

HOW DID CANADIANS RESPOND TO THE GREAT DEPRESSION?

VOICES

Nobody could tell exactly when it began and nobody could predict when it would end. At the outset, they didn't even call it a depression. At worst it was a recession, a brief slump, a "correction" in the market, a glitch in the rising curve of prosperity. Only when the full import of those heartbreaking years sank in did it become the Great Depression.

—Pierre Berton, writer and historian, in *The Great Depression: 1929–1939*

After 1923, the economy of some parts of Canada prospered, and many people believed that the good times would continue. On the basis of this expectation, some people had borrowed money to buy homes, farms, automobiles, household appliances, and stocks. And many manufacturers had also produced more than was realistically needed to meet the market demand.

But in 1929, a depression started. Many people lost their jobs and could not pay their debts. When this happened, companies that had lent the money also suffered. They could not pay their bills, and many went out of business. Manufacturers were left with large inventories of products that few people could afford to buy.

Farmers and companies that relied on sales to the United States were equally hard hit. The U.S. economy was also suffering, and American markets for Canadian goods were disappearing. The economic hard times became a worldwide phenomenon.

Young people were particularly affected by the downturn. Many were forced to put their lives on hold when they couldn't find jobs or afford to get married.

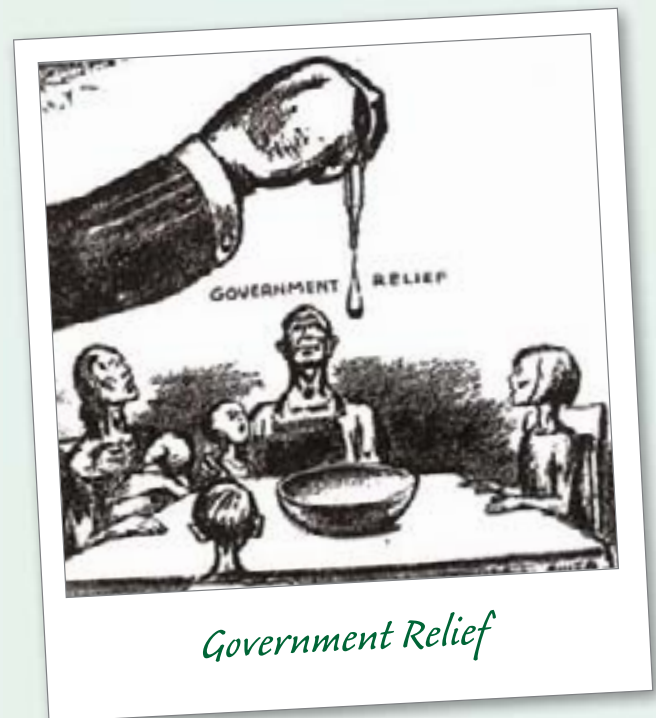
PICTURING SOCIAL AND ECONOMIC CHANGE

	Not a safe place.
	Kind man lives here.
	Dangerous neighbourhood.
	Kind woman lives here. Tell a sad story.
	Good place for a handout.
	Nasty dog here.

Communication and Community

Figure 6-18 During the Depression, people who were homeless often wandered the country looking for work. Called tramps or hobos, they would use chalk or charcoal to draw symbols on fences, the walls of buildings, and railway bridges to tell others about conditions in a neighbourhood. What conclusion(s) about community could this evidence help you reach?

Figure 6-19 Canadian governments — federal, provincial, and municipal — offered little help to desperate families. In July 1933, a Toronto newspaper called *The Worker* published this cartoon. What does this cartoon reveal about the cartoonist's values and worldview?



Government Relief

THE STOCK MARKET CRASH OF 1929

The Great Depression had many causes, but historians generally agree that the 1929 stock market crash was one of the most immediate. That September, people had begun selling their stocks on the New York, Montreal, and Toronto exchanges, but financial experts had said that the markets were “fundamentally sound” — and politicians repeated these reassurances.

On October 4, the Toronto stock exchange lost \$200 million in value. Again, experts and politicians reassured the public. On October 24, 400 000 shares were traded on the Montreal stock exchange, which sold about 25 000 shares on a normal day. Most stocks sold at a loss as sellers began to panic. On the same day in New York, 12 million shares were sold.

