



*An Item of Interest
from your
Information Committee*

THE NAVAL OFFICERS ASSOCIATIONS OF CANADA

THE DAY THEY NEARLY SANK THE NAVY

by D. C. WATT

WITH ITS SIXTY-TWO commissioned ships, including the aircraft carrier *Bonaventure*, and its 21,749-man authorized strength, the Royal Canadian Navy now ranks among the first of the minor sea powers. Yet less than thirty years ago, six years before Hitler's war in fact, the Canadian Government nearly succeeded in abolishing it entirely. This is the story of how they failed.

The hero is still alive, 86-year-old Rear-Admiral Hose, then Commodore and head of the Naval Service. The apparent enemy was the civilian Cabinet and the Canadian Treasury, the real enemy the great depression which seemed to the orthodox economists of government and business alike to demand major cuts in Canada's 1933 budget, already appropriated, voted on and in part already spent. Not that the economists were altogether



Rear-Admiral Walter Hose, then Commodore, set forth the need to defend Canada's trade on the seas, and carried through the battle that saved the Navy.

wrong in their general analysis. The yield from taxation had fallen so much that only very heavy increases could have maintained the income of the Federal Government at the level necessary to cover its expenses. Cuts had already been made in both federal and provincial expenses. However, the attack on the Canadian Naval Service was led not so much by orthodox economists as by the advocates of that brand of economy-mongering which is closest to pacifism, as if a million-dollar business were to economize by dispensing with its night watchman and security patrols.

The Treasury Board moved at the end of May 1933 in a letter to the Ministry of Defence. Total National Defence expenditure was to be cut by three-and-a-half million dollars, of which two million was to be cut from the Naval Service estimates. These had already been passed

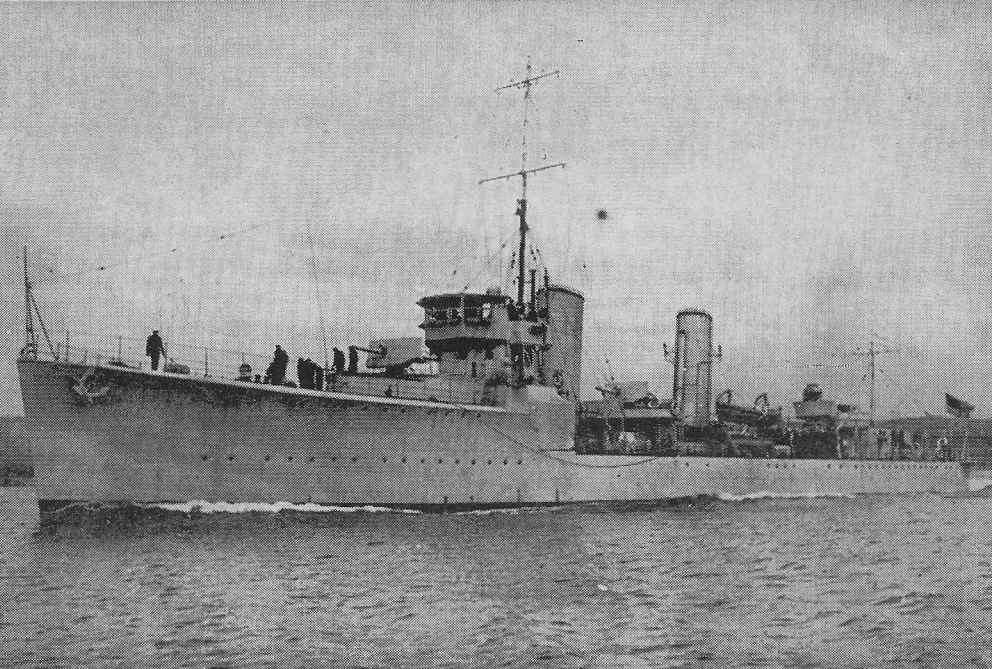
at the figure of \$2,422,000. Now they were to be reduced to \$422,000, one-sixth of the original figure, most of which had already been spent.

The afternoon the fatal letter was received Commodore Hose met General McNaughton, Chief of the General Staff. He soon found that there was no help to be expected in that quarter. Fearful that any reduction in the proposed cuts in the Naval Service would simply be transferred to the Army and Air Force budgets, General McNaughton, hitherto a staunch supporter of the Naval Service, had changed his views entirely. He proved quite prepared to throw the Naval Service to the wolves, if some of the remainder could be saved.

