ottawa to join the federal Cabinet. After his arrival in Ottawa, Garson met with Mackenzie King in the last few days before the formal transition of power to St. Laurent. At this meeting Garson emphasized several times that he really would have liked to have entered the cabinet earlier but "held back though fear of the consequences of his leaving the Government of Manitoba" (72). Yet little had changed. Although the war-time tax agreements had been extended, the resolution of financial difficulties on the basis of Rowell-Sirois was as remote now as ever. Yet Garson accepted St. Laurent's offer when he had refused so many of Mackenzie King's. This led the old man to confide to his diary that Garson had "not entered government sooner as he may not have wished to come in with me. What mischief makers men are!" (73).

## ENDNOTES

- 1 Provincial Archives of Manitoba (PAM), Ralph Maybank Papers, MG 14 B35, Memorandum, 16 November 1946. This view was held by Maybank, Grant Dexter, and Jack Pickersgill.
- 2 Ibid., Diary, 27 January 1948.
- 3 Ibid.
- 4 Ibid. and Queen's University Archives (QA), Thomas A. Crerar Papers, Box 88, Donald McKenzie to Crerar, 14 December 1942.
- 5 PAM, Maybank Papers, Memorandum, 16 November 1946.
- 6 Transcripts of the Mackenzie King Diaries (Toronto: University of Toronto Press, 1980), 16 December 1946.
- 7 Winnipeg Free Press, 12 June 1946. Hereafter referred to as FP.
- 8 King Diaries, 6 May 1946.
- 9 Ibid., 30 April and 2 May 1946.
- 10 FP, 12 June 1946.
- 11 PAM, Maybank Papers, Memorandum, 9 November 1946.
- 12 Ibid.
- 13 Ibid., Memorandum, 16 November 1946.
- 14 Ibid.
- 15 King Diaries, 6 October 1942.
- 16 Ibid., 1 February 1945.
- 17 QA, Crerar Papers, Biographical Sketch.
- 18 King Diaries, 11 October 1944.
- 19 Ibid., 26 October 1946.
- 20 Ibid., 16 December 1946.

- 21 Ibid.
- 22 Ibid., 26 October 1946 and National Archives of Canada (NAC), W.L.M. King Papers, (microfilm) C-9874, King to Garson, 14 March 1945.
- 23 PAM, Maybank Papers, MG 14 B35, Diary, 19 July 1948.
- 24 Ibid.
- 25 Ibid.
- 26 FP, 5 July 1948.
- 27 Ibid.
- 28 Ibid.
- 29 Ibid.
- 30 Ibid., 9 July 1948 and Ottawa Evening Journal, 8 July 1948 which wrote: "talk hereabouts is that Mr. Garson will not merely be in the race but will have a considerable chance of winning it."
- 31 PAM, Maybank Papers, Memorandum, 12 May 1947.
- 32 Ibid., Diary, 19 July 1948.
- 33 FP, 9 July 1948.
- 34 PAM, Maybank Papers, Diary, 19 July 1948.
- 35 Ibid.
- 36 Ottawa Citizen, 9 July 1948.
- 37 FP, 9 August 1948.
- 38 NAC, Louis St. Laurent Papers, MG 26L Vol. 40, Memorandum for the Acting Prime Minister re Conversation with the Premier of Manitoba, 18 September 1948.
- 39 Ibid.
- 40 Ibid.
- 41 Ibid.
- 42 Ibid.
- 43 Ibid., Winkler to St. Laurent, 31 October 1948.

- 44 Ibid., St. Laurent to Winkler, 3 November 1948.
- 45 Ibid., Memorandum, 18 September 1948.
- 46 Ibid.
- 47 Ibid., Memorandum Re: Hon. J.A. Glen, 12 October 1948.
- 48 Ibid.
- 49 Ibid., Glen to Fogo, 14 October 1948.
- 50 Ibid., Glen to Fogo, 18 October 1948.
- 51 Ibid., Fogo to Glen, 15 October 1948.
- 52 Ibid., Glen to Fogo, 18 October 1948.
- 53 Ibid., Fogo to Glen, 25 October 1948.
- 54 Ibid., Memorandum, 18 September 1948.
- 55 Ibid.
- 56 Ibid.
- 57 Ibid. According to custom and tradition the Prime Minister selects the Cabinet from the members of his own party in the House of Commons and the Senate. Rarely, if ever, is a private citizen appointed to head a government department.
- 58 Ibid., Telegram from Secretary of State for External Affairs to High Commissioner in London, 30 October 1948.
- 59 Ibid., High Commissioner to Sec. of State, Undated.
- 60 Ibid., Sec. of State to High Commissioner, 2 and 3 November 1948.
- 61 Ibid., MG 26L Vol. 237, Irving Keith to St. Laurent, 23 September 1948.
- 62 Ibid., MG 26L Vol. 69, Keith to St. Laurent, 28 September 1948.
- 63 Ibid.
- 64 Ibid.
- 65 Ibid.