On October 28, the value of shares on the Toronto stock exchange fell by \$1 million a minute. The next day — known as “Black Tuesday” — the price of stocks in New York, Montreal, and Toronto continued to plummet as sellers tried desperately to cut their losses.

...CONNECTIONS...

Not everyone suffered during the Depression. James Henry Gray, a reporter with the *Winnipeg Free Press*, earned \$20 a week. Low prices meant that his family of three could live well on this amount. “Rents were depressed, and clothing prices were unbelievable,” Gray wrote in a memoir. “Our three-roomed suite cost us \$15 a month, and later we were able to pick and choose among five-room bungalows renting for \$25 a month. Few of us ever paid more than \$21.50 for a two-pants suit, or more than \$20 for a warm and wearable coat.”

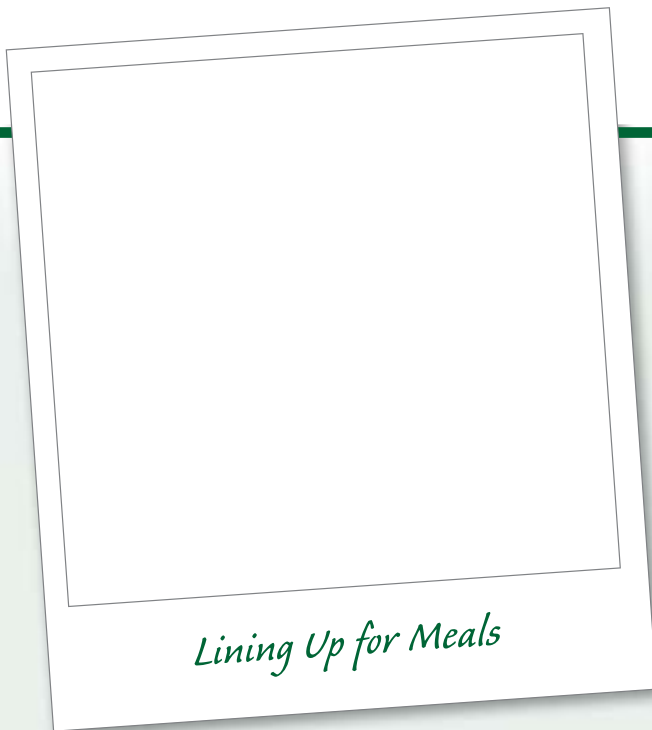


Figure 6-20 In 1934, 130 000 people in Toronto were on relief — government support — at a time when the city’s population was about 631 000. The people in this photograph were lined up for a free meal prepared by a charity. What evidence might the photographer have been trying to gather when this picture was snapped?

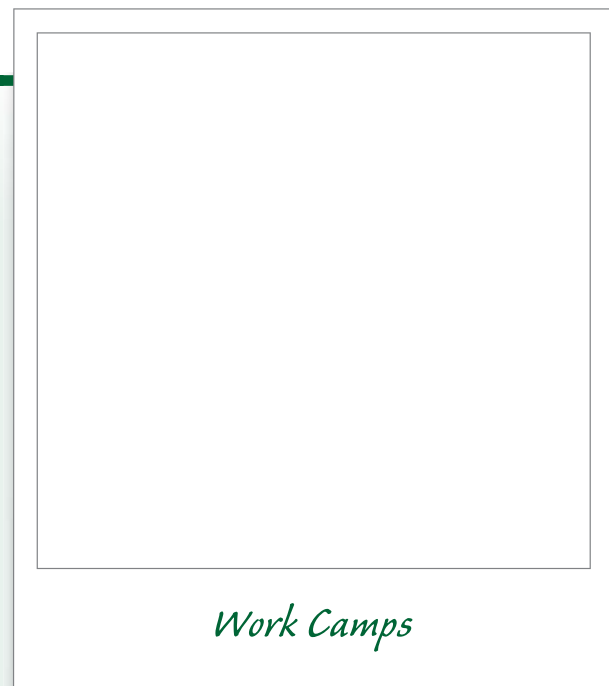


Figure 6-21 The government set up relief camps, like this one in Harrison Mills, British Columbia, for single unemployed men. The men lived in bunkhouses and were given three meals a day, work clothes, medical care, and a 20-cent daily wage. They worked long hours at jobs such as building roads and planting trees. What inferences does this photograph help you make about conditions during the Great Depression?