Deprived of this help, Commodore Hose weighed in with a lengthy memorandum (this most important battle in Canada's naval history was largely fought with paper cannon) in reply to the Treasury. He pointed out that as one-sixth of the year 1933 had passed, practically no funds would be left to run the Canadian Naval Service for the remainder of the year, and it would have to be disbanded. But even the costs of its disband-

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Above, H.M.C.S. Champlain.

ment would come to more than the \$422,000 suggested. As a "basis of discussion", the Treasury proposal was outside the bounds of practicability.

At the same time Commodore Hose used the occasion to supply the Minister of National Defence with arguments to buttress his position in the cabinet. In doing so he set out the basic philosophy which then guided the Canadian Naval Service.

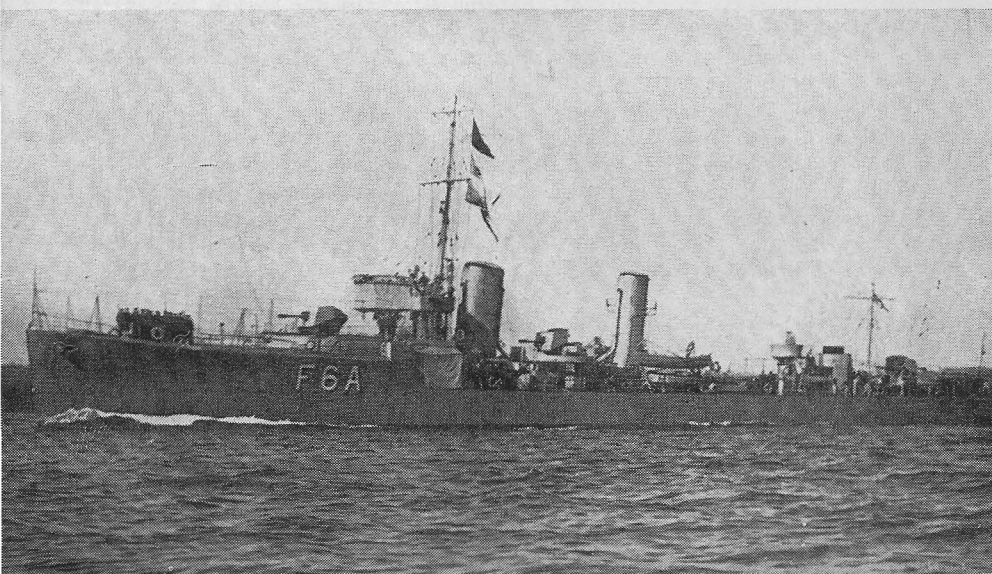
Canada, he pointed out, was 6,000 miles away from any possible enemy on the west coast, and 3,000 miles in the east. Any idea of invasion or territorial attack was absurd. On the other hand there was \$3,000,000 in Canadian trade afloat on the high seas every day of the year. "From the point of view of defence of Canadian national life, our trade and not our territory is the real object to be defended," especially the commerce along Canada's coasts.

Three factors, he argued, governed the size of Canada's navy. First was the need to insure against Canada being drawn into any outside war by assaults on

Canada's neutrality. Second was the need to defend Canada's trade should she be drawn into war. Thirdly, no navy, any more than an industrial concern, could be run effectively or economically below a certain minimum size. Lastly, he added, navies could not be improvised to meet sudden needs.

Those who serve the Treasury, however, are not easily deflected from their job. A fortnight later Hose and all the other heads of branches of Federal departments got a long questionnaire. What would be the effects of the cuts proposed at the end of May? If there was a five per cent cut in employees, how many would have to be retired, and could this be done without impairing any essential service? What would be the effects of a general cut of ten per cent in appropriations? And what would be the effect of the proposed 'further' cuts of \$1,884,960? At the same time the Civil Service Commission proposed that some of the Canadian Naval Service vessels should be laid up and their crews seconded to the Hydrographic Service.

Below, H.M.C.S. Vancouver.



Hose had his answers ready and stuck to his guns. The proposed reductions could only mean that from July 1 the Royal Canadian Navy would have to be disbanded and its ships disposed of. He pointed out in addition that the four Canadian destroyers, *Skeena*, *Saguenay*, *Champlain* and *Vancouver*, formed part of the total allotment of destroyer tonnage permitted to the entire Commonwealth by the London Naval Disarmament Treaty. The Treasury remained unimpressed.