- 66 Ibid., MG 26L Vol. 40, Keith to Pickersgill, 6 October 1948.
- 67 FP, 8 November 1948.
- 68 Ibid.
- 69 Ibid.
- 70 Ibid.
- 71 Ibid.
- 72 King Diaries, 15 November 1948.
- 73 Ibid.

## CONCLUSION

The intent of this political biography of Premier Stuart Garson has been to highlight some of the more important occurrences of his years in office. It is intended to be a survey of his tenure rather than an in depth study based on a theoretical framework. Thus while issues such as class, ideologies, and economics are introduced they are not intended to form the central focus of this thesis. Very little work in this area of Manitoba history has been done and virtually nothing has been written concerning Stuart Garson. Thus the central aim of this thesis has been to provide both the basic sequence of events in these years and some attempt to prioritize them. Nevertheless even a traditional political narrative is capable of producing conclusions that are both interesting and worthwhile.

The standard interpretation of the political history of Manitoba in the middle part of this century has focused on two watershed years; those of 1922 and 1958. Both of these years mark a sharp political transition in the province. The first marks the election of the U.F.M and the establishment of a rural dominated government and administration. The second, 1958, marks the collapse of this system with the election of

an urban orientated administration pledged to modernizing the province.

In his interpretation of these events, W.L. Morton saw this process as being almost inevitable. The system established by Bracken and the U.F.M in 1922 held within it "inherent limitations". For years responsible government was impaired by a continuing confusion of government with administration. As Morton argues

The task of democratic government, to lead, inform, and inspire, had been deliberately neglected by ministers who bound themselves to their desks, doing the administrative work which should have been left to their departments. And the same ministers, largely trained in municipal affairs, reduced provincial government to municipal administration. (1)

The long stifling of debate on political principle, the long insistence on administration rather than politics, had ended in a groove of routine, an incapacity to comprehend opposing points of view, or to envisage new opportunities and new lines of advance. (2)

If Morton is correct, and this indeed was the process that occurred, then the next question that must be asked is when this stagnation and inertia began. The conclusion of this thesis is that the decline of the system established in 1922 did not begin in earnest until after the departure of Garson in 1948.

John Bracken and Stuart Garson shared similar views on

many issues ranging from federal-provincial policy and debt reduction on down. The one issue on which the documents suggest diverging views, that of the coalition, is central to the argument that Morton makes. But politics were not as "stifling" under Garson as they were in the final years of Bracken's tenure. Political debate continued as the C.C.F constantly attacked the government on issues such as health insurance, public housing, and penal reform. The government coalition vividly shot back in as partisan a manner as any party would exhibit. Such attacks were prevalent during the 1943 by-elections and the 1945 provincial election.

Stuart Garson's commitment to the coalition was a tactical move to maintain the dominance of the Liberal-Progressive party. In his correspondence with Thomas Crerar, Garson clearly made this case. Later when members of his own party indicated a desire to abandon the arrangement he calmly and shrewdly pointed out that the system favoured incumbents. The Liberal-Progressives, with the largest number of members in the legislature, thus had the most to gain by the perpetuation of the agreement.

This utilitarian view had some ideological basis however. Garson did not wish to maintain the Liberal-Progressives in power because he was solely interested in who received patronage. His determination to keep his party in power was

the result of his lifelong commitment to liberalism and to Liberal ideals.

These ideals led to his desire to restructure federal-provincial relations in order to provide the funds needed to make the idea of equality of opportunity a reality. As a realist Garson knew that the province could not provide these services by itself. At the same time it was his desire to secure for Manitoba a measure of economic stability. His chief accomplishment as Provincial Treasurer was the steady reduction of the provincial debt.

When Garson picked up the province's purse strings in 1936 all of the western provinces were struggling to carry their debts. Manitoba narrowly averted default in 1939 and after that Garson acted on the theory that when revenues are high the public debt should be reduced. He took full advantage of the revenue windfalls that occurred during and after the war to make record reductions in the debt. By the end of the 1948 fiscal year the total gross debt of the province was \$92 million. This was a reduction of 28% from the province's peak debt of \$130 million in 1940 (3).

The Premier's concern with the debt also was in line with modern Liberal thinking. Garson's position was that he was simply taking advantage of the prosperity of the post-war

years to pay off the debts incurred during the Great Depression (4). Such an action was completely in keeping with the theory of cyclically balanced budgets.

With regard to federal-provincial relations, the agreement that Garson did finally get in November 1946 was not what he had wanted. Without the implementation of Rowell-Sirois many of the progressive programmes which were alluded to at earlier times became an impossibility. The success of debt reduction but the failure of the federal-provincial policy thus produced the conditions that resulted in the conservative label attached to this era in Manitoba political history.

## ENDNOTES

- 1 William L. Morton, Manitoba: A History (Toronto: University of Toronto Press, 1957), p. 464.
- 2 Ibid., p. 464.
- 3 Winnipeg Free Press, 15 November 1948.
- 4 Queen's University Archives, Grant Dexter Papers, Box 415, Dafoe to Dexter, 20 October 1945.

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