Figure 6-22 This photograph shows what was left of a Manitoba grain field after a grasshopper infestation. Grasshoppers eat the ear, which contains the grains. Without the ear, the crop is worthless.



REGIONAL DISPARITIES

Canada’s growing trade ties with the United States meant that when the American economy collapsed, Canada, too, was forced into a depression. All parts of Canada suffered, but times were toughest on the Prairies and in the Maritimes. **Regional disparities** — differences in resources, income, wages, and jobs — meant that these areas were not as well-equipped to weather the economic storm.

On the Prairies, falling wheat prices, followed by years of drought, dust storms, and grasshopper infestations, destroyed agricultural production in large areas. In addition, record grain yields in other parts of the world had pushed global wheat prices down.

In the Maritimes, people suffered economically when markets for the region’s main exports — fish and lumber — dried up. In British Columbia, slowdowns in the fishing and mining industries threw many people out of work. Unemployment rates in that province grew as workers from across Canada arrived looking for jobs that did not exist.

MAKING HISTORY

A Teenager during the Depression

Gwyn “Jocko” Thomas and his brother, Gregg, grew up during the Depression. Their father, Richard, was a mason from Wales. In better times, Richard had built the family home on Clinton St. in Toronto, but as the economic downturn worsened, he could not find work. So, like many other unemployed workers, Richard started looking farther afield. His search took him to Cleveland and Philadelphia.

This left Thomas’s mother, Helen, to manage the household alone. “I remember my mother saying that she mortgaged the house until the mortgage company wouldn’t give her any more,” Thomas told the *Toronto Star*.

Finally, his mother was forced to ask for government relief. “In those days, welfare was not cash money,” Thomas said. “They gave you a

Figure 6-23 Gwyn “Jocko” Thomas in 2009. For more than 50 years, Thomas worked as a crime reporter for the *Toronto Star*.



certificate. And you could take it to the grocery store and you could get turnips and potatoes.”

The family lived near a grocery store, but Helen’s pride prevented her taking the relief certificate there. She knew that the grocer was a gossip who would spread the news that the family was on welfare.

She was ashamed, Thomas said. “Ashamed to live on somebody else’s expenses.”

EXPLORATIONS

1. What new evidence about life during the Depression does Jocko Thomas’s story provide?
2. The Thomas family was far from alone in seeking help. In 1933, the national unemployment rate stood at

27 per cent — and employment insurance did not exist. Why do you think Thomas’s mother was ashamed to admit that the family needed government help? For the Thomas family, what might have been the single most significant effect of the Depression?

SASKATCHEWAN IN THE 1930S

In the 1920s and 1930s, wheat was Prairie farmers' major crop. Wheat production was particularly intense in Saskatchewan.

During World War I, wheat prices had risen. In 1919, the price reached a high of \$2.37 a bushel and Saskatchewan farmers prospered. But after the war, other countries produced bumper wheat crops and placed tariffs on grain imports to protect their farmers. As a result, prices started to fall and continued to drop through the 1920s and into the 1930s.

By 1928, the price of a bushel of wheat was 80 cents. Although the price rose to \$1.05 in 1929, by 1932, it had dropped again — to 35 cents. Many Saskatchewan farmers had trouble breaking even. Some went bankrupt or abandoned their farms when they could not meet their expenses.

C&C Examine Figure 6-24 and relate the value of the wheat crop to the economy in general. Find out the price of wheat today. Is there a similar relationship between today's price and the economy in general?

As early as 1928, there was less rainfall in the Prairies than in previous years. By 1931, vast areas of farmland had been hit by drought, dust storms, and high temperatures. In July 1936, after a bitterly cold winter, temperatures climbed above 38°C and no rain fell. The strong Prairie winds blew the loose, dry topsoil off millions of hectares of farmland. Huge dust storms turned daylight to blackness, blew into houses down chimneys and through cracks, and covered roads, railway tracks, farmhouses, and fields.

When the winds died down, swarms of grasshoppers arrived and ate any stalks of wheat still standing. The grasshoppers sometimes even ate clothes that had been hung outside to dry. In that one year, 14 000 farmers who had no crops to harvest and no money to make their mortgage payments abandoned their farms.