The efforts of Hon. Dr. Donald M. Sutherland, the Minister of Defence, however, secured Hose a hearing before the Treasury Board a few days later. In the meantime Hose had called in Rear-Admiral the Hon. Sir R. A. R. Plunkett-Erle-Drax of the Royal Navy, Commander-in-Chief America and West Indies station, then on a courtesy visit to Canada, for help. Admiral Plunkett-Erle-Drax was far too well versed in the constitutional proprieties to wish to intervene in a matter of Canadian internal politics.



"The efforts of Hon. Dr. Donald M. Sutherland . . . secured Hose a hearing before the Treasury Board". The Minister of Defence came to the Commodore's rescue during the questioning.

But he was able to point out to Rt. Hon. Sir George H. Perley, the acting Prime Minister, that the other naval powers had steadfastly refused to recognize the separate existence of the navies of the individual members of the Commonwealth and that as a result any Canadian action in reducing the size of the Canadian navy would affect the security of other members of the Commonwealth. He was also able to explain to Sir George and other ministers the very deep anxieties felt by the British Admiralty as to the naval weakness of the British Empire, with Japan on the loose in the Pacific and Germany rearming under Hitler.

All this, however, was just a preliminary to the main engagement, the action of the scouting fleet, the firing of the range-finding salvos. The main battle was joined on the afternoon of June 23, 1933. On the one side was Commodore Hose, with Dr. Sutherland as a benevolent neutral;

on the other side the heavy political guns of Sir George Perley, Hon. Hugh Guthrie, Hon. Dr. Robert J. Manion and Hon. Alfred Duranleau, all cabinet members, all hostile. Sir George opened fire first. In all, \$14,000,000 had to be cut from the budgets of the various Federal departments. How was it that the Navy, according to Hose, could only cut a mere \$200,000 from its appropriations?

Commodore Hose replied with a counter-salvo. Any further reductions would make it most uneconomical to run the Navy at all, as overhead charges would be out of all proportion to the output of defence value, he said, choosing a metaphor from industry. The Service, he went on, was not in a state of sea-going or fighting efficiency as it was, and could certainly not stand any further impairment.



Rt. Hon. Sir George H. Perley, acting Prime Minister, asked Commodore Hose what he would do if the Prime Minister decreed that the budget was to be cut by the amount in question. The Commodore said he would resign.

"What would you do if the Prime Minister issued an edict that \$600,000 was to come off?" asked Sir George.

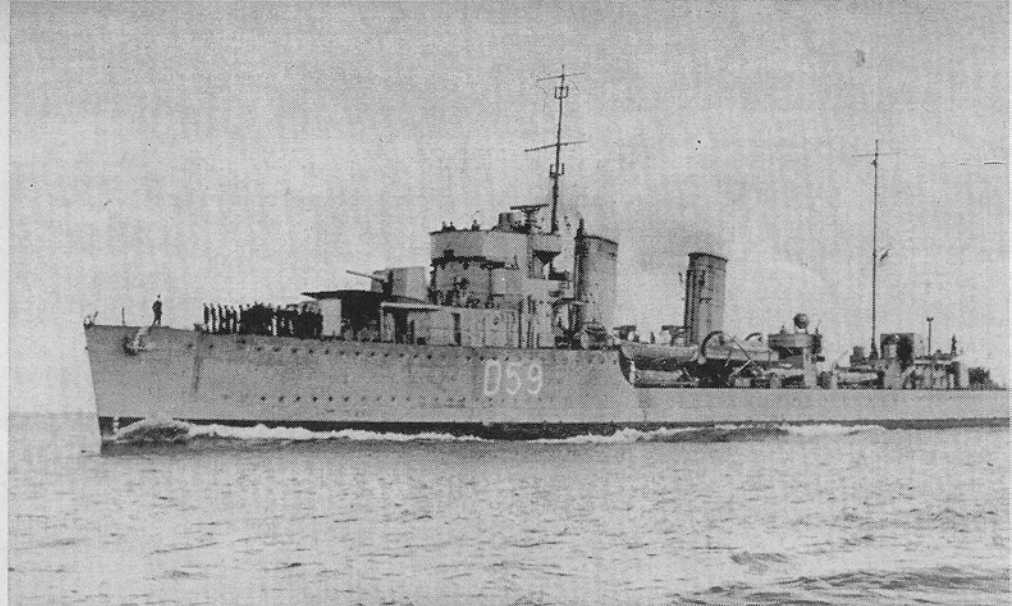
"I regret that I should have to state that I had been told to do the impossible, and that I could not possibly accept any responsibility for the proper conduct of the Service," replied the bluff Commodore.

"Do you mean", said Sir George, "that in such an event you would resign?"

"You have put me a very serious question. I would never have used such an expression on my own initiative at this moment," replied Hose, retreating a little before the impact of this salvo.