Figure 6-24 Estimated Field Crop Values in Saskatchewan, 1925–1939

Year	Value
1925	\$368 000
1926	\$309 000
1927	\$348 000
1928	\$349 000
1929	\$235 000
1930	\$136 000
1931	\$70 000
1932	\$98 000
1933	\$76 000
1934	\$96 000
1935	\$114 000
1936	\$142 000
1937	\$52 000
1938	\$101 000
1939	\$190 000

Source: *Canada Year Book*, 1931, 1934–35, 1937, 1940, and 1942. Canada, Dominion Bureau of Statistics, General Statistics Branch.

Figure 6-25 A dust storm at Fort Macleod, Alberta, during the 1930s.



GOVERNMENT RESPONSES TO ECONOMIC CONDITIONS

.....CONNECTIONS.....

The Great Depression by the Numbers

Unemployment Rate

- 1929: less than 3 per cent
- 1933: 27 per cent

Business Profits and Losses

- 1929: \$398 million in profits
- 1933: \$98 million in losses

Exports

- 1933: had dropped by half since 1929

When the Depression began in 1929, Prime Minister William Lyon Mackenzie King's Liberal Party was in power. In the campaign leading up to the 1930 federal election, unemployment was a major issue — and R.B. Bennett, the Conservative leader, promised to fix the problem. The Conservatives won the election by a large majority, and Bennett remained prime minister for the next five years, the worst years of the Depression.

Bennett opposed spending federal money on relief programs for unemployed workers and their families. His government claimed that providing relief was a provincial and municipal responsibility. Provincial governments claimed that it was a federal and municipal responsibility. And municipal governments said they did not have the resources to handle the problem on their own. They pleaded with the provincial and federal governments for help.

To protect Canada's manufacturers, Bennett's government raised the tariff on imports. But the U.S. and other countries also increased their import tariffs. As a result, Canadian exporters of resources such as wheat, lumber, and fish were unable to sell their products.

As the economic situation worsened and hundreds of thousands of workers, farmers, and fishers lost their income, some Canadians began to demand government action.

THE ON-TO-OTTAWA TREK

During the 1930s, thousands of mainly young, unmarried men rode freight trains across the country looking for work. In 1932, General Andrew McNaughton, a World War I veteran who had fought at Vimy Ridge, suggested that relief camps be set up in remote locations, especially northern B.C. and Ontario. Bennett followed this advice, and men who had no alternative began working to clear trees, build roads, and carry out other manual labour. But they often lived in crowded, poorly constructed shacks.

In April 1935, many of the men in the B.C. camps staged a walkout to demand better working conditions and higher wages. They left the camps and walked or hitched rides to Vancouver. There, they planned to jump on freight trains to take their case to the prime minister in Ottawa. Over the next two months, 1500 men gathered in Vancouver, where they held rallies and collected money for food.

Many people in Vancouver and along the route across the West supported the men. When the trekkers arrived in Golden, B.C., for example, townspeople were waiting with huge pots of stew. In Calgary, people donated food and supplies, and CPR officials showed the trekkers how to board the trains safely.

Figure 6-26 Hundreds of unemployed workers climbed onto freight trains for the On-to-Ottawa Trek. How does this photograph provide evidence of the workers' desperation?



THE REGINA RIOT

By June 14, 1935, 2000 trekkers had reached Regina, Saskatchewan — and the federal government was determined to stop them there. Bennett did not want more unemployed workers to join the trekkers as they crossed the country. So he agreed to meet trek leaders in Ottawa if the rest of the trekkers would stay in Regina. Bennett agreed to pay for their food while they waited for their leaders to return.

The Ottawa meeting failed to resolve anything. Bennett insisted that there was nothing wrong with the relief camps and that trek leaders were nothing but communist agitators. Bennett was determined that the trek and what he saw as a possible revolution in Canada would end in Regina.

At a public meeting in Regina's Market Square on July 1, Regina police and the RCMP tried to arrest the trek leaders. The day was a public holiday, then called Dominion Day, and many citizens had joined the trekkers.

When the police attacked, the crowd panicked. Some people overturned streetcars, broke store windows, and fought back against the police. By the time order was restored, one police officer was dead and hundreds of police and civilians were injured.