"Yes, I quite understand that", said Sir George, "but would you feel compelled to resign?"

Hose must have paused a moment to consider his reply. If he said yes, then there was always the chance that Sir George would accept his resignation. He had been in the naval service since 1890 when he joined the Royal Navy. He had



Above, H.M.C.S. Skeena.

been with the Royal Canadian Navy almost since its inception, joining in 1912. In 1914 he had sailed a 20-year-old training cruiser armed only with training shell to "seek and engage" two of Germany's most modern light cruisers, the *Leipzig* and the *Emden* off San Francisco. He had been head of the Naval Service since 1922. The sea was almost literally in his blood, as he had been born at sea. All that now hung in the balance. But he carried heavier shot now than in 1914, and his courage was still undaunted.

"I then said", he later wrote, "that the only answer I could give to such a categorical question was in the affirmative; my reasons being that I was convinced that any further reductions beyond what I had carefully worked out were bound to result in such inefficiency and such demoralization of the personnel that there was bound to be disaster; that if I continued to hold office and to draw my salary, I should still be responsible for the good order and proper conduct of the service and could not evade my share, and a big share, of condemnation for accepting a situation which I had realized would result in the collapse of discipline and morale, and possibly danger to life."

This salvo landed bang on the target. Sir George was clearly not happy at the thought of the political capital which his enemies could make out of Hose's resignation. He broke off the engagement hastily. Dr. Manion, however, was less wise.

"Ten years ago, Commodore Hose," he remarked, "you accepted a much larger cut than twenty-five per cent, and buckled to and did the best possible to make it work. Would it not be a more patriotic thing to do that now rather than say you will quit?"

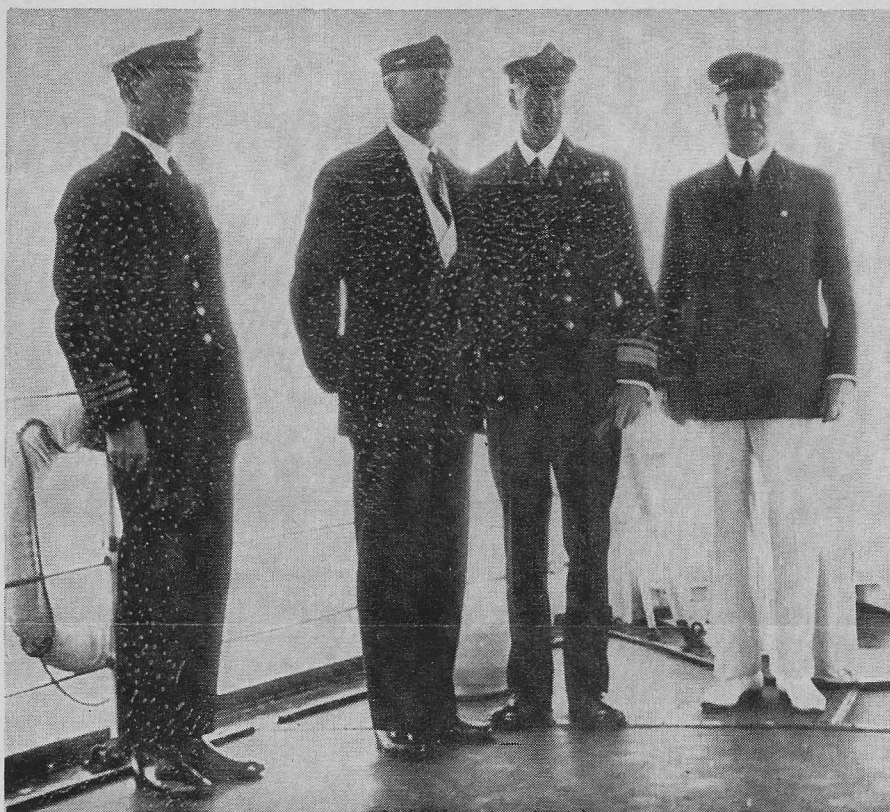
Dr. Sutherland came to Hose's rescue. "That is hardly putting the Commodore's attitude fairly," he said.

"Perhaps I spoke more brusquely than I meant," returned Dr. Manion, his fire partly drawn. "I did not intend to be in the least bit nasty, only to ask if Commodore Hose could not see his way to adopting the same attitude today as he did ten years ago."

Hose replied that ten years ago the cut was from \$2,500,000 to \$1,500,000; that the ships involved had been presented to Canada by the British Admiralty and could be returned; and that there were only 500 men in the service, of whom only fifty were Canadians, the remainder being

Below, H.M.C.S. Saguenay, the first warship custom-built for the Royal Canadian Navy.





Left to right above, aboard H.M.C.S. Skeena, in 1932, are; Commander G. C. Jones (later Vice-Admiral and Chief of Naval Staff), commanding officer of the Skeena; the Earl of Bessborough, Governor-General of Canada; Rear-Admiral the Hon. Sir R. A. R. Plunkett-Ernlle-Erle-Drax, Commander-in-Chief America and West Indies, and the Hon. J. W. Fordham-Johnson, Lieutenant-Governor of British Columbia.

seconded from Britain. "Today, we have ships which cost the Canadian taxpayer some seven to eight million dollars; our complement is nearly 900 in the permanent force, and all but fifty of these are Canadians who have devoted their life and training to the Service."

"I am entirely satisfied with your answer, Commodore Hose," said Dr. Manion, returning to the attack, "but I would still like to know why you could not lay up the ships for a bit."

"You cannot lay up ships and keep the men trained. Think for example of the skill and constant practice required in manoeuvring destroyers in close order and at high speed," returned Hose.

Dr. Manion then threw up his hands and gave up the fight. "I'm convinced," he said. "You've made a clear case to me. I have nothing more to say." He turned then to the others present and continued: "I am a pacifist by reason and inclination. But I can see and regret that in the present state of international affairs it appears unavoidable that Canada must have some defences."

Hose seized this opportunity to turn Manion's defeat into a complete rout. The naval force which the Service desired, he said, was, under existing conditions, the only guarantee against being drawn into a war between the United States and Japan, an event which did not seem at all impossible in the conditions of 1933. Without an effective naval patrol to pre-

vent the perpetration of unneutral acts on Canada's Pacific coast, Canada and the whole Commonwealth with her would be drawn into war. What he feared was the use by Japanese submarines and light surface raiding forces of the many possible anchorages on the Canadian Pacific coast for attacks on American communications with Alaska in the north or American coastal trade in the south.

Finally he emphasized that as Canada's destroyer forces were by treaty part

Hon. Dr. Robert J. Manion, a persistent opponent of the Navy budget, was first to concede to Commodore Hose's arguments.



of the whole destroyer force of the Commonwealth, if Canada was unable to maintain them, it was only fair to Canada's partners in the Commonwealth to open negotiations with the British Admiralty for the transfer of these destroyers with at least a proportion of their crews to the Royal Navy.

This last salvo, as he well knew it would, brought the other side to strike their flag and surrender. No Canadian government could for a moment contemplate handing over ships and men to the British Admiralty. It would raise far too large issues politically.

Sir George Perley proposed therefore that the Board should accept Commodore Hose's view. It was impossible to cut more than \$200,000 from the Navy. The Board agreed unanimously. Sir George then turned to Hose.

"Well, Commodore", he said, conceding victory most magnanimously, "you have put it across all of us. Now you had better go and find that admiral"—alluding to Admiral Plunkett-Ernlle-Erle-Drax—"and give him a drink."

So Canada's Navy was saved, to meet and help defeat the U-boat menace in the Second World War, to be built up into the important component of NATO's Atlantic fleet that it is today. Rear-Admiral Hose could so easily have put a foot wrong. The least hesitation in meeting Sir George Perley's question on resignation, and the edict to cut \$600,000 from the appropriation would have been issued. Dr. Manion's point on the 1922 cuts was potentially even more dangerous. In 1922 Hose had yielded to a Liberal government what he now seemed to be denying to the Conservatives. If Hose had not believed ardently in the officers and men of the Service and in a truly Canadian Navy, and expressed his belief so wholeheartedly, he, and the Navy with him, could so easily have been accused of political bias. Lastly, both he and the British Admiral had to be extremely careful with the question of the Canadian contribution to the Commonwealth's destroyer quotas, as it had only been with the utmost reluctance that Canada has abandoned, at the disarmament conference, her claim to a separate quota, in the face of the total refusal of the United States to accept any agreement which did not count the fleets of the individual members of the Commonwealth as a whole.

In 1961-62 Canada's Navy estimates were over \$270,000,000. Even the R.C. M.P. has a larger fleet, numerically, than all Canada had in 1933. Destroyer escorts, frigates, minesweepers, a submarine—62 ships in all—carry the flag of the Royal Canadian Navy on the high seas. How many of their officers and crews know of the attempt made not so long ago to sink their Navy when war was only six years off, and of the debating victory that saved it?