Within days, the trekkers left Regina to return — again by freight trains — to their homes or to the relief camps in B.C. They had gained nothing.

But in the 1935 federal election, William Lyon Mackenzie King's government was returned to power, and the relief camps were closed.

NEW POLITICAL PARTIES

During the Depression, some Canadians became disillusioned with the country's two traditional political parties: the Liberals and Conservatives. The Communist Party, for example, supported the idea that everyone should share equally in the profits of their labour, a philosophy that gained support in those tough economic times.

But the Communist Party never gained widespread support. Many Canadians were suspicious of communists. People feared that their goal was to cause a revolution like the one that had overthrown the Russian monarchy in 1917. Communists were often harassed by police, and people could be arrested and charged with being communist agitators.



Figure 6-27 On July 1, 1935, in response to police attacks, these trekkers used parts of a Regina city tar-making machine as weapons against the police and RCMP.

CONNECTIONS

During the 1930s, R.B. Bennett's government blamed immigrants, especially those from Eastern Europe, for creating social unrest. In the end, Bennett used a law forbidding communist agitation to deport about 30 000 people. The decision to deport could not be appealed. Communist Party leader Tim Buck, a British-born Canadian, was convicted under the same law and spent more than two years in Kingston Penitentiary.

CONNECTIONS

The CCF called for

- government ownership of banks and transportation facilities
- crop insurance for farmers
- medical services for all, provided by the government
- employment insurance and pensions for seniors
- foreign policies that promoted peace and co-operation

Figure 6-28 Many people poked fun at Social Credit's prosperity certificates, which they called "funny money." When someone used a certificate to pay for an item, the business pasted stamps on the back. When all 104 stamps were collected, the government redeemed the certificate for \$1. How would this help stimulate the economy?



CONNECTIONS

In the 1935 federal election, many voters were unhappy with Prime Minister R.B. Bennett's policies, but most were also unwilling to jump to a new party. Social Credit won 17 seats, and the CCF took seven. Some other ridings also went to short-lived fringe parties. But most voters chose the Liberals, and William Lyon Mackenzie King returned to power with a strong majority. The Liberals and Conservatives remained Canada's dominant political parties.

THE CO-OPERATIVE COMMONWEALTH FEDERATION

One of the most successful political parties to emerge from the Depression was the Co-operative Commonwealth Federation, which formed in 1932. The CCF's roots were in Western labour and farmers' groups.

CCF members wanted to dismantle the free enterprise economic system, which they believed had caused the Depression. Instead, they wanted to introduce **socialism** — an economic system based on government control of the economy so that all people could benefit equally.

The Regina Manifesto, which was approved by the membership in 1933, declared that the CCF would “eliminate the domination and exploitation of one class by another” and, through economic planning, provide all people with a “genuine democratic self-government, based upon economic equality.”

The CCF's first leader was J.S. Woodsworth, who had been a leader of the Winnipeg General Strike. Over time, CCF policies influenced federal governments to introduce many reforms, including employment insurance. In 1961, the CCF evolved into the New Democratic Party.

THE SOCIAL CREDIT PARTY

Another successful Western movement was the Social Credit Party, which was led by William Aberhart. Aberhart, who was often called “Bible Bill,” was an evangelical minister who wanted the Alberta government to give out payments of \$25 a month — a “social credit” — to every Albertan.

Aberhart believed the Depression would end if people had more money to spend. He was a powerful speaker who broadcast his message over the radio and at public rallies across the province. The idea of the \$25 credit appealed to people living in poverty, and Social Credit formed the government of Alberta in 1935. The party governed Alberta and British Columbia for many years between 1935 and 1992, and also gained a foothold in Quebec.

In the 1935 federal election, the party won most of the seats in Alberta and continued to be represented in the House of Commons over the following decades. In the 1970s, internal disputes divided the party, and it gradually disappeared.

THE UNION NATIONALE

In Quebec, Maurice Duplessis brought together rebellious factions of both the Liberals and Conservatives to form the Union Nationale. This new provincial party focused on issues that concerned francophones and attracted voters because of its reform agenda, which included higher minimum wages and a provincially owned hydroelectric system.

In 1936, the Union Nationale formed the government in Quebec and Duplessis became premier. He remained in power for most of the time between then and his death in 1959.